C O P Y

SALT LAKE CITY, UTAH

April 29, 1925

Mr. Wm. Wraith
Room 1825
25 Broadway
New York, N. Y.

Dear Sir:

Mr. Elton has handed me Mr. H. R. Tunnell's letter to you dated April 25th. In this letter Mr. Tunnell discusses the ore reserve question at the Walker mine, and apparently he is much in doubt as to whether or not the Walker mine will be able to produce three percent ore over a period of five years for the reason that the developments on the North ore body are insufficient to assure a large tonnage of two percent ore.

I agree with Mr. Tunnell that this North ore body is not much more than indicated by the present status of development and that a great deal of work will be necessary to prove whether or not a large tonnage of two percent ore exists. I have commented upon this feature of Walker developments many times in the past. I think I have always argued that there was a good chance that a complete development of the ore body might bring its grade as low as 1.8 percent copper, or possible by reducing the tonnage, the grade might be 2 percent or possible slightly higher than that.

When I was in New York in February I left with you a longitudinal section of the Walker mine on which was shown the approximate outline of the North ore shoot. You will note from Mr. Tunnell's letter that he is starting in his development of this ore body between Raises 752 and 761. You will note from our longitudinal map that number 752 raise lies to the south of the ore body as we have determined it. The only comment I have to make here is that Tunnel should develop this ore body northerly from 761 Raise rather than to the south because 615 crosscut of the 600 level shows the vein to be poor between Raises 752 and 761.

Mr. Tunnell also submits a plan of proposed exploration work of the north end of the Walker vein by diamond drilling from the surface.

Mr. Arietta suggests that this diamond drilling is needed to locate the ore body in order that the 600 level work can be extended more intelligently in search for ore. The cost of the drilling is estimated at $5,000.

I see no justification whatever for doing this diamond drill work for the following reasons:

1st. The 600 level is already as far North as the proposed location of the most southerly drill hole.

2nd. There is no certainty that ore underlies this outcrop.

3rd. Whether or not the diamond drilling is done from the surface it is absolutely certain the 600 level work will have to be done, that is crosscuts will have to be extended easterly and westerly at or near the present face of the 600 level north. These crosscuts, with a certain amount of drifting, will show whether or not there is any ore in the ground. In my judgment the cost of the diamond drilling is a needless expense.

Mr. Arietta suggests 1200 feet of drill hole at a cost of $5,000. When it is remembered that the Walker company does not own its own diamond drill equipment, I feel more or less certain that the work cannot be done for $5,000, which is at the rate of slightly more than $4.00 per foot.

I think it much wiser for the Walker mine to expend the estimated cost of the diamond drill program on underground work. Apparently the main Walker vein has played out in the north end of the present 600 level workings. Whether it will appear again is problematical. Rather than poking around over the surface with a dimaond drill to find something which may not exist, I would rather extend the 600 level several hundred feet to the north to be followed by crosscutting easterly and westerly or in whichever direction it is deemed most advisable.

Very truly yours,

RHS/P

CC: JOE

(Signed) Reno H.Sales

ROOM 1825
25 BROADWAY
NEW YORK

April 25, 1925.

Mr. Reno H. Sales,
Anaconda Copper Mining Co.
Butte, Montana.

Dear Reno:

You will recall the large outcrop on the north end of the Walker property. If this outcrop was extended on the average dip of the Walker vein where would it be located on the 6th level, in reference to the location of the present vein on the 6th level?

Yours very truly,

WmWraith/J

INTERNATIONAL SMELTING COMPANY

PAUL BILLINGSLEY
TOM LYON

GEOLOGICAL DEPARTMENT
KEARNS BUILDING

SALT LAKE CITY, UTAH,

March 5, 1925

Mr. R. H. Sales
526 Hennessy Bldg.
Butte, Montana

Dear Sir:

While here you expressed a desire to know the average of the samples taken in the north drift 600 Level of the Walker Mine. I have taken the average from a point where the drift passes out of the vein on the north end back to the point where I assumed the southern end of the two percent ore body would be. I find that the average of all samples is 2.005 percent copper.

Very truly yours,

Tom Lyon

TL/P

MEMORANDUM

WALKER MINING COMPANY

Mr. J. R. Walker showed me a telegram yesterday from Mr. George Bradley of San Francisco, one of the minority stockholders of the Walker Mining Company. This telegram advised Mr. Walker not to consider any extension of the present ore contract between the Walker Mining Company and the International Smelting Company until Mr. McNab of the Mason Valley Company, had a chance to bid, because Mr. McNab had promised a very material reduction in rates and was ready to accept ore now and would ship it to his Arizona smelter until the Wabuska Smelter could be gotten ready.

The Wabuska people are trying to start something. Mr. Walker is afraid of concerted action by minority stockholders unless some means is found to give them dividends before long. Mr. J. R. Walker sometime ago proposed that $40,000 per month be paid in dividends and all the rest of the earnings be used to reduce the debts of the International Smelting Company. My feeling is that Mr. Walker is right. I do not think we can afford to have any trouble started now because of the fact that we are in business here and should not permit anything to happen that will hurt our standing.

Mr. Walker told me that he will favor extending the present contract if some way is found to satisfy the minority stockholders. Dividends are about the only thing that will do this.

J. O. Elton,
February 12, 1925.

Report for the Year Ending December 31, 1924

February 6, 1925

Mr. Wm. Wraith, Vice President
Room 1825,
25 Broadway,
New York, N. Y.

Dear Sir:-

I beg to submit a resume of operations at the Walker Mine for the calendar year ending December 31, 1924, January 1st to December 31st, 1924, inclusive.

The report given below covers operations and changes in the Mine, Mill and Spring Garden Tram Line, and new construction and improvements in the camp for the year.

MINE

* Broken Ore Reserve January 1, 1924		148,159.5 Tons
Average grade:	4.12% Co.	
Average cost:	$1.60 per ton	
Ore broken for the year	251,224 Tons	
Average grade:	3.96% Cu.	
Average cost:	$1.5342 per ton	
Ore delivered to the Mill for the year	206,023.4 "	
Average grade:	3.614% Cu.	
	$0.5857 per ton	
Net increase of broken ore for the year		45,200.6 Tons
Broken Ore reserve December 31, 1924		193,360.1 Tons

*The report for the year ending December 31, 1923 gave the amount of broken ore January 1, 1923 as 78,125 tons. This figure included 74,458.5 tons of broken ore in stopes, and 3,666.5 tons held in stock pile. Monthly cost sheets show the stock pile was charged off in June, 1923.

A copy of the table submitted by the Geological Department, and a tabulation of breakage by months by our Engineering Department, is appended to this report. The following figures are taken from these tables:

Broken Ore Reserves in Stopes, tons (Geol.Dept.)	195,904
Total Ore Reserves, tons,	1,383,097
Total Ore Broken in Stopes, tons (for Year)	220,509
Total Ore Broken in Development, tons	28,715
Total Ore Broken for the Year	249,224

The following development work was done in drifts, cross-cuts and raises during the year:

Large Drifts, feet	1,546.5	) 4,066.5 ft.
Small Drifts, feet	2,520	)
Cross-Cuts, feet	1,296	
Raises, feet	756	
Total	6,118.5	

The following work in connection with stope preparation was done for the year:

Chute Raises, feet	1,024
Stope Drifts, feet	618.5
Stope Raises, feet	713
Total	2,355.5

Since the annual report submitted July 31, 1924, no development work has been done on the seventh level south of the exit tunnel, but stope preparation has opened a block of ore 240 feet long and from 4 to 6 feet in width sampling 3.00% Cu.

No work has been done on the fifth level since the date of the annual report, but a raise - #740 - has been driven from the seventh level to within 83 feet of the fifth level. When this raise is holed exploration work will be resumed on the fifth level.

The north drift on the seventh level was reported July 31, 1924, as 500 feet north of the supply shaft. Since July 31st it has advanced 530 feet on the vein; for 390 feet samples assayed approximately 1.00% Cu. The average assays for the last 140 feet give 2.02% Cu.

On July 31, 1924 the north drift on the sixth level was 1570 feet north of the supply shaft. Since that date it has advanced 260 feet. Crosscuts show a vein approximately 35 feet in width for the first 130 feet, average of samples taken assaying 1.58% Cu., and 25 feet in width for the remaining 130 feet, average of samples taken assaying 2.53% Cu.

At the end of the year track and air line are being replaced on the third level to resume drifting north, and the sixth and seventh levels are advancing north on the vein.

A raise from the seventh level 720 feet north from the supply shaft has been driven to the sixth sub-level and a crosscut on the sub-level has exposed ore 95 feet in width, average samples assaying 1.05% Cu., with 10 feet near the hanging wall sampling over 3.00% Cu.

NEW MINE EQUIPMENT

Two used locomotives, two Ingersoll-Rand R-72 Leyner Drills and a Sullivan Turbo mine hoist were purchased during the year. The 1" hollow hexagon steel used in drifting machines was considered too light in section and one and one-quarter inch round hollow drill steel and standard chucks have been substituted. The track in the haulage tunnel was badly worn and 4000 feet of 30-lb. steel rails were purchased and this track is being relaid, 1000 feet having been changed during the year.

Wooden buildings and snow sheds at the portal constitute a serious mine fire hazard. A section of the tunnel 43 feet in length was lined with concrete and a door operated by compressed air and controlled from the Compressor Room was built in this concreted section. Four Gibbs helmets, an oxygen pump and refillable potash containers have been provided in case a fire breaks out in the mine.

MILLING

An average of 566.31 tons per day was milled during the year. The mill operated 364 days, working every day but the Fourth of July and Christmas.

Ore milled during the year	206,135.4 Tons
Milling cost per ton	$1.1711
Milling cost per ton concentrates	9.1245
Ratio of concentration	7.791

Based on tons of ore milled and actual tons of concentrates trammed.

Average feed for 1924:	3.614% Cu.,	1.346 Oz. Ag.	0.059 Oz Au.
Average tails for 1924:	0.176% Cu.,	0.202 Oz. Ag.	0.010 Oz.Au.
Average Concentrates "	24.58% Cu/.	8.77 Oz. Ag.	0.344 Oz. Au.

Average Copper Recovery	95.816%
Average Silver Recovery:	86.996%
Average Gold Recovery:	85.537%
Tonnage of Concentrates shipped:	26,456.151
Average grade of Concentrates percent Cu.	25.58%

The contents of concentrates shipped during the year were as follows:

Copper, Pounds	13,012,329
Silver, Ounces	223,834
Gold, Ounces	8,445

COSTS

The costs for the year were as follows:

Breaking Ore (including development)	$1.5342
Cost of producing and tramming ore	0.5857
Cost of milling	1.1711
Cost of trammed concentrates to Spring Garden	.1515
Total operating cost per ton of ore, with concentrates delivered to Spring Garden	$3.4425

A few changes were made in the mill during the year. A pump station was built to return middlings to the head of the flotation system. Heavier parts and chrome nickel steel rods are being used in the Traylor Crusher, and 4" balls are being fed to the Marcy Mills.

TRAMWAY

Two new houses were built along the line of the tram and the right of way was brushed out to protect the tram line from forest fires. Three rooms were added to the foreman's house at Spring Garden Terminal to accomodate members of the Staff going to and from the mine. An electric generator direct connected to a Delco Air Cooled Engine was installed to light the tram terminal and the foreman's house.

Costs for operating tram were as follows:

Concentrates handled during the year:	26,456.515 Tons
Back freight handled during the year:	1,786.898 "
Average cost per ton	$ 1.1806
Back freight credited $4.00 per ton.	

CAMP

A general office and new assay office have been built, and the old building formerly used as a cook house for construction forces has been remodeled as a school house and social center. The new office building is occupied by the Manager and the Accounting and Engineering Departments; the old office building is being used as a store and post-office. The road to Portola was graded.

Two portable gasoline-driven fire pumps were purchased and additional fire hydrants were installed.

Costs of new construction follows:

Remodeling old construction cook house	$ 2,812.05
Construction of general office	5,851.78
Composition flooring in kitchen and dining room	1,610.33
Dismantling and removing old mine buildings at Shaft No. 1	2,132.86
Tearing down old barn and building new barn	2,214.42
Building assay office	2,123.63
Dismantling old mill buildings	7,942.57
Additional telephone line between Spring Garden and the mine	941.96
Building tennis court	817.79
Improvements at Spring Garden Terminal	3,003.89
Remodeling old office for use as a commissary	752.16
Roofing and siding Dorr Thickener building and tramway terminal building	2,876.32
Tiling operating and sterilizing room in hospital	932.48
Putting rustic on boarding house and painting	508.62
Total	$ 34,518.86
Operating Saw Mill	11,861.10
Operating sticker	922.30
Cutting cord wood	4,725.37

GENERAL

The condition of the entire property is good. In the central orebody 43,040 tons of ore are in place above the third level. At the present rate of mining this ore will be broken in about five months and will release 64,000 tons of broken ore. When we begin breaking pillars on the third level one-half of this ore will be immediately available.

It is planned to prepare stopes in the low grade orebody which lies 740 feet north of the central orebody, to stope block 8/10 - 9/50 between the fourth and third levels in the central orebody containing approximately 35,630 tons of ore averaging 2.87% Cu., and continue preparing stopes in the south orebody. This work will be pushed ahead as rapidly as possible, so that we shall continue to maintain a proper relation between ore broken in stopes and ore produced and milled.

No ore has been blocked out on four sides for the past year, but exploration work has been carried on continuously on the sixth and seventh levels north. With the beginning of the new year raises will be started from the sixth and seventh levels and crosscuts will be driven on the sixth sub-level to develop the low grade orebody. The drift north of the sixth level is advancing and will soon be under the strong outcrop showing on the surface.

The lower grade of ore produced during the last three months of the year can only be accounted for by dilution from the hanging wall. If the ore continues low grade it is planned to sort waste both in the mine and from the grizzlies over the coarse ore bin.

A survey of the water situation must be made and all available sources of supply investigated that sufficient water be developed to operate the mill at capacity next summer. Little snow has fallen during the early winter and another dry year may follow.

Our labor turnover has been high, although labor has been plentiful. We have had good results in raises, drifts and crosscuts let on contract. One stope has been worked by contract miners with very good results, and other stope operations may be contracted during 1925.

The tables submitted by the Geolgical and Engineering Departments are attached.

Yours very truly,

WALKER MINING COMPANY

By H. R.Tunnell, Manager

HRT:E
Encls 2

CC- Mr. B. B. Thayer
CC- Mr. J. O. Elton

SALT LAKE CITY, UTAH

January 22, 1925

Mr. Wm. Wraith
25 Broadway
New York, N. Y.

Dear Sir:

In the past there has been some confusion and misunderstanding about Walker ore reserves due to the fact that the information came from two sources, each source employing its own methods of computing the ore.

I agree that it is a good plan to have independent checks occasionally to see that no errors creep in, but I believe it would be to your advantage and to the advantage of everyone concerned if Walker ore reserve figures were issued from the Geological Department only.

This would reduce to a minimum the annoyances frequently caused by discrepancies in ore reserve figures, and it would also prevent many so-called shotgun estimates getting into the records, and at times to the public.

In preparing ore estimates this Department will cooperate to the fullest extent with those in charge at the mine.

If you agree with the views expressed, will you

please write to Mr. Tunnell giving him whatever instructions you may deem necessary.

Very truly yours,

RHS/P

(Signed Reno H.Sales)

CC: Mr. Lyon

SALT LAKE CITY, UTAH

January 14, 1925

Mr. A. D. Hunter
International Smelting Company
Tooele, Utah

Dear Sir:

I beg to submit herewith an estimate of ore developed and probable in the Walker Mine as of June 30, 1921.

I am submitting also maps showing the position of these ore bodies with reference to the mine workings as of that date.

The tonnage figures are as follows:

SUMMARY AS OF JUNE 30, 1921

Main Ore Shoot

	Tons	Copper Percent	Silver Ounces	Gold Ounces
Ore developed above Tunnel Level	789,991	4.0	1.31	.048

Probable Ore Above Tunnel Level

	Tons	Copper Percent	Silver Ounces	Gold Ounces
North End	195,643	3.80	1.24	.046
South End	25,454	3.01	.98	.036
Total Probable Ore	221,097	3.70	1.21	.045
Grand Total Ore Developed and Probable above the main haulage level	1,011,088	3.93	1.28	.047

Probable Ore Below Tunnel Level

	Tons	Copper Percent	Silver Ounces	Gold Ounces
Main Ore Shoot	154,090	3.28	1.27	.040

You will note that all of the ore in the above figures is above the main tunnel level except the last mentioned tonnage which is in the main ore shoot below the tunnel. Practically the same mining and milling cost should apply to all of the ore above the main tunnel level. For that below the tunnel the mining cost will undoubtedly be increased 75¢ to $1.00 per ton due to hoisting, pumping and higher development charge.

I also hand you herewith map showing the claim ownership of the Walker Mining Company.

Very truly yours,

RHS/P

Encl.

Walker Mine

ORE RESERVES

January 1st, 1925.

Location	Tons of Ore Positive	Probable	Broken	Total
Main Shoot Above 300		43,040	43,302	
Main Shoot Below 300	344,699		152,602	
North End High Grade 2.97%	36,969	73,940		
South End North of 740 Raise	7,308			
South End South of 740 Raise	14,550			
North End Low Grade	222,242	444,485		
TOTAL	625,768	561,425	195,904	1,383,097

Low Grade 2% Positve and Probable	777,636
High Grade 3% + " " "	409,557
Broken Ore 3% +	195,904
	1,383,097

F. 192 2-23-24 2M

International Smelting Company

J. O. ELTON
MANAGER

ANACONDA
from mine to consumer
TRADE MARK

SALT LAKE CITY, UTAH, January 5, 1925.

Mr. Reno Sales, Chief Geologist,
International Smelting Co.,
Butte, Montana.

Dear Reno:

I have your letter of January 2nd, and note that Mr. H. R. Tunnell, the new manager of the Walker Mine, will be in Salt Lake tomorrow morning, and that you wish Mr. Lyon to accompany him to the Walker Mine. I will say that Mr. Lyon has made arrangements so that he can leave with Mr. Tunnell tomorrow, and will stay whatever time is required at the Walker with him.

Very truly yours,

JOE:H

J. O. Elton,
Manager.

Salt Lake City, Utah

July 6, 1925

Mr. H. A. Funnell, Manager
Walker Mine
Spring Garden, Calif.

Dear Sir:

In connection with this question of mineral discovery, will you please have some samples taken along the best looking of the small fissures and seams to be found in the granite in the Main Funnel. These samples should be taken of the best looking material, no matter how small or thin. Have them assayed for gold and silver with care using clean reagents. Ask the assayer to first assay or test the fluxes used.

It might be well to try to get one of these samples for assay, if possible, from within the boundaries of each of the claims rejected by Priedhoff, namely, the Pacific #10, Pacific #12, Pacific #13, and Grizzly.

If only small amounts of gold or silver are shown by these assays, we should be able to maintain our claim for patent on these four locations and it might help on one or two others.

I think it very advisable also to sink a couple or three lode locations over that small schist area lying just

bol w your house. Make the points of discovery on the outcropping schist and lay the claims out right over the Dolly Placer so they will cover the new mill and everything in the way of surface building or plant of value not included in the original mill site claim. If the Dolly Gulch Placer is no good I am afraid some one might come along and throw a lode location on that schist and include the new mill. If they had a valid discovery we might have a time getting them off. I think you can find some kind of a crack or fissure in the schist for your discovery. Anyhow do whatever is necessary to locate and hold the claims.

On the bare possibility that such a location is proper and valid it is extremely important that this matter be kept very confidential and that the work be done as quietly and expeditiously as possible.

Very truly yours,

(Signed) Reno H. Sales

RHS/P

INTERNATIONAL SMELTING COMPANY

PAUL BILLINGSLEY
TOM LYON

GEOLOGICAL DEPARTMENT
KEARNS BUILDING

SALT LAKE CITY, UTAH,
May 2., 1925

Mr. R. H. Sales

526 Hennessy Bldg.

Butte, Montana

Dear Sir:

I returned from the Walker Mine yesterday. While there Mr. Tunnell and myself wrote Mr. Wraith a joint letter outlining the development work needed on the sub level to open up the north ore body for subsequent stoping which will be forwarded from the mine as soon as the accompanying maps are completed. There is a complete copy for you.

Mr. Elton tells me that the Yankee job will be held up for some time waiting for a cable.

Do you approve of the plan for Colorado work outlined in my recent letter?

Very truly yours,

Tom Lyon

ROOM 1825
25 BROADWAY
NEW YORK

May 5, 1925.

Mr. Reno H. Sales,
Anaconda Copper Mining Company
Anaconda, Montana.

Dear Reno:

I wish to acknowledge receipt of yours of April 29th, which is composed of remarks on Mr. H. R. Tunnell's letter to me dated April 23rd.

I agree with you in reference to the diamond drill work and I would suggest in reference to the suggestions that you make as to the work to be done in the north orebody wherein you state that work should be done north on raise 761, that you transmit your instructions to Mr. Lyon so that he can in turn transmit them to Mr. Tunnell. I am sure that Mr. Tunnell will greatly appreciate your remarks on this subject.

I am writing him giving him the substance of your letter but I think that as a matter of procedure, that it also should go from you to Mr. Lyon and from him to Mr. Tunnell.

Yours very truly,

WmWraith/J

Form 1204

CLASS OF SERVICE	SYMBOL
Telegram	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a telegram. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Telegram	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a telegram. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 312 KEARNS BUILDING, SALT LAKE CITY, UTAH.

B18KH ML 80 BLUE

NEWYORK NY 404P JAN 12 1925

RENO H SALES

SALTLAKECITY UTAH

YOUR LETTER OF DECEMBER 21 ST WAS DISCUSSED WITH MR SHORES WE ARE OF SAME OPINION AS YOU THAT JUNE THIRTIETH 1921 SHOULD BE USED AS DISCOVERY DATE WE ALSO THINK THAT FACTORS USED IN DISCOUNTING EARNINGS SHOULD BE EIGHT AND FOUR PERCENT STOP ONLY TONNAGE FIGURES SUBMITTED TO UNIT WERE CONTAINED IN YOUR LETTER OF JULY 18 TH TO MR KELLEY HAVE NOT SUBMITTED ANYTHING THAT WILL BE IN CONFLICT WITH WHATEVER YOU DETERMINE

ROBERT E DWYER

256P

Form 1210-A

CLASS OF SERVICE DESIRED	
Telegram	
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Night Letter	

Patrons should mark an X opposite the class of service desired: OTHERWISE THE MESSAGE WILL BE TRANSMITTED AS A FULL-RATE TELEGRAM

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

Receiver's No.
Check
Time Filed

Send the following message, subject to the terms on back hereof, which are hereby agreed to

TO

New York, N. Y., January 12th 1925.

Mr. Reno H. Sales,
International Smelting Company,
Kearns Building,
Salt Lake City, Utah.

CONFIRMATION

Your letter of December 21st was discussed with Mr. Shores. We are of same opinion as you that June thirtieth 1921 should be used as discovery date. We also think that factors used in discounting earnings should be eight and four percent. Stop Only tonnage figures submitted to Unit were contained in your letter of July 18th to Mr. Kelley. Have not submitted anything that will be in conflict with whatever you determine.

ROBERT E. DWYER.

— CHARGE - INTERNATIONAL SMELTING COMPANY —

Anaconda Copper Mining Company

25 Broadway

New York December 29th 1924.

Mr. Reno H. Sales,
Chief Geologist,
Anaconda Copper Mining Co.
Butte, Montana.

Dear Sir:

We are in receipt of your letter of the 21st instant, in which you go into the matter of discovery date of the Walker Mine, in some detail.

We have read your letter with a great deal of interest and note the grounds upon which you base your selection of June 30th 1921 as the discovery date. If it is your intention to make a trip to New York within a reasonable time after your report in this matter it might be well for us to get together and go over the various angles in connection with it before we submit our statements to the Income Tax Unit.

I note the statement in your letter that Mr. Hunter did not go to the hospital as he had under consideration at the time your wrote your letter of the 15th instant, but that he is not in good physical condition. I am sorry to hear this and trust that he will show a decided improvement in the near future.

Yours very truly,

ROBERT E. DWYER,

RED-BJH.

General Auditor.

Dec. 21, 1924

Mr. R. E. Dwyer,
Anaconda Copper Mining Co.,
Room 1801, 25 Broadway,
New York City, N. Y.

Dear Sir:

Mr. A. D. Hunter did not go to the hospital as suggested in my letter to you of the 15th. inst. He is not in good physical condition however.

We spent some time on the Walker matters in an endeavor to answer the questions set forth in your letter to Mr. Hunter of December 2nd. Mr. Hunter has written you of our selection of June 30th, 1921 as the date of discovery, and we make this date coincident with the date chosen as the time when the Walker Mine changed from a development proposition to an operating mine.

The development program at the Walker, which was agreed upon at the time, or immediately after my report to Mr. C. F. Kelley dated July 17, 1918, contemplated a crosscut tunnel to the vein, a drift upon the vein under the upper mine workings, with shaft and raise connections from the tunnel level to the 400 level which was the deepest level of the then existing workings on the vein.

This plan had for its objectives the development of the vein to determine its value at the tunnel level, and to open up the ore body for economical mining.

Now as to how this development work is concerned with the discovery date. The amount of ore actually developed or in sight on July 17, 1918; the date of my report, was not sufficient to guarantee the return of the money necessary for development and equipment of the property, in other words it was insufficient to insure the Walker Mining Company that it had a profitable venture and until it had been proved that there was enough ore in the ground, of profitable grade, to at least return the investment incident to development and equipment of the property, the Walker Vein was not a discovery of ore as I view it.

It so happened that the tunnel level showed a marked falling off in grade of ore as compared with the 400, and it was not until Raise No. 1 and main shaft connections were made with the 400 level that the extent of the higher grade portion of the ore body was fully known.

The No. 1 Raise was completed to the 400 level or or about October 1, 1920. The Shaft connection from tunnel to the 400 was completed on or about June 30, 1921.

This date June 30, 1921 unquestionably marks the end of a development program. Prior to this date the mine was in a prospecting and development stage. The completed development program had proved the ore body and afforded means for its

profitable extraction. Subsequent to June 30, 1921, the objective was the exploitation of the proved ore body, and further prospecting and development work followed the usual course incident to metal mining operations.

The crosscut tunnel intersected the Walker Vein sometime around Jan. 1, 1920. The drift northerly on the vein encountered what might be regarded as the south end of the ore shoot in May, 1920, and passed out of the north end of the ore body about October 1, 1920. No. 1 raise was started near the south end of the ore near where it was encountered in May and was extended upward and holed to the 400 level at about the same time that the tunnel drift reached the north end of the ore, i. e. Oct. 1, 1920.

It might be urged and with good reason, that Oct. 1, 1920 marked a date when the ore was sufficiently proved to constitute a discovery. The No. 1 raise started in low grade ore but passed into better grade at a short distance above the tunnel level and showed good ore from that point to the 400. But, the tunnel drift to the north disclosed a much lower grade than was opened on the 400 level north of the No. 1 Raise, and it was not until the shaft connection was made with the 400, that this downward extent of the better grade ore became known.

It may be questionable as to whether Oct. 1, 1920 or the later date June 30, 1921 should be regarded as the discovery date. The latter date seems to me to be the proper one. I certainly would not put it earlier than Oct. 1, 1920.

There is, however, in connection with the discovery date of the Walker Mine, as discussed above, a feature I wish to call your attention to. This may possibly have weight in arriving at the date of discovery.

The ore disclosures of the Walker Mine on the 300 and 400 levels were excellent. The tunnel level on this ore body was a disappointment. The character of the vein and ore on the 400 level was such as to lead one to expect a much better grade of ore at the tunnel level than was actually found. Therefore in estimating the ore body for tax purposes it would have been reasonable to project the 400 ore to a depth considerably below the tunnel level at any time prior to the tunnel development. The tonnage expectancy figured from the 400 level showing would undoubtedly have been higher and the average metal content taken at a higher figure, than were possible subsequent to the completion of the tunnel drift.

My own feeling is that on or about May 1, 1920, when the tunnel drift began to show a better ore, I, myself, or any engineer would have given the maximum tonnage for the Walker.

Ore of the size and grade as disclosed on the tunnel level is profitable above the level but probably worthless below the tunnel. In consequence any calculation of ore tonnage for the Walker Mine on October 1, 1920 or any subsequent date prior to the discovery of the south ore body, must be limited to the developed ore body above the tunnel level, unless one may with reason assume that the main shoot will improve in grade

at greater depths, or that at some future time under favorable price conditions the grade of ore as indicated below the tunnel level will become profitable.

If there is any advantage to us in making the Walker tonnage large, provided you agree that the below tunnel level ore of the Main shoot is of little value, it may be advisable when all angles of the thing are considered, to make the discovery date on or about May 1, 1920.

Your letter to me indicated a desire to make the discovery date as late as possible. What I have outlined above discloses my own opinion to be that on October 1, 1920 or on June 30, 1921 the Walker Mine had a much larger actually developed ore value with but little indicated additional possibilities, than on the prior date of May 1st, 1920, but that on the date, May 1, 1920, while the mine had probably less than one-third of the blocked out or developed ore value, it had an ore expectancy far greater than on October 1, 1920 or a later date, and which was doubtless much greater than will ever be realized from that particular ore shoot.

I have gone into this matter in some detail in order that you may understand the basis of our selection of June 30, 1921 as the date of discovery, and I deemed it advisable to explain to you some features which will have a considerable influence in ore estimates made at different dates.

Very truly yours,
(Signed Reno H. Sales

CC to A.D.Hunter.

COPY COPY

December 18, 1924.

Mr. I. L. Greninger, Manager
Walker Mining Company
Spring Garden, California

Dear Sir:

Mr. R. E. Dwyer, General Auditor of the Company in New York has requested that I furnish him with certain imformation to be used in connection with hearing before the Income Tax Unit. Among other thins that will be required are two maps, which Mr. Reno Sales requests that you furnish us. There will be required a 100 ft scale longitudinal section of the Walker vein showing the stoping and workings made in the vein at June 30, 1921. Also, one 50' or 100' scale (whichever is the most convenient to prepare) plan map showing the extent of mine workings on above date.

Mr. Dwyer has requested that this information be forwarded to the New York office at the earlist possible date We would therefore request that you have Mr. de Arrietta prepare same at the earliest possible date and mail them to me, at Tooele,

Yours truly

A. D. Hunter,

Cashier

F. 192 2-28-24 2M

International Smelting Company

J. O. ELTON
MANAGER

ANACONDA
from mi[illegible] sumer
TRADE MARK

SALT LAKE CITY, UTAH, December 18, 1924.

Mr. R. E. Dwyer, General Auditor,
Anaconda Copper Mining Company,
25 Broadway,
New York.

Dear Sir:-

I have today discussed with Mr. Sales the matter of supplying information with reference to Utah Delaware Mining Company, as requested in your letter of October 22, 1924. Also information with reference to Walker Mining Company, as shown in your letter of December 2nd, 1924.

In connection with the information covering Utah Delaware Mining Company, will say that we will have this ready within a few days and it will be mailed to you so that it will arrive in New York by the end of the month.

With reference to information covering Walker Mining Company, would say that after going through the records here and discussing this matter, we have come to the conclusion that the proper date to be used as date of discovery will be June 30, 1921, at which date the raise connecting the tunnel with the old shaft was completed.

I am today requesting Mr. Greninger to prepare the necessary maps, and will proceed to complete other information required in Form D. This we hope to have ready to be mailed to you to arrive in New York not later than January 15th, 1925.

Very truly yours,

ADH:H
CC:RHS✓

A. D. Hunter,

Cashier.

December 15, 1924

Mr. R. E. Dwyer
25 Broadway,
New York, N. Y.

Dear Sir:

I beg to acknowledge receipt of your letter bearing date of December 3d enclosing therein copy of a letter to A. D. Hunter relative to certain information required in connection with a showing to be made by the Walker Mining Company before the Income Tax Unit.

I regret to say that Mr. A.D. Hunter is ill at present, and from the information I have, he may be confined to his room for at least two weeks.

I will take this matter up with Mr. Elton and every effort will be made to get the necessary information to you by January fifteenth, although I am in no way confident that we will be able to do so under the circumstances.

I am sorry I was not present in Washington last spring when you had the question up with the Income Tax Unit. Had I been there I would now be better able to get the matter in proper shape for you.

Very truly yours,

RHS/P

Anaconda Copper Mining Company

25 Broadway

New York December 3rd 1924.

Mr. Reno H. Sales, Chief Geologist,
Anaconda Copper Mining Company,
Butte, Montana.

Dear Sir:

Enclosed herewith is copy of letter to Mr. A. D. Hunter, of Tooele, relative to data that must be furnished in connection with the showing that we must make before the Income Tax Unit on the Walker Mining Company. I believe that you are thoroughly familiar with the Walker case and also as to the information that we must furnish to the Income Tax Unit. You will note that I have stated on page 4 of the enclosed letter that you will prepare all figures as to tonnages in the Walker mine on the date established as the discovery date.

We have your report to Mr. C. F. Kelley of July 17th 1918 in this office, but we wish to make the contention that the discovery date to be established in the case of the Walker Mining Company is a later date and that the ores had not, by July 17th 1918, "with reasonable certainty been established, determined or proved", according to Article 219 of Regulations 62. We assume that our contention as stated in this letter will be in accord with your views in the matter. However, if itdoesnot, will you kindly let us know.

If the date upon which the tunnel work was driven into the vein a sufficient distance to prove the ore bodies is established as the discovery date, it will be necessary to obtain from you revised tonnages and estimates as of that date. It would be advisable, we think, for you to get in touch with the local management of the Walker Mining Company at Salt Lake and go over this question with them.

December 3rd 1924.

We would appreciate it if you will kindly furnish us, at your earliest convenience, all the data that will be required of you.

Yours very truly,

ROBERT E. DWYER,

General Auditor.

RED:EM.
Encl.

Mr. Sales

December 2nd 1924.

Mr. A. D. Hunter,
Walker Mining Company,
Tooele, Utah.

Dear Sir:

In the showing before the Income Tax Unit appealing from its action and intended action in regard to assessing additional income taxes to the Walker Mining Company for the year 1918, we contended that under the regulations of the Treasury Department, the Walker Mine should be considered as being in the development stage up to and including the year 1918 and probably some of the subsequent years. In the conference that we had with the Engineers of the Income Tax Unit, they agreed that the showing supported our contention. The question then arose as to when the status of the mine changed from the development stage to the operating stage. A further question was also raised as to the value of the Walker mine for depletion purposes as no substantial showing could be made as to its value on the date of its acquisition by the Walker Mining Company of Arizona in September 1913. After discussion, it developed that the Walker mine, in order to get any kind of depletion deduction at all, would have to establish a value under the discovery provisions rather than on a value as of the date of purchase.

We, therefore, have two main questions to settle with the Income Tax Unit.

First -- The date upon which the status of the Walker Mine changed from the development stage to the operating stage.

Second -- The date to be established as the discovery date of the Walker mine.

It is a debatable question as to when a mine should be considered as an operating mine instead of being considered a mine in the development stage. That part of Article 224, Regulations 65, relating to this subject reads as follows:

> "When the major portion of the mineral production is obtained from workings other than those opened for the purpose of development or when the principal activity of the mine becomes the production of developed ore rather than the development of additional ores for mining, the mine will be considered to have passed from a development to a producing status".

However, when a development program is adopted for the purpose of developing the mine to produce ore in commercial quantities, it does not seem that the mine should be considered as an operating mine until the completion of the development program, especially when the main activities at the mine are in connection with the development of ores rather than the production of developed ores. Such a program was adopted in the case of the Walker mine.

This question was discussed with Mr. Wraith, and the conclusion was reached that the Walker mine should be considered in the development stage up to the date of the completion of the tunnel work for the extraction of ore in commercial quantities, as this work was contemplated and commenced in the fall of 1918 for that purpose. The activities at the Walker mine during this period were mainly in connection with development work. We have no records in this office as to the date upon which such work could be considered as being completed, so it will be necessary to determine this.

When a mine is in the development stage, all expenditures are charged to capital account and ore proceeds credited thereto. Therefore, all development expenditures prior to the date settled upon as the date that the mine was put into operation will have to be capitalized and the proceeds of all ore sold credited thereto, together with the inventory of the ore in the stock pile, broken in stopes and concentrates in stock pile as of that date. Expenditures for plant and equipment have already been capitalized. This is in accord with Article 222 of Regulations 62, (Article 224 of Regulations 65).

As to a discovery, we quote from Article 219 of Regulations 62, (Article 220 of Regulations 65), which outlines the Treasury Department's ruling as to when a discovery is made. This article reads, in part, as follows:

"(c).....A mine may be said to be discovered when (1) there is found a natural deposit of mineral, or (2) there is disclosed by drilling or exploration, conducted above or below ground, a mineral deposit not previously known to exist ..... and which ..... exists in quantity and grade sufficient to justify commercial exploitation. (e) The value of the property claimed as a result of a discovery must be the fair market value, as defined in Article 206, based on what is evident within 30 days after the commercially valuable character and extent of the discovered deposits of ore or mineral have with reasonable certainty been established, determined or proved."

If we followed the rule laid down in subdivisions (c) and (e) of Article 219 quoted above, it would seem that a discovery would not be made until the ore body was developed "in quantity and grade sufficient to justify commercial exploitation" and not until "after the commercially valuable character and extent of the discovered bodies of ore or mineral have with reasonable certainty been established, determined or proved." In view of this, it does not seem that the discovery date in the case of the Walker mine should be prior to the date that the tunnel cut the vein and was driven along it a sufficient distance to establish and prove the ore body. It might be assumed that the discovery date and the operating date in the case of the Walker mine would be one and the same.

The Engineer of the Income Tax Unit stated, however, that decisions made by the management and Board of Directors authorizing extensive expenditures for development and improvements would have considerable weight in establishing the date of discovery, as such expenditures would ordinarily be authorized only in case the ore reserves of a mine, probable and possible, warranted them at the time such decisions were made. It might be contended that the mine contained sufficient probable and possible ore at the date of Mr. Sales' report, July 17th 1918, to warrant the expenditures in driving the tunnel, yet it does not seem to us that going ahead with such work would necessarily establish the discovery date, because the ores were not established and proved until after the tunnel was driven into the vein. We, therefore,

think that in the case of the Walker mine, we should consider the date that the tunnel was driven along the vein a sufficient distance to prove the ore body as the discovery date. In this connection, however, it will be necessary for us to obtain all relevant decisions made by the management and Board of Directors.

In compiling our information to be submitted to the Income Tax Unit, we should follow and furnish all information required by Form D enclosed herewith. It is our understanding that Mr. Reno Sales will furnish all data and affidavits relative to the tonnage of ore developed, probable and possible, in the mine as of the discovery date, and so we will take this matter up with him. Operating programs and costs, based upon estimates made as of the discovery date, will have to be furnished, due weight being given to the program contemplated at that time which included the erection of the new mill. We should be furnished with estimates of tonnages, operating costs, development and construction expenditures, etc., necessary to calculate the value of the Walker mine as of the date of discovery. The Income Tax Unit gives due weight in support of estimates to costs attained during the operating period, so the information as to operating costs called for by Form D should be furnished for all years from the date that the mine could be considered as being in the operating stage down to and including the year 1924.

Will you kindly gather all the information relative to these matters that you have available, including mine maps, etc., and send it to this office not later than January 15th 1925, if possible. Every effort should be made to get the data in by that date.

Yours very truly,

ROBERT H. DWYER,

General Auditor.

RHD:HM.
Encl.

CC - Mr. Wm. Wraith
Mr. A. J. Shores
Mr. R. M. Sales
Mr. H. T. Van Ells

ANACONDA COPPER MINING COMPANY

RENO H. SALES, CHIEF GEOLOGIST
F. A. LINFORTH, ASSISTANT CHIEF GEOLOGIST

ANACONDA
from mine to consumer

BUTTE, MONTANA

GEOLOGICAL DEPARTMENT

Sept. 14, 1923

Mr. Wm. Wraith,
25 Broadway,
New York City, N. Y.

Dear Sir:

Since sending you my telegraphic report on the McQuatter's property, I have received from the Salt Lake office data which I was not informed of previously; as a matter of fact, I received same on Sept. 4th. or five weeks after I had left the Walker Mine. Mr. Hart informed me that Mr. McQuatter's property comprising the Esperanza group, adjoined the Walker Mining Company's property on the southeast, and he did not know of any further interests Mr. McQuatters had in the vicinity, so I naturally assumed when I telegraphed you that the Esperanza group was the one you were particularly anxious to know about.

A study of the data submitted indicates that Mr. McQuatters and associates are evidently concerned with the Walker Brothers Consolidated, Alta and Alice, and Contact group of claims, and have presented same for your consideration. Fortunately while there, I examined these properties (except the Contact Group) and the Lena Mine owned by the U. S. Smelting Company. According to Mr. Hart, the Contact is worthless and unworthy of examination.

Mr. S. H. Ball, in his report, was not particularly enthusiastic about the possibilities of the Walker Brothers Consolidated property to the west of the Walker Mine or of the Alta Alice and Contact groups to the north. He recommended diamond drilling in the vicinity of the copper ore lenses found in the Walker Brothers Consolidated, also through the lava cap on the Alta-Alice group along the northerly projection of the Walker lode; and stated that such work would prove the value or non-value of the ground. This prospecting was done as suggested, and without doubt has proven the non-value of the properties.

Walker Brothers Consolidated Copper Company

The best showing of copper mineralization on this property is in the Highland Boy tunnel. The ore here is of good grade but very spotty. Three holes drilled in the zone beneath the ore-showing gave negative results. In the tunnel, hole No. 4 started in 4.24% copper ore and passed into waste at ten feet depth. Excepting this lens, the highest core assay obtained from any of the holes below the tunnel was 0.42% copper, the average being less than 0.2%.

Holes drilled in the vicinity of the McGill tunnel gave similar low grade results. A small ore lens was opened up in the tunnel.

Briefly stated the development on this group indicates that the chances of discovering a commercial ore body are remote.

Alta Alice Group

Six holes were drilled through the lava cap into the underlying schist and gneiss. These holes were so placed as to cut the projection of the Walker Lode should it extend that fra north. The work encountered beneath the lava was somewhat altered and mineralized, chiefly stringery quartz with pyrite, and assayed from zero to 0.1% copper. The greatest depth of lava drilled was 530 feet and 580 feet. The six holes were drilled to depths from 904 to 1117 feet.

Esperanza Group of "McQuatters" property

Referred to in telegram of Aug. 23rd. as follows:

"Comprises block of 30 claims located end on south-east of Grizzly rlaims owned by Walker Mining Company. Nearest corner of group about 3500 feet from Walker Mill. About two thirds of property lava-covered, balance in granite. Assessment work has been done in iron-stained lava wash. No geologic reasons for expecting Walker lode to extend into this property. Possibilities for copper deposit in group extremely poor. From a mining standpoint consider property worthless."

Lena Mine owned by U. S. Smelting Company

Comprises block of 28 claims lying between properties of Walker Mining Company and Walker Brothers Consolidated. There are two tunnels, 1400 feet of work in the lower and 900 feet in the upper. A small lens of copper ore was found in the upper tunnel. The lower tunnel shows no ore whatever beneath that in Upper tunnel. I cannot see why so much development was done on

such a meagre showing of copper mineralization. As a copper prospect, the possibilities of the property are extremely poor. I have had copies made of Mr. McQuatter's maps and drill hole data which I thought we should have in our file here for future reference.

Very truly yours,

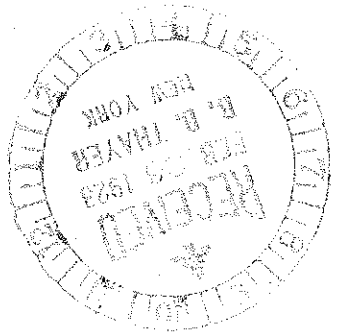
M. H. Gidel

P. S. I forwarded Mr. McQuatters' data to you by express on September 10th.

MHG EL
cc to J.O.Elton

A. J. Mc QUATTERS
347 MADISON AVENUE
NEW YORK

February 26, 1923



Mr. Benjamin B. Thayer,

25 Broadway,

New York City

Dear Sir:-

In connection with Mr. McQuatters' appointment with you for 2:30 o'clock this afternoon, the following list of reports, maps, etc., on Plumas Copper Company properties is sent you in the accompanying package.

Reports

1. Engineer's Report - F. C. Morehouse, November 19, 1919
2. Geological Report - Rogers, Mayer & Ball November 10, 1919
3. Reports of diamond drilling - R. S. Davis November & December, 1919
4. Brief Reports and maps of Walker Brothers Consolidated Copper Co. and Alice-Alta groups of lode mining claims.
5. Geological map of Rogers, Mayer and Ball November 12, 1919
6. Five contour maps of Plumas properties.

Maps

1. Contact shaft work.
2. Walker Bros. Consolidated Corporation.
3. McGill Tunnel and cross cuts.
4. Highland Boy tunnel
5. Highland Boy Extension #2
6. Location drill holes 3, 8, 10, 11 and 12.
7. Section CD width prospected by drill holes 11 and 12.
8. Section EF width prospected by hole 13.

9. Maps of diamond drill holes showing core assays of holes 1, 2, 3, 4, 7, 8, 9, 10, 12 and 13.

10. Maps of diamond drill holes 5, 6, and 11. not later

WT received Chgo 3-2-23.

Yours very truly,

G. F. Brigham

Secretary to Mr. McQuatters

B.

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February 28th, 1923.

A. J. McQuatters Esq.,

347 Madison Avenue, New York.

My dear Sir:

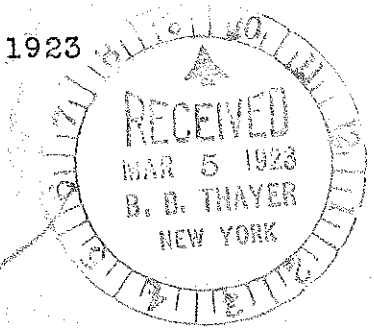
Referring to your letter bearing date of February 26th, accompanying the reports, maps etc. on Plumas Copper Company's properties, I would state that Item 10 - Maps of diamond drill holes 5, 6 and 11, was not included with the others in the package which you sent me.

Yours very truly,

B.

A. J. Mc QUATTERS
347 MADISON AVENUE
NEW YORK

March 1, 1923



Mr. B. B. Thayer,
25 Broadway,
New York City.

Dear Sir:-

With reference to your letter of February 28th, wherein you state that maps of diamond drill holes 5, 6 and 11 were not included in package of reports, maps, etc. , it is apparent that an error was made in enumerating Item 10 as we have no maps of diamond drill holes 5 and 6, although the record appears in the Field Book. We are transmitting to you log of hole No. 11 and will state, for your information, that Hole No. 5 was drilled only to a depth of 51 feet and No. 6 to a depth of 183 feet.

Yours very truly,

A. J. Mc Quatters

B.

Enclo
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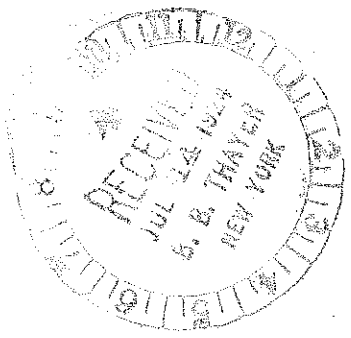
July 14, 1924.



Mr. A. J. McQuatters, President
American Engineering & Operating Company
347 Madison Avenue,
New York City.

Dear Sir:

I am in receipt of a letter under date of July 6th, from the Manager of the Walker Mining Company, in reference to the supplies that you have at the Alice Alta property. He stated that there is nothing there that can be of any use to us. He states also that he has granted your Mr. Morehouse the privilege of storing the most valuable of your material in our warehouse; and he also says that a considerable amount of your pipe is in a number of pipe lines and deeply buried, and in rather inaccessible places, and it would cost more to get it out than it is worth. However, I am assuming that Mr.Morehouse and Mr. Greninger, our manager, have attended to the questinn of the storage of your material.

Yours very truly,

WmWraith/J

cc - BBT ✓

C O P Y

PLUMAS MINING COMPANY

Walkermine, California

March 17, 1947

Rockbestos Products Corporation
New Haven 4, Connecticut

Attention: Mr Elliot L Alvord, Purchasing Agent

Gentlemen:

We are in receipt of your letter of March 6 addressed to THE WALL STREET JOURNAL, Box P-16.

With the heavy snow almost at an end in the Sierres in California we are about ready to open the mine and mill but are waiting until our smelting contract can be amended to allow us to take delivery of the copper in order to make it available for sale. Our general plan is to sell up to 3,000 tons of copper for 1947 delivery with a 20% prepayment being required upon placing of order and balance upon delivery of the copper.

Assuring you we will get in touch with you immediately when our smelting arrangements are amended satisfactorily.

Yours very truly,

(s) Robert R Barry

Mailed from Rm 1000, Chrysler Bldg., New York 17, N Y

April 23, 1946

MEMORANDUM

Mr. Barry, Secretary of Plumas Mining Company - organized to acquire all of the physical assets of Walker Mining Company - stated that the Safeway Signal Company had sold ball mill and many of the supplies before present group became interested in the property. Their cost of remaining assets was $250,000. They are very optimistic. Their operations will be on a small scale and at low cost. They have already sold surplus lumber - $11,000; miscellaneous supplies $20,000; and are selling about 200 of the smaller cabins at $275 each, the buyers standing all expenses in connection with removal and transportation. This, of course, is due to serious housing shortage. The American Box Company offered them $42,500 for the standing timber, but they prefer to hold it. They have now 14 men in the mines and a few others preparing the surface. The man in charge of operations is a miner, formerly employed by Mr. Kaiser of shipyard fame.

The object of Mr. Barry's visit was to secure the original contract with the Western Pacific. He states that Walker Mining Company paid Western Pacific $12. a year rental for the area in which railway spur was located. The spur was removed by Western Pacific and they are now trying to force them to replace it. I advised Mr. Barry that none of the records of Walker Mining Company were ever kept in New York, but if they are available, he will locate them through Mr. Warburton, formerly Secretary of the Company in Salt Lake City, Utah.

E.O.S.

A	N		
	✓	RSN	✓
		VDP	
	✓	JEN	
	✓	ML	✓
	✓	JLH	
		FPG	
ACTD			
FILE			

818 Kearns Building
Salt Lake City, Utah

December 16, 1947

Mr. H. G. McConnell
644 So. Trafton St.
Tacoma 6, Washington

Dear Mr. McConnell:

Your letter of December 11 concerning a new copper prospect near the Walker mine, California, has been referred to this office.

You state that you have a large gossan which you believe is the outcrop of a large copper deposit. If you will give us the exact location of your property in reference to the Walker mine we shall be able to determine better whether we are interested. Our engineers have considerable information concerning the area and we may have looked at the zone about which you write.

Yours very truly,

Alex M. McDonald

AMM:S
cc-C. E. Weed
V. D. Perry
M. H. Gidel
James R. Wilson

July 5, 1956

MINING DEPT.
JUL 5 '56

RSN
JBK
VDP
ML
WH

Memorandum for Mr. R. S. Newlin

Mr. Robert R. Barry, 29 Hereford Road, Bronxville, New York telephoned Mr. Sowerwine and I got the call.

Mr. Barry stated that he owns the Walker Mine and he wondered if Anaconda would be interested in acquiring this property now that the price situation is so much improved. He had this matter up with Mr. Sowerwine in 1945-6 when copper was selling for 12¢ per pound.

He said if any one wanted to reach him by telephone he would be at Fishers Island 248 from tomorrow evening on and he would be glad to come to New York City to discuss this matter any time at our convenience.

Frank G. Ryan

Frank G. Ryan

CLASS OF SERVICE	SYMBOL
Telegram	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a telegram. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Telegram	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a telegram. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

WM A485 85 NL

BUTTE MONT 23

WM WRAITH

35 BROADWAY NEWYORK NY

123 AUG 23 PM 9 45

AUG 24 1923

25 BROADWAY

MCQUATTERS PROPERTY COMPRISES BLOCK OF THIRTY CLAIMS LOCATED END ON SOUTHEAST OF GRIZZLY CLAIMS OWNED BY WALKER MINING COMPANY STOP NEAREST CORNER OF MCQUATTERS GROUP ABOUT THIRTY FIVE HUNDRED FEET FROM WALKER MILL STOP ABOUT TWO THIRDS OF PROPERTY LAVA COVERED BALANCE IN GRANITE STOP ASSESSMENT WORK HAS BEEN DONE IN IRON STRAINED LAVA WASH STOP NO GEOLOGIC REASONS FOR EXPECTING WALKER LODE TO EXTEND INTO THIS PROPERTY STOP POSSIBILITIES FOR COPPER

CLASS OF SERVICE	SYMBOL

C.E.Arnold
2-28-23.

Plumas County California Mining Properties Under Bond to American Engineering and Operating Company

- - - - - - - - - - - -

Digest of Data accompanying letter of February 26th, 1923, from Mr. A. F. Brigham (Secretary to Mr. A. J. McQuatters) to Mr.B.B.Thayer.

- - - - - - - - - - - -

The properties considered are (A) The Walker Brothers Consolidated Copper Company's Group, (B) The Alice-Alta Group, and (C) The Contact Group.

(A) Consists of 59 claims, and the center of the group lies approximately 8,000-ft. West of the Walker Mining Company's Main shaft.

(B) Consists of 30 claims, and adjoins the north end of the Walker Mining Company's group of claims.

(C) Consists of 13-claims, lying north of the Alice-Alta group and about 2½ miles north of the Walker Mining Company's claims.

There are three reports submitted:

(1) Report dated March 1919 by Mr. F. C. Morehouse, covering the Walker Consolidated and the Alice-Alta groups.

(2) Geological report, dated November 10th, 1919, by Mr.S.H.Ball of Rogers, Mayer & Ball, covering the three groups.

(3) Report dated November 19th, 1919, by Mr. F. C. Morehouse, likewise covering the three groups.

In (1) Mr. Morehouse (evidently an interested party) writes enthusiastically on the prospects of developing valuable orebodies in both the Walker Consolidated and the Alice-Alta groups. In the case of the Walker Consolidated he bases his opinion on showings disclosed by a number of surface trenchings that show 5 to 12 ft. of ore assaying 1.7% to 5.4% Cu; and showings in two adits, the first of which, comprising 1450 ft. of workings, yielded samples varying from 1.2% to 5.9% Cu. The second adit, comprising 1240 ft. of workings, after passing through 640 ft. of barren material encountered a mineralized zone which on crosscutting showed 35 ft. of ore assaying 2.05% Cu.

Regarding the Alice-Alta group, on which no development had been done at the time of his report, he states that he has no doubt but that the Walker Mining Company's vein extends northwards through this ground, and that orebodies similar to those of the Walker Mining Company will be found within the group.

He believes that geological conditions in both groups are identical with those of the Walker Mining Company's ground, and practically bases his whole report on the value of the Walker Mine.

In (2) Mr. Ball writes at length on the geology of the district, and states that Walker Mining Company's ore deposit is of a different type from that indicated in the Walker Consolidated ground. He believes that the Walker Mining Company's orebody comprises a large shear zone filled with quartz and chalcopyrite, and that the Walker Consolidated ore is of the contact metamorphic type.

He is not enthusiastic about the Walker Consolidated ground and is of the opinion that ore-shoots that might be found would not pay the cost of finding and mining them. He recommended certain diamond drilling and stated that the results would prove the value or non-value of the ground. This work was carried out, and of 5 holes of 407 ft. average depth, only one hole showed any ore, this being at the collar of the hole and amounting to 10 ft. assaying 4.25% Cu. Two other holes were drilled, but the results are not available.

Mr. Ball is of the opinion that the prospective value of the Alice-Alta group depends entirely on whether or not the vein and ore-shoots of the Walker Mining Company extend into this ground. He believes it probable that the Walker vein does extend as suggested, but states that the extension of the ore-shoot is another question. He recommended certain diamond drilling for answering this question. 5-holes of an average depth of 1033 feet were drilled and disclosed neither vein nor ore shoot. There was another hole drilled on which no data are available.

Regarding the Contact Group, Mr. Ball states that similar vein outcrops to that at the Walker shaft can be followed to the north along the shear plane in which the Walker orebody lies, and that on the Contact group there are two shallow open cuts in croppings that are roughly in the strike of the Walker Vein. He states that this showing is probably not an extension of the Walker vein, but may well represent a more or less parallel vein in the same shear plane.

In (3) Mr. Morehouse adds but little to the information contained in reports (1) and (2). In writing (3) Mr. Morehouse seems to have had Mr. Ball's report at hand.

Comments:

In the light of Mr. Ball's report and the drill hole data submitted, it would seem that the chances of discovering a good orebody in the Walker Consolidated group are remote. Drilling done in the Alice-Alta group shows no indication that the Walker Mining Company's vein extends into that ground. Data on the Contact group indicate only that the group might be worth some prospect-drilling.

Mar. 5th. '23

a letter from Mr McQuattas dated Mar. 18th. stated that there was no maps of drill-holes 5+6. He sent the maps of drill-holes 11 with this letter. The hole showed no ore vein. Holes 5+6 he stated are 51 ft + 183 ft deep respectively

OPTION AGREEMENT.

THIS AGREEMENT, made this 12th day of June, 1920, by and between G. H. Goodhue, of Indian Falls, County of Plumas, State of California, party of the first part, and J. B. Tomlinson of Venezia, State of Arizona, party of the second part.

WITNESSETH: That said first party for and in consideration of the sum of One Dollar to him in hand paid by said second party, receipt whereof is hereby acknowledged; and for other considerations hereinafter mentioned, agrees to sell to said second party or his assigns that certain mining property known as the Five Bears Consolidation and more particularly described as follows, to-wit:

The Five Bears Consolidated Mining Claims, consisting of 9 patented claims (U.S. Mineral Patent #46620) and 2 quartz locations; the Sunrise Group of 3 Quartz Claims; the Champion Group of 9 Quartz Claims; the Guardian Group of 3 quartz claims; and the Five Bears Extension Group of 12 Quartz Claims; also the Centennial Water Right and the Five Bears Water Right, together with all improvements pertaining thereto. Said property being situated in Sections 14, 15, 23, 24, 25, 26, 35, and 36, Township 25 N. Range 11 East, M.D.M. Genesee Mining District, Indian Township, Plumas County, California.

The purchase price of said property to be $250,000, payable as follows, to-wit:

The sum of $500.00 on or before July 15th., 1920 and the paymen t of $500.00 the 15th day of each succeeding month for 10 months, making a total of 11 payments of $500.00 each.
The sum of $40,000 on or before the 15th day of July 1921.
The sum of $50,000 on or before the 15th day of January, 1922.
The sum of $50,000 on or before the 15th day of July 1922.
The sum of $50,000 on or before the 15th day of January, 1923.
The sum of $54,500 on or before the 15th day of July, 1923.

Said first party agrees to place good and sufficient deeds in escrow with the Indian Valley Bank at Greenville, California, not later than October 15th., 1920, conveying free from all liens or incumbrances, a good and sufficient title to all the above described property to said second party or his assigns; said deeds to be delivered by said bank to said second party or his assigns upon receipt of the full purchase price.

Said second party agrees to commence work with a force of not less than 8 men not later than August 1st., 1920, and to work not less than 200 shifts each and every month during the life of this agreement; also to perform not less than $300.00 worth of work upon the Sunrise Group of Claims each year for the purpose of performing

annual assessment work upon said claims, said assessment work to be completed not later than October 1st., of each year during the life of this agreement. Also to utilize the Centennial and Five Bears Water Rights each year during the life of this agreement, in order that said water rights do not lapse by reason of non-use.

Said second party or his assigns agrees to pay said first party a royalty of 10% of the smelter returns on all ore or concentrates shipped from said property during the life of this agreement, settlements to be made the 15th day of each month for shipments made the preceeding month, the royalties to be deposited to the credit of said first party in the Indian Valley Bank at Greenville, California, said royalties to apply on the purchase price and to be credited on the regular payments on the purchase price as said payments become due.

It is understood and agreed that the term " smelter returns" shall mean the amount paid by mill or smelter after deducting sampling, assaying, loss and smelter charges and transportation charges from the railroad shipping point to the mill or smelter but shall not include any other charges. Said second party or his assigns agree to work said property in a proper and miner-like manner and to allow said first party or his agent or agents to at any time, enter upon and into all parts of said property for the purpose of inspection.

Said second party or his assigns agree to promptly pay for all work done or improvements made and to protect said property from any liens for labor done or materials or supplies furnished or used on said property, also to carry industrial compensation insurance.

It is agreed that said first party shall have the right to post notices on said property stating that said property is under option to said second party and that said property or owners there of will not be responsible for debts contracted by said second party or his assigns in the operation of said property under this option.

It is agreed by the parties hereto that should said second party or his assigns fail to make payments on the purchase price or pay royalties at the times and in the manner herein set forth; or to commence and continue work as herein agreed, then his or their rights under this agreement shall cease and any and all payments that may have been made or improvements placed on said property shall be forfeited to said first party and be deemed as rental for the use and occupancy of said property and said first party or his agent or agents may thereupon after 10 days notice of forfeiture, in writing, enter upon said premises and take possession thereof. Each and every covenant and clause of this agreement shall extend to and be binding upon the heirs, executors and assigns of the parties hereto but it is expressly understood that this agreement is an option and not a contract to purchase.

Time is the essence of this agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

(Signed) G.H. Goodhue.

(Signed) J.B.Tomlinson.

Witness:

(SIGNED) J.W. Goodhue.

(SIGNED) Pearl E. Goodhue.

WALKER MINE, CALIFORNIA

V.D. PERRY'S FILE

and Misc. Correspondence since mine was disposed of by I.S.& R. Co.

December 28, 1970

Mr. R. F. Hewlett, President
Mineral Funding Corporation
4741 East Sunrise Drive
Skyline Bel Aire Plaza
Tucson, Arizona 85718

Dear Mr. Hewlett:

In reply to your letter of December 4, 1970, I have been informed by our New York management that the Company does not wish to release any geological ore reserve or drill hole information on the Walker Mine, Plumas County, California.

Yours very truly,

W. J. Garmoe

WJG:hh

THE ANACONDA COMPANY
25 BROADWAY, NEW YORK, N.Y. 10004

DEC 21 1970

CHIEF GEOLOGIST

December 17, 1970

Mr. W. J. Garmoe
Chief Geologist-Rocky Mt. Region
The Anaconda Company
1849 W. N. Temple
Salt Lake City, Utah

Dear Jim:

I have your letter of November 6th with request from Mr. R.F. Hewlett of the Mineral Funding Corporation for copies of geologic maps, assays, ore reserves and other geological data on the Walker Mine, Plumas County, Calif. Will you please advise Mr. Hewlett that The Anaconda Company does not wish to release any information of this nature.

Sincerely,

John P. Hunt

JPH:hh

November 6, 1970

Mr. John P. Hunt
Chief Geologist
The Anaconda Company
25 Broadway - Suite 1850
New York, N. Y. 10004

Dear John:

Enclosed herewith is a Xerox copy of a letter from Mr. R. F. Hewlett, Mineral Funding Corporation, requesting copies of geologic maps, assays, ore reserves, and other geological data on the Walker Mine, Plumas County, California.

I will advise Mr. Hewlett of the Company's decision in this matter after I hear from you.

With best regards.

Yours very truly,

W. J. Garmoe

WJG/lh
Encl.

MINERAL FUNDING CORPORATION

RICHARD F. HEWLETT
President

4741 EAST SUNRISE DRIVE
SKYLINE BEL AIRE PLAZA
TUCSON, ARIZONA 85718
602 / 299-9736

NOV 6 1970

November 4, 1970

Mr. J. Garmoe
Geology Department-The Anaconda Company
1849 West No. Temple
Salt Lake City, Utah 84116

Dear Mr. Garmoe:

Sierra Mineral Management and Noranda Exploration have a joint venture project on the Walker Mine in Plumos County, California. We are presently drilling the deposit and have made IP, magnetic and geochemical surveys. It would be of great help if we could have any data on the mine, such as:

1. Stope maps plan and section with assay values.
2. Stope cross-profile sections with assays.
3. Any drill-hole data.
4. Geologic and/or geochemical data.
5. Ore reserve calculations, such as on cross-sections.

This data would be very useful to us to further evaluate our drilling progress and to determine our future drilling programs.

Sincerely yours,

R.F. Hewlett,
President

RFH/vlc

611

April 16, 1963

Mr. Fred J. Humphrey
Department of Geology
Stanford University
Stanford, California

Dear Mr. Humphrey:

I have your letter of April 3, 1963 in regard to your proposed dissertation on the Plumas County copper belt.

The Anaconda operation at Walker Mine was shut down in the fall of 1941, and the property was later sold to a Los Angeles firm. We are endeavoring to secure further information about the sale of the property.

We do not appear to have a collection of Walker Mine rocks and ores, although Mike Kildale at one time may have had one personally. Jack Dugan, who was in charge of the mine, says that he doesn't know of a collection. S. K. Droubay, now manager of United Park City Mines, believes he may have a few specimens, and, if so, we will forward them to you.

I am sorry we cannot be of more help to you. The investigation of the Plumas copper belt should be an interesting one, and might be economically important. With best regards,

Yours very truly,

R. B. M.

RBM:S

Roland B. Mulchay

April 3, 1963

Mr. Roland B. Mulchay
Anaconda Copper Co.
809 Kearns Bldg.
Salt Lake City 1, Utah

Dear Mr. Mulchay:

My proposed dissertation problem for Stanford University is a study of the Plumas County copper belt, with particular emphasis upon genesis and control of metallization, and its relation to the metamorphic and plutonic petrology of the district. The Walker mine, operated by Anaconda for a number of years, represents an important source of information for this study. As such a study will involve detailed microscopic and spectrochemical analyses as well as field work, I am attempting to gather together as complete a suite of specimens as possible which will not be available to me in the field. Both Dean Park and Tony Payne suggested that I write to you in inquiry to the present status of Anaconda in the district, and the availability of any material which you might have from the Walker property. If it would cause no conflicts with company interests or policies I would be exceedingly grateful to hear from you at your convenience about the possibility of obtaining any specimen material which Anaconda could supply me with.

I thank you in advance for your time on this matter, and am looking forward to hearing from you. Also, if you have any suggestions for other sources of material, I would be most appreciative.

Very truly yours,

Fred J. Humphrey

Fred J. Humphrey
Dep't of Geology
Stanford University
Stanford, Calif.

FORM 1168 6-8-54 5M

6 11

MEMO

To _____ Date Oct. 3, 1960 Time 10:00 a.m.

Phone from _____ To _____

Place _____ Subject Walker Mine

Present _____ Plumas County, California

Discussion with S. K. Droubay:

Meyer Hansen of Longyear in Minneapolis called Droubay and wishes to discuss Walker Mine.

Told Droubay I believed we could discuss old reports and maps, but we should not release any such data to Longyear without New York authorization. After conversations if they wish to consult Perry, we will do whatever he says. Last ore reserve report by Virgil Chamberlain in November, 1941.

Droubay will discuss general features of report in 1940-41 by Chamberlain, and also report by Kildale on general tunnel features, etc.

R. B. Mulchay

FORM 1168 6-8-54 5M

6 11

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R. B. Mulchay

611

APR 28 1960

THE ANACONDA COMPANY

P. O. Box 1764
Spokane 10, Washington

ANACONDA
from mine to consumer
REG. U.S. PAT. OFF.

Northwest Exploration Office

April 24, 1960

Mr. R. B. Mulchay
Ass't Chief Geologist
The Anaconda Company
809 Kearns Building
Salt Lake City 1, Utah

Dear Mr. Mulchay:

I am returning a report by Virgil R. Chamberlain dated November 1, 1941 entitled, "Statement of Ore Reserves, Walker Mining Company", which was borrowed from your files. Thank you very much for allowing me to see it.

(Filed in Box IV mineral Room 510)

Very truly yours,

E. C. Stephens

E. C. Stephens

ECS:lf

Enc:

611

UNITED PARK CITY MINES COMPANY

826 KEARNS BUILDING
Salt Lake City 1, Utah

April 12, 1960

Mr. E. C. Stephens
The Anaconda Company
P. O. Box 1764
Spokane 10, Washington

Dear Red:

In order to answer your letter of April 4th about Walker Mine, I reviewed my ore reserve report of January 1, 1941 and Virgil Chamberlain's ore reserve report of November 1, 1941, which was written right after operations had shut down. I had been transferred to Copper Canyon along about March and then on up to the chrome mines on July 1, 1941.

I think that Bill Warren and Jack Dugan had pretty good hopes for the 712 and Piute ore zones, but consistent operating losses caused officials to "throw in the sponge". I have heard Dugan say that he felt the higher copper prices that came with the war would have saved Walker. I am not so sure because higher costs came along with higher copper prices.

I think that an examination of Virgil's assay values of Piute and North Piute, together with his remarks about the ore zone, will indicate that some one did not know the facts when they wrote the last paragraph of the report you sent me. There are several copies of Virgil's 1941 ore reserve report in Anaconda's files and I am enclosing a copy for you to review. Kindly return it to Mulchay when it has served its purpose. Your thermofax report is also enclosed.

Kindest regards to all the Stephens.

Sincerely yours,

UNITED PARK CITY MINES COMPANY

By

S. K. Droubay
Vice President & General Manager

enc.

cc: Mr. R. B. Mulchay

THE ANACONDA COMPANY

P. O. Box 1764

Spokane 10, Washington

Northwest Exploration Office

April 4, 1960

Mr. S. K. Droubay
General Manager
United Park City Mines Company
826 Kearns Building
Salt Lake City 1, Utah

Dear Red:

Henry Doelle, Manager of Sheep Creek Mines Ltd., told me that the Walker Mine in California had been presented for Sheep Creek's consideration. I have known Doelle for many years. He asked me what I knew about the Walker Mine and showed me some reports that had been given him. On the basis of the size and type of past operation, he didn't believe that Sheep Creek should be interested in the Walker. Nevertheless, when he reviewed the reports he became very interested in the gold values that were reported from some of the last work done before Anaconda gave up the property. I am enclosing a thermofax copy of one of the reports given to Doelle. Some of the high gold assays are mentioned on the last page of this report. My impression is that whoever made up this report must have his decimal point wrong so far as the gold assays are concerned.

I am sending you the entire copy inasmuch as you are quoted in it. When you are through with it, will you return it to me?

If you think that the gold values are not erroneously reported, I think we should let Henry Doelle know about it, but if the report is incorrect we could save him a trip to the Walker. I would appreciate your comments.

With kindest personal regards, I am

Very truly yours,

Red

E. C. Stephens

ECS:lf
Enc:
cc: Mr. R. B. Mulchay

August 17, 1956

Mr. J. McLaren Forbes, Chief Geologist
Consolidated Coppermines Corporation
Kimberly, Nevada

Dear Mr. Forbes:

Your letter addressed to Mr. F. A. Wardlaw, Jr. and regarding maps of the Walker Mine, Plumas County, California, has been referred to me for reply.

We have here in the Salt Lake office a complete set of geologic maps of the Walker Mine. We will be glad to place these maps at your disposal here for inspection and the making of any notes which you may desire. It is, however, impossible, both as a matter of policy and because of the amount of work involved, to provide you with copies of these maps.

Should you or one of your representatives desire to look over our geologic information on the Walker Mine at this office, will you please so advise me in order that a suitable date and time can be set.

Very truly yours,

M. B. Kildale

MBK/lh

cc-F. A. Wardlaw, Jr.

CONSOLIDATED COPPERMINES CORPORATION

KIMBERLY / / / NEVADA

Mike Kildale
Please answer.

A. J. O'CONNOR
VICE PRESIDENT AND GENERAL MANAGER
J. FRANK SHARP
SUPERINTENDENT OF OPERATIONS
W. B. MANSON
CHIEF ACCOUNTANT

August 10, 1956

Mr. F. A. Wardlaw, Jr.
International Smelting & Refining Company
818 Kearns Building
Salt Lake City, Utah

Dear Mr. Wardlaw:

The Walker Mine in Plumas County, California has recently been presented to Coppermines. We have been informed that you have a complete set of surface and underground geologic maps. If you do have these maps it would be appreciated if some arrangement could be made whereby we could obtain copies or if this is not feasible, to examine the maps.

Yours very truly,

J McLaren Forbes

J. McLaren Forbes
Chief Geologist

JMF/al
cc: A. J. O'Connor

6 11

ANACONDA COPPER MINING COMPANY

25 Broadway

New York 4, N. Y.

OFFICE OF THE VICE PRESIDENT
IN CHARGE OF MINING OPERATIONS

November 26, 1948

Mr. V. D. Perry, Chief Geologist
Anaconda Copper Mining Company
818 Kearns Building
Salt Lake City 1, Utah

Dear Vin:

This will acknowledge receipt of your letter of November 23rd, dealing with the Walker Mine, located in Plumas County, California. I note that you do not believe the Anaconda Company should become interested in this property again.

Please accept my thanks for this information.

Yours very truly,

C. E. Weed

CEW:A

818 Kearns Building
Salt Lake City, Utah
November 23, 1948

Mr. C. E. Weed, Vice-President
In Charge of Mining Operations
Anaconda Copper Mining Company
25 Broadway, Room 1726
New York 4, N. Y.

Dear Clyde:

In reply to your letter of November 9 concerning the Walker Mine, Plumas County, California, I have discussed the subject with Mr. Dugan and he has submitted the attached memorandum giving an estimate of operating costs under present conditions and based on past experience at the Walker. You will note he estimates a cost of 25¢ per pound with a daily production of 1,000 tons.

While I feel that additional exploration would develop more ore of the type presently in reserve at Walker, I cannot see any logical basis for expecting larger or better orebodies than were developed in the past; therefore, if money cannot be made out of presently known reserves, further search for deposits of this type in the vicinity of the Walker is not justified.

Sincerely yours,

V. D. Perry

VDP:bjm
cc. A. M. McDonald
J. F. Dugan
encl:

INTER-DEPARTMENTAL CORRESPONDENCE

INTERNATIONAL SMELTING AND REFINING COMPANY

MINING DEPARTMENT

818 KEARNS BUILDING SALT LAKE CITY, UTAH

November 22, 1948

SUBJECT: WALKER MINING COMPANY-ESTIMATE

Mr. V. D. Perry, Chief Geologist
Anaconda Copper Mining Company
O f f i c e

Dear Sir:

Relative to letter received by you from Mr. Weed concerning Walker Mine, please be advised that a memorandum was prepared for Mr. Wardlaw on that subjest on July 15, 1943. This memorandum was requested by Mr. Weed in a letter to Mr. Wardlaw dated July 7, 1943. At that time, some consideration was given to reopening the property to mine copper for war purposes provided the War Production Board would assume the expense of the reopening and allow a copper bonus sufficient to enable Walker to mine at a profit. The memo was based on the following assumptions:

1 - Mining available ore reserve of 301,852 tons (Level pillars not considered in available Ore Reserve).

2 - Maximum Production - 550 dry tons per day - 26 days - 14,500 dry tons per month.

3 - Grade - 1.27% Cu.; 0.76 oz Ag.; 0.032 oz Au.

4 - Recoverable Copper - 22.04 pounds per dry ton of ore, 315,172 pounds per month.

Using the above figures, the estimated cost per pound of recoverable copper at the refinery, but before depreciation, amounted to 29.48 cents.

Miners' wages, at the time of the above estimate, were $7.45 per shift, with time and one half for time worked in excess of 40 hours per week.

You will note that the estimate referred to above was based on a daily production of 550 dry tons and mining only the available ore in the stopes. Level pillars were not considered.

With present wages and supply costs and using the above assumptions, the estimated net cost would be 45.096 cents per pound of recoverable copper, as compared with the 29.48 cents mentioned above. However, with a daily production of 1,000 dry

tons of ore, under present conditions and costs, the estimated cost per pound of recoverable copper would be 25.176 cents, including gold and silver credits of 6 cents per pound of recoverable copper, the same as was used in the July 15, 1945 estimate.

Attached is a memo of Walker Ore Reserves by orebodies, including level pillars, above the 700 level, plus the 800 and 900 level Ore Reserves in the Piute orebody. The ore below the 700 level in the South, Central, North and 712 orebodies is under water and inaccessible due to caves, therefore the cost of extraction would be prohibitive.

Yours very truly

John F. Dugan

JFD:n
Cc: Mr. F. A. Wardlaw, Jr.

ANACONDA COPPER MINING COMPANY

25 Broadway

New York 4, N. Y.

OFFICE OF THE VICE PRESIDENT
IN CHARGE OF MINING OPERATIONS

November 9, 1948

Mr. V. D. Perry, Chief Geologist
Anaconda Copper Mining Company
818 Kearns Building
Salt Lake City 1, Utah

Dear Vin:

This morning Mr. Robert R. Barry came into the office to discuss the Walker Mining Company. He made a proposition something along these lines: he would give the Anaconda Company an option on the property, and the Anaconda would agree to do certain exploration work, mostly diamond drilling.

He stated that he had discussed this matter with Kennecott, and that George Heickes had made a geologic survey of the property and he felt that there was promise of considerably more ore in the property. Among other things, he stated that he and his associates had $250,000 invested in the mine and surface equipment.

I told him that I was certain we would not be interested in the property, but after listening to his story, I felt that this should be referred to you for your recommendations. Personally, I would be very cold on this proposition. The mine was thoroughly explored in the area in which we were working and no ore of commercial grade was found, even at the present prices of copper. Operating costs have gone up considerably since we operated there, and I can imagine that it would be almost impossible to obtain an adequate labor supply. Just before closing down, we had Mr. Dugan make a report on the balance of ore reserves in the mine, and it is my memory that he estimated we would have to have 25¢ a pound copper to mine out the remaining reserves.

I would be interested in receiving your impressions of this property, but will advise you in advance that they will have to be very optimistic to convince me that we should try this again.

Sincerely yours,

C. E. Weed

CEW:A
cc Mr. A. M. McDonald

ANACONDA COPPER MINING COMPANY

Butte, Montana

Geological Department
RENO H. SALES, Chief Geologist
M. H. GIDEL, Asst. Chief Geologist

Aug. 11, 1939.

Mr. Tom Lyon,
820 Kearns Bldg.,
Salt Lake City, Utah.

Dear Tom:

I am in receipt of Droubay's letter of August 7th and his map showing the location of a proposed drill hole on the Piute surface, north of the Piute shaft.

I have discussed the matter with Mr. Weed and we are of the opinion that such a prospect hole should cut the vein at, at least, 50 feet below the elevation of the 900 level. In this particular instance, the question of the strike northerly from the present 900 is an extremely important one, or if there should be an intervening faulting, drilling results may prove to be difficult to interpret correctly. I am inclined to think that the tendency is for the vein to maintain its general north 15° west course, in which event the proposed drill hole will cut the vein at or below the 900 level. Because of the length of hole necessary, I do not believe we should try to cut the vein at a much deeper elevation.

If the vein should strike more northeasterly, there is the chance that the proposed hole would miss it entirely, or strike within the oxidized zone. I guess we will have to take our chances on this first location, and I suggest that arrangements be made to go ahead with it at the earliest possible date.

Yours very truly,

RHS:KM
cc: Messrs. Elton
Weed
Bayer

ANACONDA COPPER MINING CO.

COPY

New York, N. Y.
February 24, 1940.

Mr. S. K. Droubay,

Walkermine, California.

Dear Droubay:

This will acknowledge your letter of February 19th, together with copies of cross sections D-3 and D-5, also a composite plan map showing workings and drill holes in 517 vein country. As I look over these maps and sections, I am impressed with the position of the 517 vein on the 400 level and believe it may be beyond the bottom of #40 drill hole. You will note that drill holes 36, 37, and 38, driven from 600 sub-level, demonstrate the strike of the vein to be uniform and not exhibiting any such a bend as is necessary to join the vein in 471-C drift with the poor vein showing near the bottom of hole #40. Your cross section D-5 indicates that there is a decided flattening of dip from the 600 sub-level to the 400.

It seems to me that in view of the possibility above suggested, we should deepen hole 40 to the extent of 50 feet or more. I realize you cannot do this unless a drill is available. If no drill is available, would it not be advisable to continue 471-C drift, veering it off to the right to make sure #40 hole hits all the vein there is.

Yours very truly,

RENO H. SALES

RHS:F
CC: Mr. C. E. Weed.
Mr. J. F. Dugan.
Mr. T. Lyon.

ANACONDA COPPER MINING CO.

COPY

New York, N. Y.
February 7, 1940.

AIR MAIL

Mr. S. K. Droubay,

Walkermine, California.

Dear Droubay:

Will you please have prepared for me, sending copies to Mr. Lyon, a vertical geological section drawn through drill hole #29; and a section through or near drill hole #32, this section to include hole #37 and the more recent one drilled on the 400 level.

I note that you can easily project on your section #5 the vein as disclosed in drill holes #30 and 36. I would like a copy of this section also.

I am anxious to see the relation between the drill results from these deeper holes, and the upper level workings from the 400 to the 600.

Yours very truly,

RENO H. SALES

RHS:F
CC: Mr. Tom Lyon.

AIR MAIL

January 25, 1940

Mr. Reno H. Sales
Biltmore Hotel
Los Angeles, California

Dear Reno:

I have your letter of January 24 regarding drilling at the Walker mine.

Hole No. 34 is being drilled from the face of 1056 B crosscut east. It is a long exploratory hole in the hanging wall. According to Droubay's letter of January 9, the progress is slow but there was no suggestion that the hole would be stopped, and I feel that it should be kept going until we have exhausted all of the possibilities in the hanging wall country at this point.

I will have the map you asked for in New York when you arrive there.

Very truly yours,

TL:P

Tom Lyon

CC: J. F. Dugan
S. K. Droubay

BARON LONG, PRESIDENT
CHARLES BAAD, MANAGING DIRECTOR
EDWARD S. BERNARD, MANAGER

CABLE ADDRESS
"LOSANGBILT" LOS ANGELES, CALIFORNIA

January 24, 1940

Mr. Tom Lyon,
820 Kearns Building,
Salt Lake City,
Utah.

Dear Tom:

I am in receipt of a copy of Droubay's letter to you dated January 9.

I have no map illustrating the position of the various drill holes mentioned in his letter.

Would you please have made a print or copy of that composite 50 scale map we used when I was in your office. The map is of thin paper, as I recall it, and covers only the 517 area. At the moment, I do not know where hole no. 34 is. Maybe it should be discontinued, particularly if in serious difficulty.

Yours very truly,

P.S. Send map to me in Wyo.

R

ANACONDA COPPER MINING CO.

COPY

New York, N. Y.
November 22, 1939.

Mr. S. K. Droubay,

Walker Mining Company,

Walkermine, California.

Dear Droubay:

I have received a letter from Lyon suggesting a down hole from 1055-B Crosscut. We think this a good suggestion. I think a hole should be put down directly in line with #32, which should be laid out to cut the vein at approximately 200 feet below the 1000 level. Should this down hole show favorable results, I think we should fan a couple of down holes from the same station.

Lyon suggests an up hole to hit the vein at the 900. We do not think this hole necessary, but at any rate, please defer it until the 500 sub-level holes are finished.

Yours very truly,

RENO H. SALES

RHS:F
CC: Mr. C. E. Weed.
Mr. J. F. Dugan.
Mr. Tom Lyon.

AIR MAIL

Form 42 2-25-39

CONFIRMATION OF TELEGRAM

Walkermine, California
November 14, 1939 DL

Reno H. Sales
Anaconda Copper Mining Co.
Butte, Montana

Tom Lyon
818 Kearns Building
Salt Lake City, Utah

Second surface hole lost at four nineteen feet drillers idle shall we start new hole and take chances on snowing in equipment. Refer to sketch air mailed November eleventh. Hole thirty-one cut mineralization one ninety to two hundred two feet not through vein. Would like permission to extend hole twenty nine also drill a hole south of number thirty-one also drill a hole west from seven hundred sublevel near hoist room to justify haulage from this end.

S. K. Droubay

cc - Confirmation to Mr. Dugan

Form 41 2-1-38 5M

POSTAL

COPY OF TELEGRAM

November 10, 1939

SERIAL

Seth K. Droubay
Walker Mining Company
Walkermine, California

Your letter October 18. Do not believe Sales intended long footwall drill hole as hole No. 16 from 600 south has covered that area. Do not drill beyond mineralization found in footwall

Tom Lyon

ANACONDA COPPER MINING COMPANY

Butte, Montana

Geological Department
RENO H. SALES, Chief Geologist
M. H. GIDEL, Asst. Chief Geologist

New York, N. Y.
November 10, 1939.

AIR MAIL

Mr. Tom Lyon,

820 Kearns Building,

Salt Lake City, Utah.

Dear Tom:

I have received Droubay's letter of November 4th, giving drilling progress at the Walker.

Please have Droubay keep us informed also of the results of mine exploration work, particularly in that 517 foot-wall country.

Yours very truly,

Reno H Sales

RENO H. SALES

RHS:F
CC: Mr. C. E. Weed.

AIR MAIL

November 20, 1939

Mr. Reno H. Sales
Room 1725
25 Broadway
New York City, N. Y.

Dear Reno:

I have just received Droubay's letter of November 18 together with sketches concerning diamond drilling on the 1000 level of the Walker mine.

It appears to me that it would be a good idea to drill a down hole from 1055 B crosscut to cut the mineralization at least 100 feet below the 1000 level. It also might be well to drill a hole angling upward to cut the mineralization in the vicinity of the elevation of the 900 level.

If you think this should be done, will you please write Droubay direct as our present campaign is about completed.

Very truly yours,

TL:P

Tom Lyon

CC: Mr. Weed
Mr. Dugan

ANACONDA COPPER MINING CO.

COPY

November 21, 1939.
New York, N. Y.

Mr. S. K. Droubay,
Walker Mining Company,
Walkermine, California.

Dear Droubay:

I received your map and cross-section illustrating drilling results in Holes 31 and 32. I note the position of the proposed hole from the 600 sub-level. I have discussed this with Mr. Weed and we think another hole should be drilled from the 600 sub-level approximately 200 feet south of your proposed hole, provided, you get an ore showing in this first hole.

We suggest this second hole and possibly a third still farther south for the reason that if this 517 vein approaches the main vein, the possible haulage drift should be driven along the vein rather than in the country rock.

I am quite pleased with the disclosures in Holes 30 and 32. I will be much interested to learn the results in #29.

Yours very truly,

RENO H. SALES

RHS:F
CC: Mr. C. F. Weed.
Mr. J. F. Dugan.
Mr. T. Lyon.

AIR MAIL

FORM 396 11-39 2M

WALKER MINING COMPANY

WALKERMINE

PLUMAS COUNTY, CALIFORNIA

H. M. HARTMANN, MANAGER

November 18, 1939

Mr. Reno H. Sales, Chief Geologist
Anaconda Copper Mining Company
25 Broadway
New York City

Dear Sir:

The last part of your wire dated November 16 was mixed up a little but I took it that you wanted a more complete picture of the 517 Fissure. The enclosed composite sketch and vertical section No. 5 will illustrate more clearly the object of the drilling your approved.

If we cut the vein with the proposed drill holes on the 1000 and 600 sub-levels, we should be justified in starting a 700 Level haulage level some where south of the 712 hoist room, which would be much better than back-switching from the north end of the 712 Orebody.

All approved diamond drilling, other than the 620A Stope holes, should be completed within the next two weeks. The long hole being drilled North 55 degrees East from the face of 1056B crosscut east may take a little longer.

Any suggestions will be appreciated.

Respectfully yours,

S. K. Droubay

SKD:SW

S. K. Droubay

cc - Mr. Lyon
Mr. Dugan

Encl.

CLASS OF SERVICE DESIRED			
DOMESTIC		CABLE	
TELEGRAM		FULL RATE	
DAY LETTER		DEFERRED	
NIGHT MESSAGE		NIGHT LETTER	
NIGHT LETTER		SHIP RADIOGRAM	

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

COPY OF WESTERN UNION TELEGRAM

WALKERMINE CALIFORNIA
VIA BUTTE MONTANA
NOVEMBER 14, 1939.

PEDRO H. SALES
25 BROADWAY
NEW YORK N. Y.

SECOND SURFACE HOLE LOST AT FOUR NINE IN DRILLERS IDLE SHALL WE START NEW HOLE AND TAKE CHANCES ON SNOWING IN EQUIPMENT STOP REFER TO AKUTON AIR DATED NOVEMBER ELEVENTH STOP HOLE 31 CUT MINERALIZATION ONE NINETY TO TWO HUNDRED TWO FEET NOT THROUGH YET. STOP WOULD LIKE PERMISSION TO EXTEND HOLE 29 ALSO A HOLE SOUTH OF NO. 31 ALSO DRILL A HOLE WEST FROM SEVEN HUNDRED SUB LEVEL NEAR HOIST ROOM TO JUSTIFY DRIFTING FROM THIS END. FRED LYONS.

C. E. DUGGAN

CC: C. A. WEED
J. F. DUGGAN
T. LYON

CLASS OF SERVICE DESIRED			
DOMESTIC		CABLE	
TELEGRAM	X	FULL RATE	
DAY LETTER		DEFERRED	
NIGHT MESSAGE		NIGHT LETTER	
NIGHT LETTER		SHIP RADIOGRAM	

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

COPY OF WESTERN UNION TELEGRAM

NOVEMBER 15, 1939.

S. K. DROUBAY
WALKERMINE CALIFORNIA
VIA SPRING GARDEN

DISCONTINUE SURFACE DRILLING. WILL ADVISE ON SUGGESTED DRILLING WHEN SKETCH ARRIVES.

RENO H. SALES

CC: C. E. WEED
J. F. DUGAN
T. LYON

1217-A

CLASS OF SERVICE DESIRED			
DOMESTIC		CABLE	
TELEGRAM		FULL RATE	
DAY LETTER		DEFERRED	
NIGHT MESSAGE	X	NIGHT LETTER	
NIGHT LETTER		SHIP RADIOGRAM	

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

WESTERN UNION

CHECK
ACCT'G INFMN.
TIME FILED

R. B. WHITE, PRESIDENT — NEWCOMB CARLTON, CHAIRMAN OF THE BOARD — J. C. WILLEVER, FIRST VICE-PRESIDENT

Send the following message, subject to the terms on back hereof, which are hereby agreed to

CHARGE ANACONDA COPPER MINING COMPANY GEOLOGICAL DEPT

COPY

NOVEMBER 16, 1939.

COPY

S. K. DOUBAY
SACRAMENTO CALIFORNIA
VIA SPRING GARDEN.

APPROVE DRILLING RECOMMENDATIONS YOUR TELEGRAM OF NOVEMBER FOURTEENTH. DIAMOND DRILL HOLE NEXT SOUTH OF NUMBER THIRTY ONE BE LAID OUT TO CUT VEIN APPROXIMATELY TWO HUNDRED FEET SOUTH OF WHERE CUT IN THIRTY ONE. SEND COPY OF CROSSCUTTING SHOWING DRILL HOLES AND ILLUSTRATING GEOLOGY FIVE SEVENTEEN WEST FOURTH LEVEL TO THIS.

R.MO H. S. LEE

CC: E. R. WEED
J. F. DUGAN
T. LYON

COPY

COPY

FORM 396 5-38 2M

WALKER MINING COMPANY

WALKERMINE

PLUMAS COUNTY, CALIFORNIA

~~XXXXXXXXXXXXXXXX~~

November 11, 1939

Mr. Tom Lyon, Chief Geologist
International Smelting & Refining Co.
818 Kearns Building
Salt Lake City, Utah

Dear Tom:

The enclosed sketch shows the results of drilling from the end of 1017DN.

In accordance with your wire yesterday we will not extend Hole No. 30 beyond present depth of 277 feet, unless further advised.

If the vein is cut with Hole No. 31, will it be all right if we drop back 400 feet south and drill another hole? Also shall we extend Hole No. 29 to see if the vein extends up there?

In talking it over with Mr. Hartmann, he feels that if we are to crosscut out into this country we should do it as far south as possible to cut haulage distance to a minimum. Holes No. 22 and 24 show considerable mineralization a short distance under the vein and there is a possibility of a parallel shear zone existing along the footwall.

In Mr. Sales letter to Mr. Dugan dated September 13, 1939, wherein he and you reconsidered drilling for Walker, Hole No.30 was to be driven west for a distance of 600 to 800 feet. In case Hole No. 31 does not drill the vein and the quartz in Hole No. 30 proves to be localized should we extend it further? This mineralization seems rather close to be the 517 fissure zone but as 471C continues strong and now bears about South 35 degrees east, it is very possible that the vein would be in this position on the 1000 Level.

Over a week's drilling has been lost in the second surface hole. An apparent sub-surface stream was drilled into, washing mud and cutting into the hole and mudded in a bit and some rods. They are fishing for them. The drillers think it is a stream because vapor comes out of the hole. It is just slightly over 400 feet deep and any water would be along a stratum of the lava.

I suggested to Mr. Dugan that 1017DN be extended another 100 feet and another short hole be driven into the hangingwall. Hole No. 28 showed extensive alteration and scattered specks of chalcopyrite, but nothing to warrent changing the course of the drift.

Very truly yours,

S. K. Droubay

S. K. Droubay

SKD:SW
cc - Mr. Sales
Mr. Dugan

Encl.

FORM 396 2-39 2M

WALKER MINING COMPANY

WALKERMINE

PLUMAS COUNTY, CALIFORNIA

L. F. BAYER, MANAGER

October 21, 1939

Mr. Tom Lyon
Chief Geologist, I. S. & R. Co.
Salt Lake City, Utah

Dear Tom:

Please find enclosed a memorandum on development and a period report covering diamond drilling during the second period of October.

Mr. Sales surprised us by making a two-day visit, during which time he checked over our drilling results and mapped out a program for the footwall exploration of the 712 Orebody.

I wired you that the 8 feet of core from Hole No. 24 ran 1.10% Cu., 0.38 oz. Ag., and 0.01 oz. Au. We drilled Hole No. 27 back 140 feet south and cut the mineralized zone at 141 to 145 feet. The hole was driven to a depth of 202 feet. The mineralized zone is not so quartzy as that ahead, but shows more massive chalcopyrite. It looks as though it will run a little better than 1% Cu. Sludge from 140 to 150 feet ran 1.15% Cu., 1.15 oz. Ag., and 0.01 oz. Au. Mr. Sales suggested that the crosscut be driven from the face of 904B.

The second surface hole, No. 26, has been started from co-ordinates 21,385 N and 10,930 E, at an elevation of 6750 feet. It is being driven S 80°W and dips 60°. This is aimed to cut the vein 500 feet ahead of Hole No. 21, just below the 900 level.

There has been considerable commotion in getting the management changed, and we are all more or less upset in our routine work. However, things will be smoothed out before long and I expect our reports and comments will be more regular and prompt.

Very truly yours,

S. K. Droubay.

S. K. Droubay

P.S. I am going to Mr. Baglin's property today, and will map the tunnel and sample the interesting places.

FORM 396 3-31-37 2M

WALKER MINING COMPANY

WALKERMINE

PLUMAS COUNTY, CALIFORNIA

L. F. BAYER, MANAGER

October 18, 1939

Memorandum on Development

Mr. Sales spent October 17 and 18 at Walkermine, and recommended that the following projects be carried out at the earliest possible convenience.

Project No. 1
To Determine the Behavior of the 517 Vein Below the Extreme South Portion of 471 CDS.

Sections indicate that the vein, if it extends to the 500 and 600 levels, should lie in the approximate position shown on the sketch.

A. Further prospecting along 517B should be done a little more to the west, as indicated on the sketch, keeping in mind that the main vein may continue S 45° W.

B. If the ore continues along the 500 level, then prospecting from the 600 level should be carried out by extending 668E in a southerly direction along the weak fissure. See sketch.

Project No. 2
Prospect the North End of the 712 Orebody, Where the Several Footwall Fissures Join the Main Vein.

There are several streaks of ore on the 600 sub, 600, 500 and 400 levels that should be opened up to determine whether or not this zone contains enough ore to warrant stoping.

400 Level:

A. Extend 434CxcW far enough to expose the extreme footwall split of the fissure, or to be sure it does not extend this far.

B. Open up the mineralized zones that lie along the first two fissures cut by 470CxcW, and follow out in both directions.

500 Level:

544B may have to be extended to meet 535B, if the fissure proves productive above.

600 Level:

A. 649D should be extended far enough to cut all of the fissure zone.

B. All mineralization in this zone should be opened up the same as recommended for the 400 level.

C. A crosscut should be driven from the main vein to the end of 618E to obtain another assay cross section of this footwall area. 648D averaged 1.07% Cu.

600 Sublevel:

699B should be extended in a northeasterly direction to determine the extent of the mineralization. Part of this work may be done by exploring from 604BDN.

Project No. 3

Explore the small high grade vein exposed in 4500DN near 768BR, by raising and by drifting south into the 710 Orebody.

Project No. 4
Diamond Drilling

A. It was decided that the footwall country of north Piute had been sufficiently explored by the old surface diamond drill holes Nos. 3, 8, 10, 11, 12 and 14, and that therefore drill hole No. 23, drilled west from the end of 904BDN, should not be continued beyond its present 209 foot depth. The objective of cutting the footwall quartz exposed in 900CxcW was obtained.

B. A 200 foot hole should be driven south of hole No. 25 to obtain another cross section of the footwall mineralization exposed by holes No. 22 and No. 25 drilled from the 1200 and 1000 foot levels of the Central Orebody.

C. Two short holes may be drilled from the face of 1017DN to locate some trace of the 712 mineralization.

Respectfully submitted,

S. K. Drouhay.

S. K. Drouhay

C O P Y

Salt Lake City, Utah
September 13, 1939

Mr. J. F. Dugan, General Supt. of Mines
International Smelting and Refining Company
O f f i c e s

Dear Sir:

Mr. Lyon and I have considered further the drilling program for the Walker. We decided on the following:

1- 900 Piute Level

(a) Drill due east from the present north face of 904B drift N., approximately 800 feet.

(b) Drill due west from present north face of 904B drift N., approximately 800 feet.

(c) Drill due west from face of footwall crosscut under Piute shaft, ~~4500~~ 400-500 feet. The drilling of this hole to be re-considered should the west hole from 904B drift be a total blank.

2- 1000 Level

(a) Drill S 70° W from the face of the first crosscut south of 706A winze, 800 to 900 feet.

(b) Drill due west from the face of 1055B crosscut, 600 to 800 feet.

(c) Drill N 55° E from the face of 1056B crosscut, 800 to 900 feet.

These holes to be drilled in the order above given unless you are advised to the contrary. The program will be subject to possible modifications depending upon disclosures on any particular hole.

RHS:P
cc: Messrs. Wood
Lyon
Dreubay

Yours very truly,

Reno H. Sales

FORM 396 2-39 2M

WALKER MINING COMPANY

WALKERMINE

PLUMAS COUNTY, CALIFORNIA

L. F. BAYER, MANAGER

September 12, 1939

Mr. Tom Lyon
Chief Geologist
Salt Lake City, Utah

Dear Tom:

Is it necessary that sludge samples be taken from the surface diamond drill hole when sub-surface schist is reached?

Although I thought sub-surface had been reached at about 300 feet when the water was lost and the hole could not be sealed with cement, the lava has continued and the hole is around 500 feet. It looks as though it will go to 600 feet as indicated on the map. The last 200 feet of lava has cored quite well.

The hole is reamed and cased for 250 feet, and if we consider sludge samples necessary, it will mean an additional 300 feet of reaming and casing to get the return water back to the collar. This will mean about a ten-day delay.

Do you think that so long as we get 95% to 100% core recovery it is necessary to have sludge assays as a check? It will mean several hundred dollars extra cost to McClintock, but very little extra cost to us.

I would appreciate it very much if you would wire me yes or no to this.

Very truly yours,

S. K. Droubay

S. K. Droubay

FORM 396 3-31-37 2M

WALKER MINING COMPANY

WALKERMINE

PLUMAS COUNTY, CALIFORNIA

L. F. BAYER, MANAGER

September 8, 1939

Mr. Reno H. Sales, Chief Geologist
Anaconda Copper Mining Company
Butte, Montana

Dear Sir:

After receiving your letter of September 6, I discussed matters with Mr. Bayer and we will see that future diamond drilling will conform with your recommendations.

Two drill outfits, a surface and an underground machine, were sent in here August 23 and I put them immediately to work as their contract stated. Neither Mr. Bayer nor I had received a copy of your recommendations to Mr. Elton, so I took the liberty of using the drill to replace crosscuts that I felt were necessary to be sure that 1201 drift north would not be driven parallel to any important mineralization. I felt that the 1100 crosscut east may not have been driven far enough, and that such a hole would be justified. This hole was practically completed and instructions had been given to start the footwall hole, by the time a copy of your recommendations were sent to us. These drillers set up an outfit in about four hours and drill from thirty to forty-five feet per shift.

Although the footwall hole should be drilled nearly 600 feet deep to cut the 713A vein, it was making around 160 gallons of water per minute at 313 feet and as our pumps are taxed to a maximum, I had them cap the hole for the time being and continue drilling the hanging wall hole to at least 700 feet as you suggested. When station pumps are installed, the wet hole can be finished.

The 17 veinlets from the footwall hole varied from two inches to three feet in width and were cut from 60 to 140 feet from the collar of the hole. All of them are of good glassy quartz containing disseminated chalcopyrite. Several are up to six inches in width and only about one-half of the three foot vein is mineralized. High water pressure caused more or less of a panning effect on the sludges, giving a concentrated product. Some assays ran rather high. We can split and assay the core as a check.

The surface hole was drilled 275 feet when all the water was lost and cement kept washing away. I figure it is sub-surface. The holehad to be reamed and cased through, and I expect to see schist in the core they get today.

As the drilling order calls for approximately 2000 feet of underground drilling per month, we had surmised that part of this could be used to replace crosscuts, especially along the 1200 level, the 1017 drift north, and the 904B drift north. In talking this over with Mr. Lyon and Mr. Dugan, it had sounded all right that we could drill two crosscut holes from the present face of 904B, and by the time these were finished if 1017 had not encountered mineralization, we could run test holes from the face of there. The footwall hole from 904B would be drilled to cut the footwall quartz vein 200 feet north of where it is exposed with 900xcW. However, after reading your recommendations, and receiving your letter yesterday, it appears as though no provisions were made for such a program.

It looks as though our 517 fissure is going to develop into a good sized orebody. The vein on the 400 Level is at least forty feet wide at a point 150 feet beyond the end of the 500 Level workings, and the hanging wall has not been reached yet. The crosscut assays 1.4% copper with low gold and silver.

Respectfully yours,

S. K. Droubay

SKD:SW

S. K. Droubay

cc- Mr. Lyon
Mr. Dugan

ANACONDA COPPER MINING CO.

C O P Y

September 7, 1939.

Mr. S. K. Droubay,
Walkermine, California.

My dear Droubay:

Your telegram of September sixth just received.

I note you will extend the hangingwall hole on the 1200 and this has my approval. N ow that you have also drilled into the footwall from the 1200, I think this footwall hole should also be extended to take the place of the hole previously laid out to be drilled from the 1000 foot level. These suggestions, of course, on the theory that the drilling does not interfere with 1200 level drift operations.

Very truly yours,

RHS:MBS

RENO H. SALES

CC-Messrs. C. E. Weed
Tom Lyon
J. O. Elton

AIR MAIL

1211-A

CLASS OF SERVICE DESIRED			
DOMESTIC		CABLE	
TELEGRAM		FULL RATE	
DAY LETTER		DEFERRED	
NIGHT MESSAGE		NIGHT LETTER	
NIGHT LETTER		SHIP RADIOGRAM	

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

WESTERN UNION

CHECK
ACCT'G INFMN.
TIME FILED

R. B. WHITE, PRESIDENT — NEWCOMB CARLTON, CHAIRMAN OF THE BOARD — J. C. WILLEVER, FIRST VICE-PRESIDENT

Send the following message, subject to the terms on back hereof, which are hereby agreed to

KHA 195 67 NL-WALKERMINE CALIF 6 1939 SEP 6 PM 11 39

RENO H SALES
526 HENNESSEY BLDG BUTTE MONT

DID NOT RECEIVE COPY OF YOUR RECOMMENDATIONS ON DRILLING UNTIL TWELVE HUNDRED WORK WAS STARTED STOP THREE HUNDRED FEET OF FOOTWALL HOLE COMPLETED TODAY OPPOSITE THREE HUNDRED FOOT HANGINGWALL HOLE WITH SEVENTEEN VEINLETS OF APPROXIMATELY ONE PERCENT ROCK BETWEEN SIXTY AND ONE FORTY FEET STOP WILL EXTEND HANGINGWALL HOLE AND CONTINUE RECOMMENDED WORK IN OTHER AREAS UNTIL FURTHER NOTICE STOP WILL SEND YOU LETTER TO SALT LAKE STOP

S K DROUBAY..

ANACONDA COPPER MINING COMPANY

Butte, Montana

Geological Department
RENO H. SALES, Chief Geologist
M. H. GIDEL, Asst. Chief Geologist

August 26, 1939.

Mr. Tom Lyon,
820 Kearns Building,
Salt Lake City, Utah.

Dear Tom:

I have your letter of August 23rd., with reference to the drill hole at the Walker Mine. I have a copy also of Dugan's letter to Weed, dated August 23rd. I am inclined to think that the more northerly location would be the better one, but, in view of operating difficulties, I am agreeable to making the location at approximately 500 feet north of the present 900 level face.

I was in hopes that we would get the 904 drift extended at least 500 feet north, but should our drill hole disclose no ore, the chance of getting 904 extended at a future time will be practically zero.

Regardless of drill holes, I think we should not fail to do some drifting on the wide quartz vein showing in the 900 north crosscut. I hope this will be kept in mind and some work done there whenever it appears to be convenient.

A 1,000 or 1,200 foot drill hole is a pretty mean thing to handle, and the results may be unsatisfactory in a vein like the Piute. My thought has been to use the drill for extensions beyond where there is not much possibility of drift exploration. In any case, I hope there will be some further work to the north on the 900 or some other level.

Yours very truly,

Reno H Sales

RHS:MBS

CC-Messrs. C. E. Weed
J. O. Elton
J. F. Dugan
S. K. Droubay

ANACONDA COPPER MINING COMPANY

Butte, Montana

Geological Department
RENO H. SALES, Chief Geologist
M. H. GIDEL, Asst. Chief Geologist

December 18, 1940.

AIR MAIL

Mr. Tom Lyon,
818 Kearns Building,
Salt Lake City, Utah.

Dear Tom:

I have discussed the 1000 level Walker development with Weed. We think a turn-out should be made to the south at "A" in accompanying sketch. This point is approximately at coordinate 18300. From this turn-out diamond drill holes to be extended approximately as indicated.

The purpose is to determine if the vein contains ore southerly from where 1017 would normally intersect the fissure. If drill hole #1 should get ore, 1017 should be turned to the right to avoid as much cross-cutting in waste as possible.

If drill hole #1 should get ore, then we think it would be well to drill #2.

There is no advantage in doing this work unless it can be done soon, in order that we can save as much crosscutting as possible. I understand a car turn-out is needed at about point "A".

Yours very truly,

Reno H Sales

RENO H. SALES

Enc.

RHS:aw

CC: C. E. Weed
J. F. Dugan
H. M. Hartmann

Salt Lake City, Utah

May 10, 1940

Mr. S. K. Droubay
Walker Mining Company
Walkermine, California

Dear Droubay:

It has been decided to continue surface drilling at the north end of the Piute. Will you please lay out three holes spaced 500 feet apart, north of the previous hole, in the general direction of the outcrop. Upon the completion of the first hole, we will then decide the location of the next one north.

Please prepare these maps and forward same as early as possible with copies to Messrs. Weed, Dugan and Lyon.

I expect to be in Butte for the next two weeks.

Yours very truly,

RHS:P

Reno H. Sales

Salt Lake City, Utah

May 10, 1940

Mr. J. C. Elton, Manager
International Smelting and Refining Company
O f f i c e

Dear Jim:

I am in receipt of copy of Mr. Wood's letter dated May 8 relative to surface drilling at the Walker.

I am today writing to Brumley to lay out surface holes spaced 500 feet apart in the general direction of the vein structure, and to send us copies of his sketch map.

In view of the uncertainty as to the position of the Walker vein beneath the basalt covering, these surface holes should not be spaced more than 500 feet.

Yours very truly,

Reno H. Sales

RHS:P
CC: Mr. J. R. Robbins
Mr. C. E. Wood
Mr. J. F. Dugan
Mr. Tom Lyon

ANACONDA COPPER MINING COMPANY

RENO H. SALES, CHIEF GEOLOGIST
M. H. GIDEL, ASSISTANT CHIEF GEOLOGIST

ANACONDA
from mine to consumer
REG. U.S. PAT. OFF.

BUTTE, MONTANA

GEOLOGICAL DEPARTMENT

New York, N. Y.
March 18, 1940.

AIRMAIL

Mr. Tom Lyon,
818 Kearns Building,
Salt Lake City, Utah.

Dear Tom:

I am in receipt of a copy of Droubay's letter and map dated March 13th.

I approve Droubay's suggestion of a diamond drill hole from the south face of 1202, to be extended in a southwesterly direction for 150 feet or as much distance as may be necessary to cut the entire vein zone width. This, on the assumption that 1202 is on the hangingwall side of the vein. But, from the fact that Droubay suggests holes both easterly and westerly, I take it that there may be parts of the vein on either side of 1202. And in this case, I agree that we would have to have both of these holes drilled.

Yours very truly,

Reno H Sales

RENO H. SALES

RHS:F
CC: Mr. J. F. Dugan.
Mr. S. K. Droubay.

ANACONDA COPPER MINING COMPANY

Butte, Montana

Geological Department
RENO H. SALES, Chief Geologist
M. H. GIDEL, Asst. Chief Geologist

ANACONDA
from mine to consumer

Sept. 2, 1941.

Mr. Tom Lyon,
820 Kearns Bldg.,
Salt Lake City, Utah.

Re: Walker Mine,
Plumas Co., Calif.

Dear Tom:

Gidel has in mind that we should prospect further into the footwall of the 517 vein area. I note we have drilled No. 48 Hole from 484 Crosscut. What do you think of continuing No. 48 for some distance, say to a total depth of 800 feet or even more, provided the drilling met no serious difficulties? It may be that for a long hole we would have to begin over again with a larger bit.

I understand McClintock is still there with his outfit, so we will have to do something about it before he gets away.

If you agree with the above suggestion, please take it up with Elton.

Yours very truly,

Reno H Sales

RENO H. SALES

RHS:KM

cc: CEW
JOE
JFD

ANACONDA COPPER MINING CO.

COPY

August 27, 1941.

Mr. J. F. Dugan,
General Superintendent of Mines,
818 Kearns Building,
Salt Lake City, Utah.

Dear Jack:

I have your letter of August 25, also the map which relates to the proposed diamond drilling in the North Piute orebody.

The course of N 50° W for the proposed drill hole given in your letter does not correspond to the direction of the hole as you laid it out on the plan map. I prefer the plan map course for the hole, which is N 67° W at a minus 50°, better than N 50° W, so if the hole is not started, please make the course N 67° W.

Because of the curving strike of the vein in the north part of 934-C drift, it is difficult to accurately project the vein downward, that is if this curved portion keeps its flatter dip the vein may be cut in the proposed hole at around 130 feet or less. So, in laying out additional holes for deeper drilling, I think we had better wait for results on the first one. However, if there happens to be a rush I would put the next one at S 65° W from this same drill station with a minus dip of 50°.

If the results in these two holes give encouragement we should plan to cut the vein with a couple of holes at about 300 feet below the level.

Yours very truly,

RENO H. SALES

cc: CEW
M. H. Hartmann-Air mail
Tom Lyon

RHS/aw

F. 423 1-22-41 2M

INTER-DEPARTMENTAL CORRESPONDENCE

INTERNATIONAL SMELTING AND REFINING COMPANY

MINING DEPARTMENT

818 KEARNS BUILDING SALT LAKE CITY, UTAH

SUBJECT:

August 25, 1941

Mr. Reno H. Sales, Chief Geologist,
Anaconda Copper Mining Company,
Butte, Montana.

Dear Sir:

Please refer to the fourth paragraph of your letter of June 28, 1941, regarding the diamond drilling to prospect for the downward extension of the ore in 9340 Drift North Piute.

The hanging wall crosscut Northeast is now 180 feet from 9470 Drift South, and they are ready to drill the holes, provided you want them drilled.

Hartmann and I talked with Lyon this afternoon on a tentative location for the first hole. Lyon thought the first hole should be drilled from the end of the crosscut on a North 50° West strike with a minus 50° dip. This will cut the mineralization at approximately 150 feet below 9340 Drift.

Under separate cover I am sending you a map showing the location of the crosscut and the strike and dip of the first hole. This map also has sections of 9400 and 9420 raises.

I would appreciate an early decision from you as to the lay-out of any future holes, as McClintock has the diamond drilling about finished and we wish to keep one machine on the job for any future work.

Yours very truly,

John F. Dugan.

JFD:H
cc; CEW
TL
HMH

Salt Lake City, Utah
June 28, 1941

Mr. J. F. Dugan, Gen. Supt. of Mines
International Smelting and Refining Company
O f f i c e s

WALKER MINE

Dear Jack:

Confirming our conference this morning with Tom Lyon on the Walker,

We agreed on the following work to be prosecuted at the mine, named in order of preference:

(1) After completing Hole 93, drill No. 95 horizontal from near the south face of 1077 B crosscut, as shown on the sketch accompanying Chamberlain's letter dated June 21.

(2) Drill down hole at -65°, course due East, from east face crosscut 1079 B. If hole finds no ore above the fault, continue to 25-50 feet below the footwall of fault.

(3) Drill down hole -65°, course due East, from drill station 1081 C.

(4) It was agreed that we should prospect the downward continuation of the ore body developed by 934 C drift. To do this it will be necessary to extend 932 C crosscut N 55°E for 150 feet. At 150 feet a station should be prepared to allow drilling downward to cut the dip of the ore body. The lay-out of these holes will be given when the station is ready for drilling.

Very truly yours,

Reno H. Sales

RHS:P
cc: Mr. C. E. Weed
Mr. Tom Lyon
Mr. H.M. Hartmann

FORM 396 2-1-41-2M

WALKER MINING COMPANY

WALKERMINE

PLUMAS COUNTY, CALIFORNIA

March 27, 1941

H. M. HARTMANN, MANAGER

Mr. Tom Lyon, Chief Geologist
International Smelting & Refining Company
818 Kearns Building
Salt Lake City, Utah

Dear Tom:

I received a letter from R. S. McClintock, which I think is a fore-runner of an attempt to get some extra money for the Surface drilling and it rather burned me up, because it appears as though he would like to blame me for letting some of his equipment lay idle. The accompanying answer is self-explanatory and I hope he lets well enough alone. There was altogether too much carelessness among his Surface drillers and they are to blame for most of the trouble he had.

1017DN does not seem to be checking with the results that we interpreted from Diamond Drill Holes No. 74 and 75, because the main fissure was encountered about 60 feet further East than the Drill Hole indicated. Two more rounds in the heading will put us far enough to tell whether or not, the Hole was deflected up, then I will mail sketches as to the proposed way of turning North toward the Piute workings.

Very truly yours,

S. K. Droubay

S. K. Droubay

SKD:DM
cc - Mr. Dugan

I have gone over Red's reply to McClintock & this letter. I very much approve his statements & will add that this was about the sloppiest managed operation I have ever seen. There certainly was a difference between this and the underground operations which were excellent. I would object to giving him any more money.

H-17-41 H. M. Hartmann

FORM 396 8-40 2M M.P.C.

WALKER MINING COMPANY
WALKERMINE
PLUMAS COUNTY, CALIFORNIA

March 27, 1941

H. M. HARTMANN, MANAGER

Mr. R. S. McClintock
West 418 Second Avenue
Spokane, Washington

Dear Dick:

I have your letter of March 21st, in which you mention being concerned over our decision not to complete Hole No. 51. Quoting from your letter:

> "I am quite disappointed to hear that you have abandoned Hole No. 51 in view of the fact that we went to considerable expense to put on an additional drill and also to concentrate on the completion of Hole No. 57 and permitting the equipment on Hole No. 51 to remain idle. This, I understand, was done at your suggestion.
>
> I hope to be down to see you in the course of the next few weeks and will discuss this matter with you then."

We all realize you have suffered considerable expense, but we have given you every possible break we could, to enable you to furnish us with the information that only a completed hole could supply. This has finally been done and I would like to remind you of a few circumstances that led up to the present situation, which makes me feel that the above statement is rather out of place.

1. Mr. Lyon and Mr. Sales over-ruled my recommendation that an attempt be made to complete Hole No. 51 after No. 57 was finished.

2. The second Diamond Drill machine was brought in, entirely on your own request and responsibility, because your Surface Foreman insisted that the first machine was not heavy enough to drill the 1200 feet that the holes may have required. It is Mr. Hartmann's and my understanding, that the only reason there are two machines up there, is because the smaller machine would have had to be replaced. When the larger machine came in, the smaller one was still working on No. 26A, so I wired Mr. Sales on August 19, 1940, for permission to start Hole No. 51, rather than wait until No. 26A was completed, as the recommendation called for. This was a courtesy to you, so that your machine would not remain idle.

3. When Hole No. 26A was lost through the carelessness of a runner putting in several times more cement than he was given orders to, and then telescoping his string of rods into the mess where the whole thing was cemented tight, you asked to replace the hole with a new one. By this time, Hole No. 51 and our underground heading had advanced so far, that a new hole at the location of No. 26A could not give us information soon enough to be of any value. I again received permission to proceed ahead of schedule and start Hole No. 57, so that you could utilize an otherwise idle machine to replace the lost drilling.

4. Hole No. 51 was drilled to the contact and already to set casing to 752 feet, when a driller telescoped a long string of casing into the Hole by letting a wrench slip. This happened when the Foreman took a three day trip out of Camp, about September 20th. Work continued on this Hole for the next four months, until the heavy storms set in, but the Hole was never cleaned out enough to start drilling. In the meantime, a string of rods had been dropped in the new Hole No. 57, and the Hole put in bad shape before they were recovered. Just as everything was in good order and the Hole down to 714 feet, another 650 foot string of rods was dropped into the Hole.

5. Toward the first of February, when the snow got deep and all gas and supplies had to be taken out by hand, work had practically been stopped in Hole No. 51, but a little headway was being obtained in Hole No. 57. I agreed to let them concentrate their efforts on Hole No. 57, with the hopes that we could possibly get one hole down. We would have much preferred No. 51 be completed, but after four months of blasting and drilling had advanced the Hole only 23 feet through the broken casing, I had little faith that it would ever be recovered.

With all due respect to the swell job the underground fellows have done at the Mine and the several individuals who have faithfully worked on the Surface holes, constantly straightening out the blunders of other men, I feel that our Surface job was carried out with an undue amount of carelessness. The fact that at least five long strings of rods or casing were, for various reasons, dropped into the holes at different times without one logical excuse given to us here at the Office, is proof enough of this.

I would like it clearly understood, that we believe we have done more than our share in helping you complete part of a job that turned out to be very difficult to execute.

Very truly yours,

S. K. Droubay

S. K. Droubay

SKD:DM

cc - Mr. Lyon
Mr. Dugan

FORM 396 8-40 2M M.P.C.

WALKER MINING COMPANY

WALKERMINE

PLUMAS COUNTY, CALIFORNIA

March 13, 1941

H. M. HARTMANN, MANAGER

Mr. Reno H. Sales, Chief Geologist
Anaconda Copper Mining Company
Hennessy Building
Butte, Montana

Dear Mr. Sales: SUBJECT: Surface Drilling and 1017DN

Surface Diamond Drill Hole No. 57 is a few feet deeper than 1000 feet and they will stop drilling today, with the understanding that no further surface drilling is contemplated.

From the 941 foot mark, the last I wrote you about, the formation continues bleached, with a few very small zones of chalcopyrite and quartz, to 960 feet.

The entire zone of schist is considerably sericitized and contains numerous dark green inclusions, about the size of a pea or smaller, embedded in the lighter colored groundmass of micaceous schist.

From 960 feet to 983 feet, there is a very barren, massive quartz, containing numerous small island of garnet about the size of pin heads. From 983 feet to the end of the hole, is the characteristic porphyritic meta-anderite (?), that was cut by the old surface drill holes and exists in a number of sections underground. It contains numerous zones of intense green epidote. This may be a less sheared and altered portion of the same rock from which the schist is derived.

1017 Drift North has encountered some of the mineralized zone exposed with Diamond Drill Hole No. 75. The drift has not yet opened up anything as good as the Drill Hole indicated, but I figure this lies ahead of the face. After re-plotting the drill log, using a 2-degree upward inclination, the mineralization was extended about 12 feet further east than it was first shown. If the hole deflected up more than this, it will be out further. I expected to encounter a much heavier clay fissure than we have encountered so far, and it may possibly be out ahead. The shear may have consolidated.

Very truly yours,

S. K. Droubay.

S. K. Droubay

SKD:DM
cc - Mr. Lyon ✓
Mr. Dugan
Mr. Weed

The sketch mailed to you yesterday is up to date with the 1017 discussed above.

S. K. D.

FORM 396 6-40 2M M.P.C.

WALKER MINING COMPANY

WALKERMINE

PLUMAS COUNTY, CALIFORNIA

February 25, 1941

H. M. HARTMANN, MANAGER

Mr. Reno H. Sales, Chief Geologist
Anaconda Copper Mining Company
Hennessy Building
Butte, Montana

Dear Mr. Sales:

SUBJECT: Surface Diamond Drill Holes Nos. 51 and 57. Also 1201DN.

The enclosed are vertical sections through surface Diamond Drill Holes Nos. 51 and 57, which are approximately 750 feet and 1250 feet respectively, ahead of the present 9390 Drift North. (My letter to you, dated February 1, 1941, stated Hole No. 51 was 550 feet ahead of the north heading and it should have read 850 feet ahead).

Both holes are now just a few feet into the schist. Hole No. 51 has been blocked with a piece of steel for a considerable period and although the machine is still set-up, there is no one working on the Hole at present. Heavy snow has made bad working conditions, so they are concentrating their efforts on Hole No. 57. It has passed into the schist, but I am afraid they will not be able to get any water return. I think the core recovery will be fairly good, so it will not be so bad if there are no sludge samples.

It looks as though the sub-surface stays fairly level from Surface Hole No. 21 to Hole No. 51, then drops rapidly during the next 500 feet to Hole No. 57. From this, it would appear that 9390DN would pass through the schist into the lava, at a point about 1500 feet ahead of the present face. However, there would be 200 feet of schist vertically over the 900 Level, for at least the next 750 feet, if the heading were extended along its present course.

The sub-surface schist is light gray and micaceous, very similar to some of the fissle zones that have been encountered in the Piute Orebody. It looks surprisingly fresh, for being so close to the contact.

1211xcW was extended 30 feet northeast from the face of 1201 Drift North, to test the mineralization as exposed in the hanging wall drill hole. Nothing but a few fairly rich stringers of quartz and chalcopyrite in crystalline schist were encountered, so the heading has been temporarily abandoned for the time being, as per instructions.

Respectfully yours,

S. K. Droubay

S. K. Droubay

SKD:DM
Encl.

cc - Mr. Weed
Mr. Lyon
Mr. Dugan

FORM 396 8-40 2M M.P.C.

WALKER MINING COMPANY

WALKERMINE

PLUMAS COUNTY, CALIFORNIA

March 8, 1941

H. M. HARTMANN, MANAGER

Mr. Reno H. Sales, Chief Geologist
Anaconda Copper Mining Company
Hennessy Building
Butte, Montana

Dear Mr. Sales: SUBJECT: Surface Diamond Drill Holes

Surface Diamond Drill Hole No. 57 is down 941 feet and has cut a ten foot mineralized zone, five feet of which I would estimate will assay 2.0% cu. The zone is from 920 feet to 930 feet, with the best showings of chalcopyrite from 924 feet to 929 feet. Three inches of clay was then cut at 932 feet and from there to 941 feet, the formation is almost barren again, but a few small specks of chalcopyrite may be seen with a glass.

It may be quite possible that this clay is the footwall fissure as exposed with Holes Nos. 70 and 81, (see sketch mailed March 3rd, with copy of letter to Mr. Lyon). The fissure seems to turn slightly to the East, where cut with Hole No. 81. The bearing of a line from the present face of 9390, (North Heading) to the mineralized zone in Hole No. 57, projected to the 900 Level, is North 8 degrees West.

If the formation is barren for the next 40 or 50 feet, will it be all right to stop Hole No. 57 and try to get Hole No. 51 advanced through the vein? Hole No. 51 is 500 feet South of Hole No. 57. The drillers seem to think they can finish cleaning the Hole and get drilling without much trouble.

Sludge assays from Hole No. 81 ran:

	% Cu	AG	AU
0 - 10	0.15	Trace	None
10 - 20	0.55	"	"
20 - 30	0.50	"	"
30 - 40	0.45	"	"

The 1211xoE did not expose anything that looked worthwhile following.

Very truly yours,

S. K. Droubay

SKD:LM
cc - Mr. Weed
Mr. Dugan
Mr. Lyon

FORM 396 8-40 2M M.P.C.

WALKER MINING COMPANY
WALKERMINE
PLUMAS COUNTY, CALIFORNIA

January 30, 1941

H. M. HARTMANN, MANAGER

Mr. Reno H. Sales, Chief Geologist
Anaconda Copper Mining Company
25 Broadway
New York City, New York

Dear Mr. Sales:

The accompanying sketch shows the results of drilling Diamond Drill Holes No. 74 and 75, for prospecting the southerly extension of Piute mineralization. 1017 is being turned approximately as indicated, but may cut the vein slightly further North than shown, because it has advanced to a point ahead of the face as shown.

Mr. Hartmann did not want to take chances on having any more turns than necessary in the haulage drift, so waited until Hole No. 75 was through the vein before starting to turn.

For 100 feet before encountering the ore streak with Hole No. 74, the speckled, porphyritic schist, drilled as though there were many clay seams within the structure. The majority of the core was recovered and looked solid enough, so it may be that the more fissle zones caused the core to block quite frequently. The core through the ore zone was broken up, and yielded about 50% recovery. It is good looking material, with zones of fairly heavy sulphides. The rest of the hole is slightly mineralized, with a four foot streak of dark quartz, near the end, that shows numerous specks of chalcopyrite and bornite. The sludges from 200-220, look rather high. A considerable flow of water may cause erratic results.

Hole No. 75 was much more solid, with only one fault zone right near the footwall. Beyond the fault is a gray, sheared quartzy formation, that seems rather chalky and has zones of fair mineral. Then there are 13 feet of solid, smooth quartz, that appears to run about 1.50% Cu. This 13 feet is split and being assayed. The rest of the hole is barren, with the exception of a mineralized streak at 300 feet.

The North Piute heading is being extended along the original lines of 934CDN, because the ore pinched to the Northeast. It is 939CDN and is in three rounds beyond 936CxcW.

1201 Drift North has 25 feet more to go, to be in position for the short hole prospecting that you recommended, before abandoning the level for further prospecting, in case nothing is found. The hanging wall fissure crossed and joined the one on the footwall, so the heading is being extended along the East side of them - along a zone of poor vein material that runs about 0.6% Cu.

Very truly yours,

S. K. Droubay

S. K. Droubay

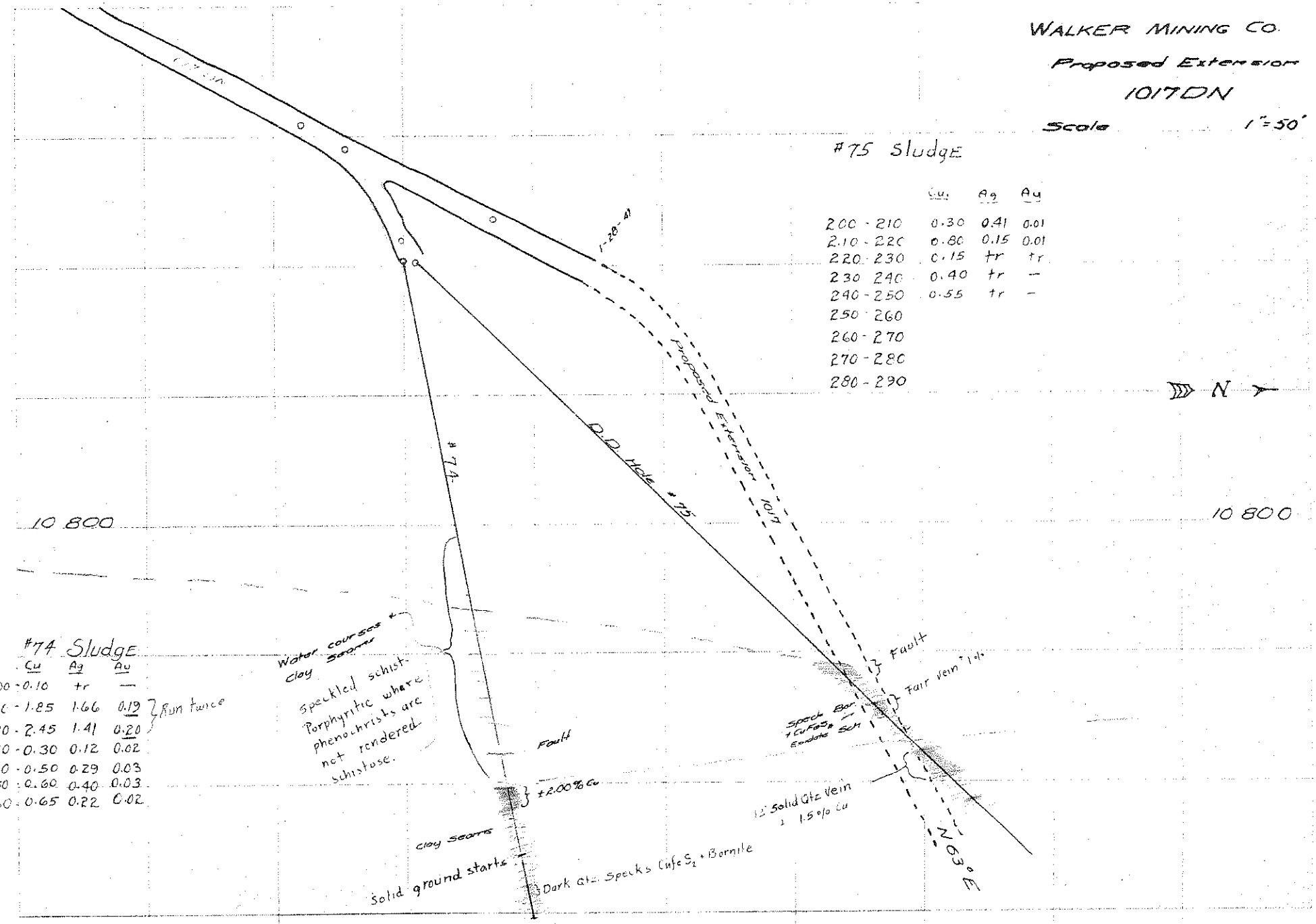
SKD:DM
cc - Mr. Lyon
Mr. Weed
Mr. Dugan

WALKER MINING CO.

Proposed Extension

1017 DN

Scale 1" = 50'



VRC 1-28-41

ANACONDA COPPER MINING CO.

612

C O P Y

July 1st, 1939.

Mr. J. O. Elton,
820 Kearns Bldg.,
Salt Lake City, Utah.

Dear Jim:

I spent Monday, June 26th, at the Walker Mine. Since returning I have read Tom Lyon's letter of June 23rd, in which he recommends a certain drilling program for the Walker Mine. I have also gone over the matter very fully with Mr. Droubay, the mine geologist.

There is but little doubt that the Walker Mine has reached a critical stage. The mine is operating and there is being added to the ore reserve nothing substantial in the way of tonnage. If the mine is to continue operations very far into the future, important ore discoveries or developments must be made.

Viewing the Walker as a general picture, there are two angles to any development program. There are certain ore possibilities which might be developed under the so-called short range development recommendations, and there are the longer range possibilities of orebody extensions and new ore discoveries. The short range program can do nothing more than prolong the present situation for a limited time. I believe the prospecting for important ore extensions or ore discoveries is the vital matter needing our serious consideration.

The Walker Mine is essentially a low grade ore operation. The margin of profit even in good times has been relatively small, considering the tonnage handled. In the past it has enjoyed the advantage of a large proportion of the ore coming from above the tunnel level. It has enjoyed the very low cost ore produced from that portion of the wide Piute orebody lying above the tunnel.

Looking to the future, the mine is facing higher ton cost ore from below the tunnel level, because of sinking, pumping, ventilation, etc. There is also the possibility of stoping costs being increased in depth, due to the presence of a strike fault along the vein. On the basis of present metal prices, say with copper at 12¢ or under, we must hope therefore, that the Walker ore extensions in depth will not only be maintained in size, but that there will be an increase in metal content. Otherwise a profitable operation may not be possible.

The behavior of the vein in depth below the 700 level adit tunnel has been far from satisfactory. The extreme south end oreshoots have been on a par, or slightly better perhaps than above the adit level. The Central orebody which averaged around 4% copper above the 6th level, dropped to low grade at the 700, 800 and 900, and is too poor to mine at the 1000. The north orebody, 1200 feet long at the 700, is only half that long at the 1000, but the grade at the 1000 is better. The 712 oreshoot has not been tested below the adit level. The Piute oreshoot, over 1200 feet long at the adit level, is too poor to mine on the 900 and 1000 levels.

In the light of the above facts, the question naturally arises, what are the prospects, if any, that the Walker Mine can be rehabilitated? In my opinion, the prospects are poor but not entirely hopeless. There are several pieces of mine development work which should be carried out as rapidly as possible and, in addition, a number of drill holes are advisable. These recommendations are listed below:

Mine Work.

1. Continue 1017 drift north, followed by sufficient crosscutting to test the downward extension of 712 orebody. This might require 500 to 800 feet

of drift and several hundred feet of crosscut depending upon results.

2. Extend the 1200 northerly from 706 A Shaft to develop the north orebody. Probably 1000 feet of work. A few hundred feet of drifting to the south from 706 S Shaft may also be advisable.

3. Extnd the 900 Piute drift northerly for 1000 feet with sufficient crosscutting or diamond drilling to prove the vein.

The above three projects will probably either make or break the Walker Mine in my opinion. In spite of the unfavorable behavior of the Walker vein in depth, the expenses of the above projects are justified, partly because of the excellent mine and milling plant facilities on the property, and because of the fact that the Walker vein zone is a very strong one, having been developed on strike for 7500 feet, of which, a length 4200 feet was minable at the elevation of the tunnel level. The chief copper mineral is chalcopyrite, and in one ore-shoot at least, the south orebody, the best grade of ore is at the bottom (10th) level.

In addition to the mine development work above suggested, I recommend the following diamond drill projects:

1. A hole run easterly 500'+ either from the 900 or 1000 level to cut the mineralization disclosed in old D.D.Hole #8 run from 6th Sub-level.

2. A hole run easterly into hangingwall country in the general vicinity of N-S coordinate 17900. The purpose of this hole is to test the possibility of a south continuation of the Piute zone to the east of the 712 and North orebodies. Old Drill Hole #15 indicates such an extension. As to elevation it can be run from the face of crosscut 1056-B or 1043-B, or from the 7th level, or 6th Sub-level. Favorable results should be followed by additional holes

ANACONDA COPPER MINING CO.

Mr.J.O.Elton---4 COPY July 1,1939.

fanned from the same set-up or in next crosscut to south.

5. Drill westerly from the face of 1000 level crosscut just north of Raise 1026. Distance 500-600 feet. To test footwall vein zone in 713 A drift.

4. Drill northwesterly on 1000 level, probable location 1055 E cross-cut, to test downward continuation of 517 vein zone .

5. Drill angle hole from surface 500 feet ahead of present 900 Piute north drift. To test extension of Piute vein zone. Any favorable results to be followed by a second hole.

In addition to the diamond drill projects above specified, there are a few shorter prospect holes in different parts of themine which can be drilled when convenient, but they are relatively unimportant. Some of the short hole projects recommended by Dronbay should be replaced by crosscuts.

Yours very truly,

RHS:KM

RENO H. SALES

cc: Messrs. Kelley
Weed
Lynn
Dugan

4.5

900
20) 500

ANACONDA COPPER MINING CO.

C O P Y

612

September 5, 1939.

Mr. S. K. Droubay,
Walkermine, California.

My dear Droubay:

I have your letter of August 31st and the two maps attached thereto. I was quite surprised to learn that you had drilled a hole so near the shaft into the hangingwall country from 1201 drift north. I was under the impression that the 1100 level crosscut from the shaft was long enough to fully determine the width of the Walker vein zone. According to your own section, B12, the 300 foot hole on the 1200 level is not long enough to explore the downward possibilities of the mineralization in drill hole number 8 drift from the 6 Sub-level. In that hole the mineral showing is 400 feet from the hangingwall of the main Walker vein. The dip is unknown, but should it be flatter than the Walker vein, it might require 4 to 700 feet to fully cover its possible downward projection at the 12th level.

For the present, I hope you will not do any further drilling from the 12th level. I note you have 6 holes laid out to be drilled from the 12th level at certain intervals along the proposed north and south 12th level drifts. The holes already proposed to be drilled into hangingwall country are for the purpose of finding out whether or not there is a parallel vein or ore zone within drilling reach. If any one hole determines the non-existence of such an ore or vein zone, you will agree that it would be folly to repeat such drilling into the same country. In the case of the 298 foot hole already drilled from the 12, your letter indicates that there is but little mineral showing and certainly no vein showing of any strength. Under these circumstances there is no reason to project more drilling. Especially at such short intervals as indicated on your map. My only suggestion would be that the 298 foot hole be extended to at least 700 feet, or even a greater distance, providing it encounters no serious operating difficulties.

I believe the hole already proposed from the 1000 level into the footwall is sufficient to explore that country. However, I have no objection to seeing it drilled from 1201 drift north, as you marked it on your map, although it does seem to me that 1200 drill operations might interfere with operating work on that level. Under the circumstances, I am unable to approve the drilling suggested in the last two paragraphs of your letter.

ANACONDA COPPER MINING CO.

COPY

#2

Mr. S. K. Droubay

September 5, 1939.

You may recall that the reasons for locating the hanging-wall hole, which you designate item #1 on your map, were to give us some information on the possibility of a split in the Walker vein going northerly from 706 shaft, and to check at a relatively short distance on dip, the showing in drill hole #8.

I expect to go to Salt Lake within the next few days, at which time I will more fully discuss this drilling situation, and advise you. I would like, however, that in the future you do not vary the drilling program already laid out without first securing the approval of Mr. Weed and myself.

Very truly yours,

RHS:MBS

RENO H. SALNS

CC-Messrs. C. E. Weed
Tom Lyon
J. F. Dugan

AIR MAIL

FORM 396 3-31-37 2M

WALKER MINING COMPANY
WALKERMINE
PLUMAS COUNTY, CALIFORNIA

L. F. BAYER, MANAGER

Memorandum on Diamond Drilling Applicable to Mining Operations at the Walker Mine.
June 6, 1939

In order that much needed future ore be developed at Walker Mine, it is necessary to keep long range development going as rapidly as possible. Projects that have new orebodies as objectives, and headings that are being run to explore for the downward extension of our known orebodies, should be kept going at top speed in order to supply the needed additional ore to bring and keep the mill up to capacity.

Diamond drilling can play an important part in speeding up these operations, especially in conjunction with the long range drifting, by replacing crosscuts, that not only cost over $20 per foot, but increase the time in gaining an objective.

At present we have three, and possibly four headings, from which drilling could be done to advantage. 904B DN is ready for crosscut information. 1201DN will be ready for it when advanced 50 feet north of 706A Winze, and the 1200 south heading will need it when advanced approximately 100 feet. 1017DN will need crosscut information when advanced 50 feet farther north.

So long as no mineralization is located in any of these headings, there should be at least 300 feet of crosscut information into the foot wall and into the hanging wall, for every 200 feet of advance. This means that so long as negative information is obtained in the crosscuts, there would be a saving of about $18 per foot by replacing drifts with diamond drill holes. It would also eliminate two mining and mucking crews from each heading if the work be kept going full speed ahead. Drill information may be obtained about eight times as fast as drift information. If headings be driven ahead on a two-shift basis, then 8 feet advance per day could be expected. If the ratio of crosscutting over drifting be considered 600/200, then for three headings or 24 feet total advance, there should be 3 x 24 or 72 feet of crosscutting, which would be more than a full time job for two shifts on a diamond drill, if crosscut information be obtained by this method.

The following prospecting is applicable to diamond drill work, and is graded as to importance by the letters A, B and C. Such drilling would not necessarily replace that many feet of crosscutting, but would take care of testing many places that have, in the past, been recommended for prospecting, but still remain as doubtful areas. It would give information as to where to run drifts and where not to run them, and may develop much needed ore above the 700 haulage level.

Level	Orebody	Remarks	Order of Imp.	Footage
300	710	2 holes to explore over 705D Stope.Other portions of the 710 OB could be prospected by holes from the surface.This country has excellent possibilities.	A	700
400	710	1 hole to explore over 705D Stope	A	300
500	South	1 hole to explore granite contact country. Possible small,high grade sections of vein.	C	200
500	712	5 holes,general exploration of 517 Vein.	C	1500
500	Piute	1 hole to explore gap between 712 & Piute.	C	300
600	712	4 holes to obtain assay cross-section in footwall of 705 stopes, to prove additional stoping ground to be produced from 705 stopes. A fast method to prove or disprove cheap mining ore. 1-300 ft.hole & 3-100 ft holes.	A	600
600	Sub. Piute	1 hole to explore gap between Piute & 712.	C	300
800	Piute	2 holes into hanging wall to explore for possible parallel veins.	C	600
800	Piute	1 hole from extreme north end of 818ADN to explore back toward footwall.	B	300
900	South	1 hole in footwall under 775 Stope to get assay cross section of footwall vein.	C	200
900	North	2 holes into hanging wall country between Central & North orebodies. Diamond drill hole #8 on 600 Sub.shows good mineralization over this country	B	600
900	North	1 hole into footwall from north end of orebody, toward mineralized granite exposed in diamond drill hole #13 on 600 level.	B	1000
900	Piute	1 hole into footwall at Piute shaft.	B	300
1000	South	1 hole to test for downward extension of footwall vein that was exposed near the granite contact on the 700 level.	B	300

Level	Orebody	Remarks	Order of Imp.	Footage
1000	South	1 hole to explore for extension of hanging wall vein near granite.	C	300
1000	South	1 hole to assay extension of vein under 775 Stope.	C	300
1000	Central	1 hole to explore footwall for parallel vein.	C	400
1000	Central	2 holes to explore hanging wall side of fault for possible faulted segment of vein.	A	600
1000	Central & North	2 holes to explore gap between Central & North Orebodies, also to test for faulted portions of vein on hanging wall side of fault.	A	600
1000	North	1 hole in North end of orebody to explore for faulted portion of vein.	C	300
1000	710	2 holes to explore hanging wall under 710 Orebody.	C	600
1000	712	1 hole to test for downward extension of 717 fissure.(Mr.Salen' recommendation)	B	1000
		TOTAL FOOTAGE		11300

S. K. Drowley.
Chief Engineer & Geologist

FORM 396 3-31-37 2M

WALKER MINING COMPANY

WALKERMINE

PLUMAS COUNTY, CALIFORNIA

L. F. BAYER, MANAGER

August 31, 1939

Mr. Reno H. Sales, Chief Geologist
Anaconda Copper Mining Company
Butte, Montana

Dear Sir:

With reference to the diamond drill holes under items No. 1 and No. 3 in your letter of recommendation to Mr. Elton dated July 1, 1939, I would like your advice as to the following situations that have come up:

Development drifts north and south along our 1200 Level had to be stopped pending completion of a sump and installation of pumping equipment. So much water has been encountered, especially in the north heading, that we cannot take chances on opening up any more ground until this can be taken care of (about three more weeks). In the mean time rather than run crosscuts to insure against driving our headings parallel to any sizable vein, I advised that two short drill holes, normal to our vein in general, be driven from the face of 1201DN

The hanging wall hole has been completed to a depth of 298 feet and the footwall hole will be started in a day or two (when a broken part of the drill machine is replaced). The first 260 feet of the completed hole shows a few one-half stringers of chalcopyrite. I have not seen the last forty feet of core.

These two holes will test ground that lies near the objectives of the holes referred to above, if the footwall hole be driven six hundred feet in depth.

In view of the water hazzard, it may be advisable to test for the vein along the 1200 level with drill holes instead of crosscuts by placing them approximately three hundred feet south of 706A Shaft, and again three hundred feet north of the present 1201DN.

Is such a program permissable, and if so, will it reach the objectives intended for the holes of item No. 1 and No. 3.

Respectfully Yours,

S. K. Droubay

S. K. Droubay

cc - Lyon
Dugan