3. Physical Description (a) - continued:

The mine is fully equipped with modern mining machinery and is now operating. The surface plant is sufficiently equipped to mine and mill 100 tons of ore daily. Power is supplied by the Salmon River Electric Co-op and the Company's 3 electric generating units and 2 diesel driven air compressors.

(b) The applicant owns all of the above-described lands and facilities.

(c) Between 1935 and 1963 the Clayton Mine has virtually been in continuous operation. During that time the records reveal the following total production of ores and metals.

Years 1936 - 1962, inclusive

Tons of ore	821,853	Pounds of zinc	17,265,808
Ounces of Silver	3,365,396	Pounds of copper	650,830
Pounds of lead	54,974,720	Ounces of gold	1,116

(d) Ore reserves are practically depleted at this time. There is a reserve of low-grade material between the 800 and 500 levels but has recently been reclassified as waste rather than ore.

See Longitudinal Section, 1" = 50'

(e) Geology:
The deposit at the Clayton Mine is characterized by a north-south shear zone varying from 300 feet to 400 feet in width and located in the east, steeply dipping flank of a north-south assymetrical anticline. The core of the anticline consists of massive Kinnikinic quartzite. Overlying the quartzite is what is locally known as the Clayton Dolomite, made up of medium beds whose aggregate thickness is over 500 feet. According to Clyde P. Ross the age of these rocks is Ordovician. The shear zone is entirely in dolomite on the Clayton property with a steep easterly dip. Within the shear zone, roughly tubular ore shoots have been discovered and developed over an area some 1500 feet in length. There is an interrelationship of the individual ore shoots in that the ore occurrences are concentrated within a limited area of the shear zine, and the composition of minerals is similar. On the other hand, from a mining viewpoint, each shoot has had to be searched out and developed, with little help from projections of prior developed shoots. Siderite and some minor quartz are the gangue minerals. This gangue is disseminated widely throughout the shear zone, but varies widely in abundance from place to place including the ore shots. Accompanying the gangue minerals, in the ore shoots, are galena, spalerite and tetrahedrite. These ore minerals occur disseminated in the dolomite as well as replacements in siderite. Though the ore shoots vary in size and shape, they lie conformable to the shearing. That is, their linear measurements and dips lie with the shearing.

(e) Geology: (continued)

The largest ore shoot developed to date and developed to a depth of 850 feet is 350 feet long with an average width of some 35 feet, exhibiting a maximum width of 70 feet. This shoot lies some 1,200 feet north of the shaft, is encased entirely in dolomite, dips 67° eastward, and has a 60° rake to the north. A central ore shoot near the shaft has been exploited between the 300 and tunnel levels over a length of some 350 feet. This shoot ranged in width between 15 feet and 30 feet. Though some galena mineralization has been found on the 400 and 500 levels beneath; the ore has evidently bottomed near the 300 level. An ore shoot some 200 feet south of the shaft has been exploited between the 500 and tunnel levels. This shoot occurs as a vein-like structure, over a length of 125 to 150 feet, has a width of 12 to 20 feet and an eastward dip of 80°.

Until recently, it was believed the massive, dense Kinnikinic quartzite of the anticline core occupied the west or footwall of the Clayton shear zone. Recent surface geological work indicated the anticline to be completely overturned. Then 3 drill holes were drilled westward from the 500 level into the footwall, the longest being 745 feet. (See plan map, 1" = 100'). All of the rock revealed in these holes was dolomite.

(f) A weak mineralized zone was drilled in the two holes fartherest north, the zone being stronger in the most northerly hole. This discovery has led to reasoning that ore might be found along this zone further northward. Hole No. 500-2 was at the north end of 500 level and much farther north geologically than 800 level because of the general 60°-north rake. To get farther north, the 200 level presented the most feasible route. Geologically it will allow some 1200 feet of accessibility beyond the north face of the 500 level. The surface is at least 500 feet above the north portion of the 200 level.

4. Accessibility of Property:

(a) Mr. R. J. Legard, General Superintendent at the Clayton Mine, Clayton, Custer County, Idaho, will be available to meet a representative of OME. Reached by U. S. Highway 93, 25 miles south of Challis, Idaho.

(b) Shipping point - Clayton, Idaho

Supply point - Idaho Falls, 175 miles