DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 1944

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

EXPLORATION LOAN

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

To:	Lead- Zinc Br. 365	Date	8-13-51
To:	Supply Division	Date	SEP 24 1951
To:	Reports and Records	Date	SEP 25 1951
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FILE COPY
SURNAME: 350

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Gildersleeve (ETM)
McKnight
Billings
Bishop

SEP 26 1951

Re: DMA-1944

A. E. C.

Mrs. Sarah L. Stratton, President
Kimball Mines, Inc.
3116 West Grandview
Spokane 16, Washington

Dear Mrs. Stratton:

The Defense Minerals Administration has reviewed your application (DMA-1944) for exploration assistance at the Sunset Mining Claim, Powell County, Montana.

Under the Defense Minerals Administration program, Government aid is available only for projects which offer possibilities of increasing the development of strategic and critical minerals. A review of your application shows that your property is principally a producer of gold and silver and that no significant production of lead and zinc can be expected. I regret, therefore, that we cannot approve an expenditure of public funds for the exploration you propose.

We wish to thank you for bringing this property to our attention.

Very truly yours,

BG 9-26

Tom Lyon

Tom Lyon, Director
Supply Division

BGildersleeve:emp
G 9-21-51
Copies to: A. E. Weissenborn Region II (2)
Chief, Lead-Zinc Branch
E. T. McKnight 4204 GSA
O. Bishop
Directors r. files 4214 GSA
Br. r. files 4214 GSA
Administrators r file
DMA docket file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

SEP 25 1951

Re: DMA-1944
Kimball Mines, Inc.
Sunset Mining Claims
Powell County, Montana
Exploration loan, $56,675.00
Lead, zinc

a. E. C.

Memorandum

To: Reports and Records Unit
Administrative Management Div.

From: Chief, Lead-Zinc Branch

Subject: Denial of loan

The subject docket has been reviewed by the Lead-Zinc Branch of the Defense Minerals Administration. The following are the pertinent facts concerning the loan proposal:

According to the company's engineer, the crest and flanks of the mountain in which the mine is located are composed of andesite cut by an aplite dike of unknown width and extent. Mineralization (gold, silver, galena, sphalerite, arsenopyrite) follows a prominent quartz vein in the aplite. The mine workings consist of two tunnels which follow the vein. The upper, or No. 2 tunnel is 1250 feet long (mainly on the vein) and the lower, or No. 1 tunnel 188 feet long, 83 feet of which is in the vein. Tunnel No. 2 is about 68 feet vertically above tunnel No. 1, and the distance on the dip of the vein is about 100 feet.

The applicant proposes an exploration project consisting of:

1. Bulldozing on the surface along the strike of the vein. Distance not stated.

2. Extension of No. 2 tunnel on the vein a distance of 450 feet.

3. Extension of No. 1 tunnel on the vein a distance of 1,700 feet.

The No. 2 tunnel has been driven 1,250 feet without significant lead and zinc values. A consulting engineer for the company sampled this tunnel between a point 115 feet from the portal and a point 375 feet from the portal. This sampling was done in August 1948 and the engineer states "All of the 28 samples were assayed for gold and silver, inasmuch as it was quite definitely established that the greater part of the value in the ore was in those small metals". A composite sample, made up from the pulp of samples 13-28,

showed a lead content of 1.8 percent and zinc 1.9 percent. Of 64 samples taken in No. 2 tunnel between a point 400 feet from the portal and a point about 900 feet from the portal (shown on exhibit map submitted by applicant) 23 showed no lead, 19 showed traces of lead, 1 showed 7.7 percent lead, 1 showed 5.0 percent lead, and the remaining 20 showed values of less than 4.0 percent lead; 21 samples showed no zinc, 1 sample showed 3.7 zinc, 1 sample 3.0 zinc, and 21 samples showed zinc values less than 3.0 percent.

It is evident, from the date submitted, that the principal values at this mine are gold and silver and that the chances are not promising enough for a significant discovery of lead and zinc to justify the proposed extension of No. 2 tunnel. Extending the No. 1 tunnel beneath the barren No. 2 tunnel is equally unpromising.

The Lead-Zinc Branch recommends that the application be denied, and that the attached letter be sent to the applicant.

Returned herewith are:

3 copies of Form MF-103 with attachments
3 copies of an exhibit map.

T. P. Billings, Chief
Lead-Zinc Branch

Approved:

Director, Supply Division

FILE COPY
SURNAME:

350

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

SEP 25 1951

Gildersleeve (ETM)
McKnight
Billinger
Bishop

Re: DMA-1944
Kimball Mines, Inc.
Sunset Mining Claims
Powell County, Montana
Exploration loan, $56,675.00
Lead, zinc

Memorandum

To: Reports and Records Unit
Administrative Management Div.

From: Chief, Lead-Zinc Branch

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It is evident, from the data submitted, that the principal values at this mine are gold and silver and that the chances are not promising enough for a significant discovery of lead and zinc to justify the proposed extension of No. 2 tunnel. Extending the No. 1 tunnel beneath the barren No. 2 tunnel is equally unpromising.

The Lead-Zinc Branch recommends that the application be denied, and that the attached letter be sent to the applicant.

Returned herewith are:

3 copies of Form MF-103 with attachments
3 copies of an exhibit map.
A fourth copy of the application has been retained by Mr. Weissenborn Region II.

T. P. Billings, Chief
Lead-Zinc Branch

Approved:
Tom Lyon

Director, Supply Division

BGildersleeve:emp 9-21-51 G

Copies to: A. E. Weissenborn Region II (2)
E. T. McKnight 4204 GSA
O. Bishop
Directors r. files 4214 GSA
Br. r. files 4214 GSA
Administrators r. file
DMA docket files

Not stripped in RYR.

To [illegible]

Denied without field
rept for some reasons
on [illegible] Aug 29
by B. Glenn Lewis.

Copy pulled for Pis-2n files

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

September 11, 1951

OFFICIAL FILE COPY

To	Init.	Date
350	a.e.e	9-17-51
210		

Memorandum

To: Tom Lyon, Chairman, Coordinating Committee

From: Field Team, Region II

Subject: Kimball Mines, Inc. (Sunset Claims) Powell County, Montana, Docket DMA 1944

A report by Elton Youngberg on the subject docket is attached together with the fourth copy of the application which had been retained here. Mr. Youngberg states that the ore is valuable essentially for its gold content and was unable to find any geologic basis for believing that the base metal content will increase with depth. Consequently, he recommends denial of the application. The field team concurs.

By Field Team, Region II

A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M E Volin
M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 17 1951

SEP 18 1951

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

September 6, 1951

Memorandum

To: A. E. Weissenborn, Executive Officer, Defense Minerals Adm. Region II

From: Elton A. Youngberg, Geologist, U. S. G. S.

Subject: Kimball Mines, Inc.
3116 West Grandview
Spokane 16, Washington

Location:

The property of Kimball Mines, Inc., is located in the Treasure Mountain Mining District, Secs. 1 and 12, T. 8 N., R. 7 W., M.P.M., Powell County, Montana.

Recommendations:

It is recommended that the applicant be denied aid to explore the Kimball property. The ores are essentially valuable for their gold content and it does not appear that further exploration would find significant quantities of lead and zinc.

Summary of Field Investigation:

The property was examined on Monday, August 27, 1951. Mr. Leroy Lorang and James Riley, directors of the company, were at the property at the time of the examination.

The principal workings of the mine are two adits a short distance above the Little Blackfoot River, and a number of cuts which explore the vein to an elevation of approximately 600 feet above the lower adit.

The No. 2 adit as shown on the assay map accompanying the application explores the vein for about 1200 feet. The No. 1 adit is a crosscut for about 165 feet and intersects the vein and follows it for 85 feet. The No. 2 adit was caved at the time of the examination and could not be seen. The No. 1 adit was open to the face but was lagged tight due to heavy ground which left only the face open for inspection. The surface cuts were 15-20 years old and badly sloughed and little could be seen of the ore in place.

The country rocks in the vicinity of the mine are a thick series of andesite flows overlain by ryolite. The andesites have been intruded by aplite dikes.

The vein is part of a strong fault structure. This structure apparently follows an aplite dike which in places forms the footwall of the vein. The vein is from 2-6 feet in width. Locally, widths up to 25 feet are reported in the No. 2 adit.

The lead-zinc-gold mineralization occurs along the foot and hanging wall of the vein in silicious lenses of a few inches to several feet in width. Considerable post mineral faulting has broken these lenses and developed a heavy gouge containing drag sulphide bearing material and disseminated sulphides.

Little evidence was obtained to indicate that economic quantities of lead or zinc is present in the ore. The lead and zinc values which are very low, as shown on the assay map of the No. 2 adit, appear reliable from what could be seen in the No. 1 level and on the surface. Expectations of higher lead-zinc values on the No. 1 adit level by the applicant does not appear to have any geologic basis.

Evidence presented by the applicant and obtained in the field does not indicate significant ore reserves of lead or zinc would be found by further exploration. It is recommended that the applicant be denied aid to explore this property.

August 13, 1951

Mrs. Sarah L. Stralton, President
Kimball Mines, Inc.
3116 West Grandview
Spokane 16, Washington

Subject: Exploration Loan
Re: DMA-1944

My dear Mrs. Stralton:

This will acknowledge receipt of your application dated July 27, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMA-1944 and referred to the Lead-Zinc Branch.

Kindly refer to DMA- 1944 in any future correspondence relating to your application.

Sincerely yours,

Robert E. Adams

Robert E. Adams, Chief
Reports and Records Unit

AUG 14 1951

2463

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

August 6, 1951

DMA 1944

Mr. Landon F. Strobel
Executive Secretary
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed are three copies of an application for an exploration loan submitted by Kimball Mines, Inc., on a lead-zinc-gold-silver property in Powell County, Montana. One copy of the application is being retained in this office in order to expedite field examination.

The applicants recently visited this office and informed us that they are currently engaged in an active exploration program on the property in question. They stated that in the upper areas of the mine the assay values were largely gold and silver, but in the lower workings more lead and zinc were being encountered as evidenced by the assays submitted with the original copy of the application.

Yours very truly,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 10 1951

KIMBALL MINES, INC.
3116 W. Grandview
Spokane 16, Washington

July 23, 1951

To The Shareholders of Kimball Mines, Inc.:

The management of your company believes that a statement of operations since our last report is due to you at this time.

In the last report of the company of October 10, 1950, you remember that four undertakings were recommended by our engineers: - (1) The continued advancement of the main adit tunnel for at least 200 additional feet; (2) A drift to be driven on the ore body disclosed in the crosscut to the hanging wall, which showed a value of $25.00 per ton or better; (3) A raise in the ore body in the crosscut, and (4) The reopening and advancement of the lower tunnel to develop the ore bodies disclosed in the upper tunnel.

During the intervening months, the vein in the crosscut has been explored and its course followed until it converged again with the vein in the main adit tunnel. Values were good throughout its 70 feet. They were carefully recorded for future development.

The main adit tunnel has been advanced the recommended 200 feet, plus an additional 100 feet. This advancement was made through a good grade of milling ore, with occasional small stringers of high grade. It was obvious from the appearance of the vein in the face of the upper tunnel that an additional distance would have to be run to cut the ore showing exposed on the surface 1000 feet above. We hope to bulldoze the surface before working again at this point.

The additional work done in the main adit tunnel made the total footage about 1200 feet. At this point the air in the tunnel became very bad, and the tramming of cars by hand for 1200 feet became impractical.

It then became a question of spending money for adequate equipment, for hauling, and for pumps for air, or spending the money in opening the lower tunnel, which is 100 feet below the main adit tunnel. Your directors decided on the latter program, and this is where we have been working. In opening the lower tunnel, thirty feet of overburden was penetrated before solid formation was encountered. The drift has been driven now a distance of 188 feet, and has developed a good grade of mill feed, which we have been stockpiling for future milling. Eighty-three feet of the footage is in the vein, with the most gratifying showing, with assays as high as $68.00 per ton.

When this tunnel is further advanced, a raise will be made into the upper tunnel. This will provide the desired ventilation and will block out an ore body 100 feet long and 100 feet high.

For your information, we have filed with the County Recorder of Powell County, Montana, in which County the mine is situated, a Proof of Labor showing an expenditure during the assessment year ending July 1, 1951, of in excess of $15,700.00. Of this amount more than $9,350.00 was expended under contract in the operations in the upper tunnel, more than $5,290.00 was expended under contract in the operations in the lower tunnel, and more than $1,060.00 was expended on materials, supplies and equipment, which included two mine cars and 2,550 lbs. of rail.

The board of directors released the contractor, as the price of $25.00 per foot for the work in the lower tunnel was too high. The board plans on having further work performed in the tunnels either by contract or day's labor, whichever is the most satisfactory. At the present time a flow sheet is being prepared by Denver Equipment Company on a 600-lb. sample of our ore. They have quoted us a price of $15,000 for a 25-ton mill.

Our immediate need is for finances to operate the property on a company basis and to purchase and install the necessary mining equipment to do so, and buildings to install the same.

We solicit at all times letters from our stockholders on any information desired.

Respectfully submitted,

S. L. Stratton
President

KIMBALL MINES, INC.
3116 W. Grandview
Spokane 16, Washington

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We solicit at all times letters from our stockholders on any information desired.

Respectfully submitted,

S. L. Stratton
President

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 SO. MAIN ST., HELENA, MONTANA

TEL. 628
P. O. BOX 537

Date JUN 13 1951

UMPIRE ASSAY..... CONTROL ASSAY..... HAND SAMPLE.....

ASSAYED FOR: Kimball Mines, Inc. 3116 W. Grandview Spokane 16 Wash.

MARKS:

Sample No.	DESCRIPTION	GOLD Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
Hangwall	back of 6th post from x cut	0.16	6.7	0.6		0.9			16.82	11.63 14.78
	10" sample footwall 40' from cut	0.22	2.2	1.2		8.8			44.56	9.68 40.48
	30' " "	0.32	14.9	5.2		7.1			59.45	34.60 59.45
	Sample 6' from footwall 35'	0.16	14.5	0.8		0.9			44.52	18.65 41.80
	8" on footwall where x cut seeked vein	0.18	10.0	2.0		1.9			28.75	15.30 21.95
	Sample from hangwall side behind Timber 30'	0.01	0.8	0.8		0.1			4.14	1.07 1.42
	8"- 2' from ft. wall 40' from x cut	0.40	18.0	4.2		6.5			60.24	37.49 60.24
									Net,	

Gold not deducted: .....

Charges $ 31.50

GOODALL BROS.

By A. V. Trent

Zinc values not figured
Lead " figured on #3 & 7 only — rest of values only gold & silver
avg = 50%

NPCo. B-2469—Form 1

Note: No appreciable copper showing.

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 SO. MAIN ST., HELENA, MONTANA

TEL. 628
P. O. BOX 537

Date JUN 16 1951

UMPIRE ASSAY..... CONTROL ASSAY..... HAND SAMPLE.....

ASSAYED FOR: Kimball Mines Inc. 3116 W. Broadview - Spokane 16 Wash

MARKS:

Sample No.	DESCRIPTION	GOLD Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
	50' face	0.40	14.8	4.0		8.0				34.07 - 6892
	50' R	0.32	21.3	4.4		5.5				38.20 - 6458

Gold not deducted:

Charges $ 9.00

GOODALL BROS.

By A. V. Trent

NPCo. B-2469—Form 1

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. .....

Date received .....

Participation .....

Kimball Mines, Inc.
3116 West Grandview
Spokane 16, Washington

Name and address of applicant

Date July 27, 1951

FILL IN THIS BLOCK

Date of application July 27, 1951

Estimated cost $56,675.00

Mineral or metal Gold, silver, Lead & zinc

Percentage of Government participation 1/2

Location of mine Elliston, Montana

Date of filing MF-100 .....

DMA Docket Number, if available .....

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

KIMBALL MINES, INC.
(Name of company)

By Sarah L. Stratton
(Signature of authorized official)

July 27, 1951
(Date)

President
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

1. Corporation of the State of Idaho.

3. Officers:
   Sarah L. Stratton, 3116 Grandview, President
   Gertrude E. Finney, 2946 Grandview, Vice-President
   Therrett Towles, 1229 Old National Bank Bldg., Secretary-Treasurer

   Directors:
   Sarah Stratton; Gertrude Finney; Therrett Towles; Leroy L. Lorang, 4014 Hawthorne, Spokane; and James W. Riley, 9617 Dalton, Millwood, Wash.

   Five largest stockholders:
   Sarah Stratton; Gertrude Finney; James Riley; William Kierstead, Elliston, Montana; and Dr. E. M. Wygant, Lewiston, Idaho.

4. The majority of our directors have had years of experience in the Coeur d'Alene Mining District. Our superintendent has had 25 years experience in mining and milling operations.

5. Corporation owns mine.

6. None

7. --------

8. See financial report.

9. $53,916.45 (treasury stock)

10. (a) Claims: Sunset No. 1, Sunset No. 2, Sunset No. 3, Sunset No. 4, Sunset No. 5, Sunset No. 6, Sunset No. 7, Sunset No. 8, Sunset No. 9, Sunset No. 10, Sunset No. 11, all quartz lode mining claims, and Maud V. and Sunset placer mining claims, and Sunset mill site, in Treasure Mountain (formerly Nigger Hill) Mining District, Secs. 1 and 12, T. 8 N., R. 7 W., M.P.M., Powell County, Montana.

    (b) The same.

11. Sunset Mining Claims.

12. Kimball Mines are located on Treasure Mountain, nine miles in a southwesterly direction from Elliston, Montana, on the Little Blackfoot River. The road between the mine and Elliston is a hard gravel surface, kept open by the county the year round, and it joins Highway #10, the main artery between Missoula and Helena, Montana.

    The N.P.R.R. also runs through Elliston and has sidings and loading platform facilities. The distance between Elliston and Helena is approximately 25 miles.

13. The Little Blackfoot River runs within 300 yards of the Kimball Mines # 1 tunnel and furnishes 200 cubic foot per second at low water.

Deisel compression power has been used at a cost of $2.60 per shift. Electric power is available in any quantity at a distance of nine miles from the property. It is expected that it shall be brought to within two miles of the Kimball Mines this summer by a mining company which has leased the Hopkins Mine, located two miles down the Little Blackfoot in the direction of Elliston.

14. The existing usable buildings and equipment owned by Kimball Mines, Inc. are:

3400 ft. rails installed in Nos. 1 and 2 tunnels
4 ore cars
1000 ft. fan bag
1 gas motor and blower for unit
1 tool shed
1 log cabin
1 200-ton ore bunker
300 running ft. timbering

15. Ore from Kimball Mines could be trucked to Elliston (9 miles) and from there shipped by rail to the Helena smelter (25 miles), to Salt Lake (500 miles), or to Kellogg, Idaho (233 miles), or to other precessing plants within reasonable distance, or it could be trucked the total distance of 34 miles to the Helena smelter. Also custom mills are available to us in a radius of from 2 to 60 miles.

16. (a) Property was discovered by old-time prospector, Mr. William Kierstead, who subsequently operated the mine by hand for several years. During this period many thousands of dollars worth of minerals were extracted from the mine. This old prospector, who is now affiliated with our company, did not keep records of this production. However, he can give this information from memory to any of your engineers.
Mr. Kierstead, due to old age, stopped production and sold the property to Kimball Mines, Inc. Since we acquired the mine we have drifted along the vein in No. 2 tunnel to a distance of 1250 feet. We then continued Mr. Kierstead's tunnel in the lower level and after contacting the vein there drifted for a distance of 83 feet. The vein at the lower level is highly mineralized for the entire 83 feet.

(b) The Big Dick property, adjoining us to the east, had a record of half a million production in previous years. Has been recently opened up. The Hopkins mine, two miles down the Little Blackfoot, has recently been leased for operation.

(c) Enclosed find engineer's report.

17. Not in production.

18. (a) Commercial ore was exposed on the surface for 400 feet. In both upper and lower tunnels the vein has been drifted on and ore was encountered most of the way.

    (b) Maps enclosed

    (c) Only ore actually blocked out to date is 83 feet between upper and lower tunnels, approximately 8000 tons.

19. All covered, we believe.

20. Primarily lead and zinc, secondarily gold and silver.

21. We plan to bulldoze the surface and expose ore showings there, then continue drifting in upper tunnel until under the entire ore body which we will expose on the surface, and also continue the drift in upper tunnel until directly under farthest point of drift in the upper tunnel. We estimate this work will take somewhere between one year and eighteen months.

22. See enclosed engineer's report.

23. We estimate that the bulldozing on the surface will cost about $2500.00; and that drifting in both tunnels will cost approximately $54,175.00, or a total of $56,675.00.

24. Bulldozing work should be completed in approximately two weeks. We expect to average four feet a day in the drifting work, or a total of approximately 18 months to complete all the projected work.

Amendment

Question No. 21 -- We intend to drift on the vein in No. 2 tunnel for an additional 450 feet. We are to drift in No. 1 tunnel until we reach a point directly under the furthest point of penetration of the upper tunnel, or a distance of approximately 1700 feet, or a total of about 2150 feet.

23

(a) One miner at $12.45 per shift.
One mucker at $11.60 per day.
One trammer at $11.60 per day.
One laborer at $11.60 per day.

(b) One supervisor $500.00 per month.

(c) None.

(d)	Compressor building $1500.00	$ 1,500.00
	Blacksmith shop and storage room $300.00	300.00
	Change or dry house $300.00	300.00
(e)	Compressor (used) $3000.00	3,000.00
	Two receivers (new) $200.00 each.	400.00
	Two liners (Drill Machines)(new) $400. ea.	800.00
	Two stopers(" ")(") $250. ea.	500.00
	2000 feet of 16 or 20 lb. rails at $100.00 per ton (used) $3500.00	3,500.00
	2000 feet of two inch pipe (used) 21 cents per foot - $550.00 with fittings	550.00
	2000 feet of fan pipe twelve inch (new) 40 cents per foot - $800.00	800.00
	One fan and motor (used) $400.00	400.00
	Air and water hose (new) $250.00	250.00
	One mucking machine (used) $3000.00	3,000.00
	Total	$15,300.00

(f) None

(g) Four mine cars at $20.00 per month.

3400 feet rails $20.00 per month.

1200 feet fan bag at $10.00 per month.

(h) $950.00.

(i) $10.00 per day.

We intend working a six day week with these miners and estimate the labor cost will be $1500.00 a month exclusive of the supervisor as listed in this question.

24. The estimated time schedule after project is approved will be approximately eighteen months at a rate of approximately 100 feet per month with the crew listed above working on a six day schedule.

KIMBALL MINES, INC.
Spokane, (An Idaho Corporation) Washington

BALANCE SHEET AS OF DECEMBER 31,1950

A S S E T S

CURRENT ASSETS:				
Cash on hand and in bank			$ 6,822.10	
Advances			175.00	
Total current assets				$ 6,997.10
FIXED AND NON-CURRENT ASSETS:				
Mining Equipment			671.47	
Mining Claims and Millsite			66,431.00	
Deferred Charges to Development:				
Contract operations	$	20,158.69		
General & administrative expense		4,362.11		
Total development expense			24,520.80	
Organization Expense			2,521.78	
Promotional Expense:				
Stock selling expense		5,000.00		
Commissions paid		10,055.00	15,055.00	
Total fixed and non-current assets				109,200.05
Total assets				$116,197.15

LIABILITIES AND NET WORTH

CURRENT LIABILITIES:				
Accounts payable				$ 1,621.85
FIXED LIABILITIES:				
10% Ore Production Certificates				47,700.00
Total liabilities				49,321.85
NET WORTH:				
Common capital stock authorized (1,000,000 shares -Par Value 10¢)			$ 100,000.00	
Unsubscribed stock	$	32,324.70		
Donated treasury stock(fully paid)		575.00	32,899.70	
Capital stock outstanding			67,100.30	
Discount on stock sold			800.00	
Net capital stock outstanding			66,300.30	
Capital surplus (arising out of donations of treasury stock)			575.00	
Net worth				66,875.30
Total liabilities and net worth				$116,197.15

A REPORT ON THE PROPERTY AND HOLDINGS OF THE SUNSET GROUP OF MINERAL CLAIMS.

By Harry J. Evans.

Polaris, Montana
August 14, 1948.

LETTER OF TRANSMITTAL.

Mrs. Sarah L. Stratton & Associates,
West 3116 Grandview,
Spokane, Washington.

Dear Madam;

Pursuant to your request and instructions dated July 28th. I have please in submitting herewith a report on the mining property known as the Sunset Group and owned by Mr. W. E. Kierstead - the property being located in the Nigger Hill District, on the banks of the Little Blackfoot River and about nine miles southeast of the town of Elliston, in Powell County, Montana.

The report is based upon the findings of a personal visit and study of the holdings; an examination of the accessible underground workings; inspection and study of the vein system as exposed on the surface; sampling of all the underground and surface vein exposures; assays of all samples obtained; and the acquiring of all data pertaining to the property wherever information was available.

It was not attempted to make any detailed survey of the claims or to check or verify corners or directions of the locations except at the foot of the mountain where the camp and workings are located. A Brunton survey was made of the main underground workings in what has been designated at the No. 2 tunnel, and in which the principal ore exposures are disclosed.

The mine was visited on August 6, 7, 8, & 9, 1948, and the report was prepared after the receipt of the returns of theassays of samples.

I wish to make known my hearty appreciation for the facilities and full assistance given me by Mr. W. E. Kierstead while at the property.

Yours respectfully,

Polaris, Montana.
August 14, 1948.

Harry J. Evans,
Consulting Mining Engineer.

LOCATION, TOPOGRAPHY and ACCESSIBILITY.

The property is located in the Nigger Hill district, on the banks of the Little Blackfoot River, about nine miles southeast of the town of Elliston, in Powell County, Montana.

The property is accessible over a well maintained gravel road which follows the valley of Little Blackfoot from the town of Elliston to the mine, for a distance of nine miles. The small town of Elliston is a station on the Northern Pacific Railway and is also served by the East-West No. 10 highway through Montana. The property is about 33 miles from the state capital of Helena, and an additional five miles to the smelters of the American Smelting & Refining Co. at East Helena. The transportation facilities may be considered as favorable during both the summer and winter seasons.

The elevation of the lower workings of the property, which are located slightly above the floor of the valley are reported to be about 5,600 ft. and rises to about 6,400 ft. where the mineralized outcroppings are located on the crest of the hill and to the Northeast of the working tunnel. The topographic features of the immediate vicinity are a very steep surface contour but a noticable absence of precipitous rock exposures. The lack of any vein out-croppings on the surface indicates that the country rock encasement is of a harder texture than the mineralized fractures containing the fissure.

The mine is easily accessible and the general topography of the surface is most advantageous to mining operations. The level floor of the valley affords ample space for a camp-site and milling plants.

HISTORY of the DISTRICT and PROPERTY.

The history of the surrounding district in general dates back to the early days of Montana but the discovery of this particular property seems to be quite recent. Information obtained from the present owner indicates that prospecting for mineral was first started in 1928, and that the present claims were located in that year.

The development work which has been performed underground has been done through two tunnels at the foot of the mountain and slightly above the bed of the valley. These will be designated hereafter as No. 1 and No. 2 tunnels, which are about ninety feet vertically apart.

The No. 1 tunnel is a cross-cut being driven to encounter the vein (but is not yet connected with it) at an elevation of only 25 ft. above the bed of the valley. To date this tunnel has been driven only 60 ft. but should encounter the vein within a short distance. This tunnel is open but in as much as it has not yet reached the vein it discloses no information of value at this time.

The upper or No. 2 tunnel, which is 90 ft. vertically higher than the No. 1 tunnel, is entirely open at this time and although wet under feet can be inspected and sampled. The first portion of this tunnel is a cross-cut which intersects the vein at a point 50 ft. from the portal. From this 50-ft. point the tunnel follows the vein system to its face a total distance of 375 ft. from the portal.

It is reported that the Porter Brothers company of Helena optioned the property during 1946 and in their development program advanced the No. 2 tunnel about 70 feet to a total distance of 270 ft. It is assumed that the remainder of the work in this tunnel, to the 375 ft. point which is the present face has been performed by the owner.

Some small surface trenches and cuts have been excavated high up the hill on the projected strike of the vein and it is most probable that these holes are exposing part of the same fissure system.

PROPERTY and ASSETS.

The property consists of three unpatented lode mining claims and a millsite of about five acres, all in one compact and contiguous group. The claims are named from a south-west to a northeast direction: the Sunset No. 1, Sunset No. 2 and Sunset No. 3 and the millsite on the floor of the valley.

All of the underground workings are within the bounds of the Sunset No. 2 claim. The major surface excavations are found at or near the end lines of the Sunset No. 2 and Sunset No. 3 claims.

The physical assets of the property comprise a small cabin for living quarters of the owner located on the millsite, and small frame building which probably had been formerly used to house a compressor and located at the portal of the No. 2 tunnel.

In the underground workings the track-rails are in place to face of the tunnel. A small mine car (14 Cu. ft.) in good condition was found inside the No. 2 tunnel.

The property may be considered as having no improvements, buildings or assets of any kind except the mineral value to be developed.

TITLES.

The object of my examination was the establishment of the fact of worth of the property. It was not therefore my commission to inquire of titles, and it is here assumed that the requirements for holding unpatented mining claims have been complied with each year.

TIMBER, WATER and CLIMATE.

The area included in and surrounding these mining claims is heavily timbered with a growth of Douglas fir and lodge-pole pine, ranging in sizes from 6 inches to two ft. in diameter. The timber in this forest is capable of furnishing for an indefinite period all the timber for underground purposes and all the rough lumber and fuel requirements for any operation.

The water supply available from the creek flowing by the property is of sufficient quantity to take care of all mining, milling and domestic requirements.

The climate, both during summer and winter, can be considered moderate for Montana. The weather conditions here present no problem during the summer months, however during the winter months the snow falls to a depth of three to four feet before settling. It is reported that the County road crew keep these roads open and free of snow during the winter hence there seems to be no particular handicap to normal operations.

GEOLOGY.

The geological features of the immediate area and especially within the bounds of these claims are quite simple. The whole crest and flanks of the ridge upon which these claims are located is composed of andesite, through which there is a dike of aplite of yet unknown width or extent. The vein is in reality a contact deposit between the andesite and aplite with much of the aplite hangingwall being impregnated with sulfides from the solutions circulating in the contact.

On the higher peaks above the claims the andesite is capped over by a flow of rhyolite. Much of the rhyolite has now eroded away, the rough debris rocks from which have traversed downward and show over much of the surface in the higher levels. The rhyolite is of only historical importance and plays no part in the deposition of the economic minerals now forming the mineralization of the vein system.

The aplite which seems to be the most important host rock, is rather common within the area of the Boulder Batholith and its margins in the form of dikes and irregular masses. This rock is a fine grained granular, white to gray colored and is composed mostly of orthoclase and quartz with biotite or hornblende showing in it along intrusive contacts. The aplite has a rather distinct jointing or cleavage seams which have been impregnated with sulfides, some of which are of economic importance. The aplite as well as the andesite are of earlier periods than the remnants of rhyolite which crown the summit of the mountains nearby.

The overburden of dirt, which nurtures a heavy growth of trees, bushes and smaller vegetation, is not particularly deep but quite uniform throughout the area and had covered all rock and vein exposures which make it difficult to follow the continuity of contacts or vein systems.

The strike of the vein varies from 25 to 40 degrees Northeast and it dips about 60 - 65 degrees to the East. The strike of the outline of the out-crop as it ascends the steep hillside is about North 10 degrees East. An appreciable amount of mineralization is exposed along the strike of the outcrop at the higher elevations and it was from these shallow workings that the best samples of ore were procured. While the andesite footwall of the contactis not exposed in any of the excavations the directions check sufficiently close to assure the fact that the workings in the No. 2 tunnel and the surface exposures are the same or closely parallel systems.

The difference in elevations between the No. 2 tunnel workings and the mineralized outcroppings on the surface is about 800 ft. and the distance on the dip of the vein is considerably more than that figure. The back (height to the surface) over the face of the present No. 2 tunnel is about 175 ft. thus showing any workings driven on the vein system from the river level will develop an unusual amount of overhead ground.

There is no evidence of any fault disturbances or displacements of the vein by such action in so far as the present development work discloses. There is, however, evidence of much lateral and vertical movement within the plane of the fissure or contact itself, in the form of slippy gouge and ground-up wall rocks.

VEIN FILLING and MINERALIZATION.

The fissure or distance between walls varies from three ft. where the cross-cut first intersected the vein near the portal of the tunnel to as much as fourteen ft. in width at the present face and about 325 ft. ahead. The mineralized vein filling is proportionately less and where the walls are far apart the vein contains streaks and ribbons of altered but unimpregnated aplite along with the streaks of sulfide minerals.

Although the work done to date is quite limited, the exposures of what ores are now showing in the No. 2 tunnel indicate that the original contact fracturing was irregular. Additional development work along the vein system may prove the orebodies to have lenticular dimensions due to the movements along the irregular walls.

The vein filling is composed of quartz, some calcite, crushed and altered aplitic wall rock inclusions and much clay gouge products. The better grade material is a hard and ribboned quartz with streaks of sulfides contained through its entire width. The footwall near the present face, where the width of the fissure is greatest, contains much ground and crushed andesite which presents a dry, soapy appearance when first exposed.

The economic minerals are galena (lead-sulfide) and sphalerite (zinc-sulfide) with arsenopyrite predominating. The principal metals are gold and silver. It is most probable that the silver is highest where the lead content predominates and the gold follows the arsenopyrite throughout the vein wherever sulfides exist in quantity.

The mineralization not only follows the quartz vein-filling but also is impregnated into the aplite hangingwall to varying extents and amounts. This deposition takes the form of then sulfide streaks along the joints or cleavages of the aplite and presents the possibilities of forming large though sometimes irregular orebodies of commercial value.

SAMPLES, ASSAYS and VALUES.

The promising showing which was presented in such a limited amount of development working necessitated the systematic sampling of the vein wherever exposed or un-lagged in order to gain some knowledge of the metal content and their probable commercial value.

A total of 28 samples and one composite were taken from the mine and later given for assay to a reliable firm in Helena, Montana. These samples were taken to represent locations and widths where they furnished maximum information as well as actual value.

All of the 28 samples were assayed for gold and silver, in as much as it was quite definitely established that the greater part of the value in the ore was in those small metals. One sample was assayed for gold, silver, lead and zinc. In order to check what the average lead and zinc content of the ores would be, a composite sample was made up from the pulp of samples Nos. 13-14-17-18-19-20-22-28 and this sample was assayed for lead and zinc content and for arsenic.

The results of the assays made from these samples will be found supplemented in the appendix of this report.

A review of the assay results reveal the fact that if only the gold and silver content of the ore were to be extracted they definitely would not pay to mine, however when the lead and zinc contents also are considered then the ore definitely has commercial value. However, the examination and sampling revealed no ore of shipping grade, or having sufficient mineral content to justify direct shipment of the crude ore direct to the smelters.

The sampling was started at the face of the No. 2 tunnel or 375 ft. from the portal and progressed out-ward to a point where the last sample was taken at 115 ft. from the portal. The weighted average of these results would be about $1.50 per ton in gold and three ounces of silver with about 2% of lead and 2% of zinc. The better grade of ore was encountered from the 115 ft. point to the 340 ft. mark where the vein widened considerably and the values tended to part into two distinct streaks.

The owner reported that there was shipped from a small raise up 30 ft. at the 170 ft. pt. a total of 120 tons; that he shipped 100 tons from the raise at the 100 ft. pt. and that he shipped 80 tons from selected ore out of the drift development. This could not be verified and the probable dates of the shipments to the smelters could not be obtained in order that duplicates of liquidation settlement sheets might be requested from them.

The limited amount of development performed (375 ft.) reveals many favorable aspects as to structural features and mineralization which are of importance as well as the actual assay value of the ore.

POWER SUPPLY.

A few years past, the Montana Power Company constructed a high-tension electric power line to a neighboring property and which passes near the Sunset claims. This line now idle and probably in poor condition, can be reconditioned and made to serve the requirements of the Sunset property.

It is understood, however, that the ownership of the line is somewhat clouded due to disagreement between the power company and the old company which it serviced. It is only logical that if actual power was desired from this line the differences between these parties could be settled and the lines made available to the Sunset property.

GENERAL ECONOMIC FEATURES.

There are a number of features about the property that mark it as justifying further expenditure on development.

The mine could be operated entirely through tunnels for a number of years thus eliminating the expense of hoisting ore and pumping water from shaft-workings. The property is in close proximity to the railroad and smelters, and to a large city for procurement of supplies. The surrounding hills are heavily wooded and can furnish all the timber for underground mining, lumber and fuel purposes. The necessary power seems to be reasonably assured at a small installation cost. And the general operating and living conditions, either for a development program or for full scale operations certainly can be considered as favorable.

CONCLUSIONS.

The results of my examination and study of the economic features of the property with a summary of the facts as set forth in the preceding pages have led to the following conclusions: that the property contains a vein which may be a long and persistant structure; that the limited amount of work now performed has disclosed oreshoots of commercial size and value; the work already performed warrants the confidence that additional orebodies can be reasonably expected; the evidence obtained from the underground workings justifies the further development of the mine.

RECOMMENDATIONS.

The above conclusions have led to the advisability that a sum of money - more or less $50,000 - be made available to undertake a program of development work to open the property. These claims in their present state of development must be considered as a prospect, as yet unproven regarding ore-reserves, but certainly meriting additional development in the No. 2 tunnel, the face of which is only 375 ft. ahead of the portal and this is the only major work on the property.

The following development work is recommended as the first stage of an exploration program;

I. The No. 2 tunnel be advanced on the vein an additional 300 ft. or to a total of about 700 ft. from the portal.

II. That cross-cuts, be driven, at certain intervals, from wall to wall and at the most advantageous points to furnish maximum information.

III. That certain raises be driven up at least 100 ft. above the drift and at points to be determined as the work progresses.

IV. That if conditions, as they unfold in this work, justify the completion of this preliminary stage then and not until then will it be come necessary or advisable to begin plans and preparations for a broader program which may lead toward the productive and future operation period of the undertaking.

The carrying out of the above program will require the following equipment and supplies:

1. One portable air compressor of 225 Cu. Ft. capacity with either gas or deisel power unit.
2. 800 ft. of 2 inch pipe - 200 ft. of 1 inch pipe.
3. One air-drill for drift work - one drill for raise work.
4. Drill steel, drill bits, air and water hose, bars & clamps, and water tank, etc.
5. 500 ft. of double track - 12 lb. rails.
6. One mine car.
7. Mine tools - shovels, picks, hammers, etc.
8. Powder, fuse, caps, carbide, oils, greases, etc.
9. Cutting and framing timbers, lagging, lumber, etc.
10. One pick-up truck for transporting men and supplies.

All of the above equipment may be procured from machinery houses handling second hand or used machinery at much cheaper prices and which would serve the purpose required just as well as new machines. All the tools and supplies would have to be purchased as new supplies, or tools.

This preliminary development work could be accomplished in any one of the three following ways:

I. Hiring men by the day under supervision by yourselves.

II. Contracting the work to a reliable miner and he furnish all the equipment, supplies and men.

III. Contracting the work and the equipment and supplies (other than powder, fuse, caps, carbide) be furnished by yourselves.

The first way would doubtless be the more expensive and require the most supervision. The second way would be the easier, but would most likely result in poor work being performed and countless delays to progress due to the contractor having poor and inadequate equipment.

The third or last way would be advisable; it will allow for better direction of the work; greater speed in advancing the headings; will afford an easier change of contractors in case the work carried on was unsatisfactory. In the event that the work performed did not prove sufficient ore to justify further work then all the equipment could be changed to some other project or sold.

It should not be inferred that the above work will cost the full $50,000.00 but it is generally unwise to undertake even a small project without ample funds available to assure its completion.

The present building at the portal of the No. 2 tunnel may be sufficient to house the compressor unit and for usage as a small shop. If the work continued into the winter it would be necessary to construct another building of sufficient size to make a small change-room and for timber framing purposes.

The property is near enough (9 miles) to the town of Elliston to permit the crews to stay out there and go to the mine each day.

In conclusion it is my opinion that the evidence gained from the examination of the property justifies the above recommended development program and that if carried out the work has an excellent chance of exposing ore in sufficient quantity to warrant the consideration of a full scale operation.

Respectfully submitted,

/s/ H. J. Evans
Harry J. Evans,

Polaris, Montana.
August 14, 1948.

ASSAY RESULTS OF SAMPLES

Sample No.	GOLD Oz.	SILVER Oz.	LEAD %	ZINC %	ARSENIC %	DESCRIPTION
1	.07	1.9				370 ft in. - 2½ ft. wide on FW & South side of X-cut.
2	.04	.7				On HW of No. I Sample - 1½ ft.
3	.05	1.6				On HW of No. 2 " - 5 ft.
4	.02	.6				Face of small sub-level & 15 ft. above drift - 2½ ft. wide.
5	.02	.5				On HW of No. 3 - 2 ft. wide
6	.02	.7				In sub-level - on HW of sample No. 5 — 1 ft. wide.
7	.03	.4				Opposite Sample No. 1 on North side of X-cut - 3 ft. wide.
8	.03	.5				On HW of Sample No. 7 - 7½ ft. wide
9	.02	.6				On HW of Sample No. 8 in face of drift - 2 ft. wide.
10	.03	1.0				Opposite Sample No. 2 in FW Raise 3 ft. wide.
11	.12	9.4				350 ft. in - 2½ ft. wide on HW.
12	.04	3.0				340 ft. in - 3 ft. wide on HW.
13	.04	1.4				340 ft. in - 3 ft. wide on FW.
14	.08	7.4				335 ft. in - 2½ ft. wide on HW.
15	.07	7.6				320 ft. in - 3 ft. wide on HW.
16	.03	2.0				310 ft. in - 3 ft. wide on HW.
17	.23	8.7				305 ft. in - 8 inches of sulfide on HW.
18	.10	3.9				275 ft. in - 2 ft. on HW.
19	.01	1.6	0.8	0.7		177 ft. in - at Raise - 2½ ft. wide on HW.

ASSAY RESULT OF SAMPLES (continued)

Sample No.	GOLD Oz.	SILVER Oz.	LEAD %	ZINC %	ARSENIC %	DESCRIPTION
20	.02	.6				165 ft. in - 2½ ft. wide - 10 ft. south of Raise.
21	.04	.7				140 ft. in - 2½ ft. of gouge-sulfide.
22	.15	12.8				125 ft. in - 2 ft. ore on HW.
23	.08	1.8				115 ft. in - 2½ ft. wide on HW.
24	.11	.8				100 ft. in - 2½ ft. on HW.
* * * * * * * * * *	* * * * *	* * * * *	* * * *	* * * *	* * * *	* * * * * * * * * * * * * * * * * *
25	.06	2.9				In surface trench at crest of hill 3 ft. wide.
26	tr.	.2				Altered & oxidized aplite in cut below sample No. 25 - 7 ft. wide
27	.26	11.6				High-grade specimens from cuts at crest of hill.
28	.20	6.8				Selected sulfide rocks on dump at No. 2 tunnel.
Composite			1.8	1.9	3.5	A composite sample mixed from the pulps of samples Nos. 13-14-17-18-19-20-22-28.

The positions of these samples where taken underground were plainly marked and their location and widths can be easily identified and checked.

INTERIM REPORT

of

PROGRESS MADE ON THE

SUNSET GROUP OF MINING CLAIMS

by

KIMBALL MINES, Inc.

Elliston, Montana.

Harry J. Evans,
August 29 - 31, 1950.

In company with Mr. Roy Lorang, of Spokane, Washington, a visit was made to the Sunset Group of Mining Claims, of the Kimball Mines, Inc. located at Elliston, Montana. The purpose of this trip, similar to a previous one made during October, 1949, was to inspect the property and check the results obtained from the progress made in development work at the mine.

The program of development of the property, as planned by the company, was found to be progressing satisfactorily. The work accomplished since the last visit has been confined to the advancement of the main or No. tunnel along the vein structure with a few cross-cuts at intervals to establish the foot or hanging-wall of the vein. The work and the timbering seems to have been well done, however it was reported that some retimbering of the tunnel became necessary due to soft (swelling) ground at certain points, this condition is of no concern as the tunnel now appears in splendid condition.

The driving of the tunnel has been made by contract to an experienced miner of the district, at an established price per-foot of advancement including all the necessary timbering. This method of performing the work (contracting) sometimes proves disadvantageous but in this case it seems to have been quite satisfactory and certainly most economical. It was again noted that no unnecessary work or expenditures were made about the property.

The face of the No. 2 tunnel now is roughly 900 ft. in from the portal and approaching the southwest end-line of the Sunset No. 3 claim. The face also is approaching the zone under the surface mineralized fracture system with ore disclosures along the end lines of Sunset No. 2 and No. 3 claims. The face of the No. 2 tunnel, at the time of my visit presented formation somewhat more solid than the previous 300 ft. with a distinct, hard and rather slickened hangingwall. There was no commercial ore exposed at the face but a streak of black sulphides (2"-3" wide) indicated that mineralization continued. More water than usual was emerging from the face and dropping from the back of the tunnel. These features - the development of more water and the hard, tightening hangingwall and apparent narrowing of the fracture system coupled with the fact that the face of the tunnel is approaching the location below the surface mineralized zone, as mentioned above, is at this time very encouraging. The drift should, for the reason of easier mining, be advanced along this hard hangingwall, which it is on at the present time. This drift should be advanced several hundred additional feet, as it is at present just approaching the more favorable territory for orebodies.

The First Cross-cut, off the hangingwall side of the No. 2 tunnel exposed an orebody about 5 ft. wide and showing a value better than $25.00 per ton. During the past winter this ore was exposed by drifting on it for about twenty feet. Two samples, taken at this time, near the face of this hangingwall drift gave a value of $26.00 per ton over a width of 5 ft. plus. The strike or direction of this orebody indicates the possibility that it may diverge to the hangingwall of the main vein system, and follow a separate fracture. The face, now some twenty ft. from the corss-cut contains about 6 ft. of ore and shows no signs of narrowing or weakening. This hangingwall drift should, as soon as convenient, be extended some distance farther to determine its direction and importance. Then, if its importance warrants the development, a raise should be driven up in this orebody to determine its dimensions and value. This work could be carried on concurrently with the advancement of the Main No. 2 drift without interference to either working face, by working them on a different shift.

The time has arrived now, when it seems advisable to begin the driving ahead of the No. I tunnel, which according to the engineer's survey of elevations, is 68 ft. vertically below the No. 2 tunnel. This will give about 100 ft. on the incline of the vein between the two tunnels. This work might be carried forward at any time as it will not interfer with any other development. The No. 1 tunnel now in about 60 ft. is in good condition to the face. It requires about 75 ft. of additional work to cross-cut the footwall formation before intercepting the vein. As stated in the previous report, this would soon be under the orebody disclosed in the No. 2 tunnel above.

It is understodd, that all the additional claims considered and projected for location have been located and the necessary work performed for holding purposes. The location workings performed on two of these claims were inspected. They both contained what is considered good surface showings and disclosed a vein or lens well mineralized. However, both outcroppings were in the upper rhyolitic capping and when developed the values can be expected to be mostly in gold. These claims are a valuable asset to the company and aside from their mineral value serve for protective purposes and can contribute to the timer supply which will be needed.

The Mineral Surveyor will be required this autumn to survey and complete the plans of the company's mining claims. While he is at the property, he should be instructed to survey and map what underground workings have been opened since his last visit there.

It may be advisable to cut and place in the yards, a sufficient supply of mine timbers before the winter snows appear. It is much more costly to get timber out of the forest in the deep snows and timber is much harder to work up into the desired sizes when covered with snow. For the timber requirements for re-opening the No. 1 tunnel, it may be advisable and more economical to use mill lumber for lagging purposes and for spiling in the heavy ground.

All the machines and equipment used at the property was in good condition and serving their various requirements very satisfactorily. The present ventilating fan, compressor and drills will meet the additional requirements imposed by the new work which should soon be initiated, except that an additional drill and bits may be advisable. The daily work shifts can be so staggered, that the present air compressor can furnish all the air required. Also the new cars recently purchased by the company will be ample to transport all the muck made by the two headings in the No. 2 tunnel. The old cars can be utilized for the short-haul requirements in the No. 1 tunnel when that work is started.

Ordinarily, it would be advisable for the one contractor to handle both the headings in the No. 2 tunnel. In as much as the contractor owns the ventilating fan and the compressor and drills it seems the better plan to continue an agreement with him for both projects. In the No. 1 tunnel it seems optional but if the present contractor can furnish the men and perform the work satisfactorily, a lump-sum contract for all the work would naturally be preferrable. However, if it is preferred, there is no reason why another contractor could not perform the work of driving the No. 1 tunnel without interference to the work being done in the No. 2 tunnel.

It must be remembered that in the No. 1 tunnel work fairly hard ground will be encountered until the vein, some 75 ft. ahead, is intercepted. This hard ground will require a somewhat higher price per-foot than what is being paid the present contractor, advancing his heading in fairly soft vein material.

In starting this work in the No. 1 tunnel, it may be necessary in any event, to begin this work on a days-pay basis, due to the fact that the present face is still in loose, detritus, disintegration material and will require the services of a miner who knows how to get through bad ground. Observation indicates that good and solid ground can be expected within twenty ft. of the present face and from there it is a matter of ordinary hard ground.

The completion of the payments for the claims, making the company owner of the property without further obligation, can be only a matter of gratification to the stockholders and a feeling of accomplishment to the Officers. These claims together with the others located by the company itself and the ground acquired as a mill-site will give the company ample ground for future operations.

Since the last report was rendered, about one-half of the high-tension lines which formerly served the Big Dick mines and passing near the company's property was removed and sold. However, that portion of the line nearer the company's property is still in place and appears to be servicable. This line may be abailable to the company at a reasonable cost if investigated at an opportune time.

The results obtained from the development progress during the past eight months warrents the continuation of the work now in progress and the initiation of more work.

The following development projects are recommended at this time:

I. The continued advancement of the No. 2 tunnel for at least another two-hundred feet. Drift to be run along the N. W. side.

II. A hangingwall drift to be driven on the orebody disclosed in the first hangingwall cross-cut of the No. 2 tunnel.

III. As soon as working conditions permit, a raise should be driven up in the orebody above this (II) hangingwall drift.

IV. The No. 1 tunnel be reopened and advanced into the vein to develop the orebody disclosed in the No. 2 tunnel above.

V. Advisable to continue the work by contract.

VI. Attention given toward the purchasing of the high-tension electric line from Elliston to the mine. One-half of the line still remains in place.

The above development work, as recommended in I, II, III & IV is all that seems advisable for the immediate future and can be accomplished without the purchase of very little, if any, additional equipment. It is also probable that this work can be done by one and the same contractor.

This work also can be accomplished, as has the work during the past, by an occasional visit of one of the company's officers to the property, thus saving the expense of a supervisor to over-see the work.

This work can be carried forward during the coming winter months without any weather handicaps, if sufficient timber is placed in the yards before snow falls.

Respectfully submitted,

Harry J. Evans,

Washington, D. C.
3010 Gainesville St. SE.
September 6, 1950

K I M B A L L M I N E S , I N C .
3116 W. Grandview
Spokane 16, Washington

July 23, 1951

To The Shareholders of Kimball Mines, Inc.:

The management of your company believes that a statement of operations since our last report is due to you at this time.

In the last report of the company of October 10, 1950, you remember that four undertakings were recommended by our engineers: - (1) The continued advancement of the main adit tunnel for at least 200 additional feet; (2) A drift to be driven on the ore body disclosed in the crosscut to the hanging wall, which showed a value of $25.00 per ton or better; (3) A raise in the ore body in the crosscut, and (4) The reopening and advancement of the lower tunnel to develop the ore bodies disclosed in the upper tunnel.

During the intervening months, the vein in the crosscut has been explored and its course followed until it converged again with the vein in the main adit tunnel. Values were good throughout its 70 feet. They were carefully recorded for future development.

The main adit tunnel has been advanced the recommended 200 feet, plus an additional 100 feet. This advancement was made through a good grade of milling ore, with occasional small stringers of high grade. It was obvious from the appearance of the vein in the face of the upper tunnel that an additional distance would have to be run to cut the ore showing exposed on the surface 1000 feet above. We hope to bulldoze the surface before working again at this point.

The additional work done in the main adit tunnel made the total footage about 1200 feet. At this point the air in the tunnel became very bad, and the tramming of cars by hand for 1200 feet became impractical.

It then became a question of spending money for adequate equipment, for hauling, and for pumps for air, or spending the money in opening the lower tunnel, which is 100 feet below the main adit tunnel. Your directors decided on the latter program, and this is where we have been working. In opening the lower tunnel, thirty feet of overburden was penetrated before solid formation was encountered. The drift has been driven now a distance of 188 feet, and has developed a good grade of mill feed, which we have been stockpiling for future milling. Eighty-three feet of the footage is in the vein, with the most gratifying showing, with assays as high as $68.00 per ton.

When this tunnel is further advanced, a raise will be made into the upper tunnel. This will provide the desired ventilation and will block out an ore body 100 feet long and 100 feet high.

For your information, we have filed with the County Recorder of Powell County, Montana, in which County the mine is situated, a Proof of Labor showing an expenditure during the assessment year ending July 1, 1951, of in excess of $15,700.00. Of this amount more than $9,350.00 was expended under contract in the operations in the upper tunnel, more than $5,290.00 was expended under contract in the operations in the lower tunnel, and more than $1,060.00 was expended on materials, supplies and equipment, which included two mine cars and 2,550 lbs. of rail.

The board of directors released the contractor, as the price of $25.00 per foot for the work in the lower tunnel was too high. The board plans on having further work performed in the tunnels either by contract or day's labor, whichever is the most satisfactory. At the present time a flow sheet is being prepared by Denver Equipment Company on a 600-lb. sample of our ore. They have quoted us a price of $15,000 for a 25-ton mill.

Our immediate need is for finances to operate the property on a company basis and to purchase and install the necessary mining equipment to do so, and buildings to install the same.

We solicit at all times letters from our stockholders on any information desired.

Respectfully submitted,

S. L. Stratton
President

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA 1944

Date received 8-10-51

Participation

Kimball Mines, Inc.
3116 West Grandview
Spokane 16, Washington

Name and address of applicant

Date July 27, 1951

FILL IN THIS BLOCK

Date of application July 27, 1951

Estimated cost $56,675.00

Mineral or metal Gold, silver, Lead & zinc

Percentage of Government participation 1/2

Location of mine Elliston, Montana

Date of filing MF-100

DMA Docket Number, if available 1944

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 10 1951

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

AUG 14 1951

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

KIMBALL MINES, INC.
(Name of company)

By Sarah L. Stratton
(Signature of authorized official)

July 27, 1951
(Date)

President
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

1. Corporation of the State of Idaho.

3. Officers:
   Sarah L. Stratton, 3116 Grandview, President
   Gertrude E. Finney, 2946 Grandview, Vice-President
   Therrett Towles, 1229 Old National Bank Bldg., Secretary-Treasurer

   Directors:
   Sarah Stratton; Gertrude Finney; Therrett Towles; Leroy L. Lorang, 4014 Hawthorne, Spokane; and James W. Riley, 9617 Dalton, Millwood, Wash.

   Five largest stockholders:
   Sarah Stratton; Gertrude Finney; James Riley; William Kierstead, Elliston, Montana; and Dr. E. M. Wygant, Lewiston, Idaho.

4. The majority of our directors have had years of experience in the Coeur d'Alene Mining District. Our superintendent has had 25 years experience in mining and milling operations.

5. Corporation owns mine.

6. None

7. --------

8. See financial report.

9. $53,916.45 (treasury stock)

10. (a) Claims: Sunset No. 1, Sunset No. 2, Sunset No. 3, Sunset No. 4, Sunset No. 5, Sunset No. 6, Sunset No. 7, Sunset No. 8, Sunset No. 9, Sunset No. 10, Sunset No. 11, all quartz lode mining claims, and Maud V. and Sunset placer mining claims, and Sunset mill site, in Treasure Mountain (formerly Nigger Hill) Mining District, Secs. 1 and 12, T. 8 N., R. 7 W., M.P.M., Powell County, Montana.

    (b) The same.

11. Sunset Mining Claims.

12. Kimball Mines are located on Treasure Mountain, nine miles in a southwesterly direction from Elliston, Montana, on the Little Blackfoot River. The road between the mine and Elliston is a hard gravel surface, kept open by the county the year round, and it joins Highway #10, the main artery between Missoula and Helena, Montana.

    The N.P.R.R. also runs through Elliston and has sidings and loading platform facilities. The distance between Elliston and Helena is approximately 25 miles.

13. The Little Blackfoot River runs within 300 yards of the Kimball Mines # 1 tunnel and furnishes 200 cubic foot per second at low water.

Deisel compression power has been used at a cost of $2.60 per shift. Electric power is available in any quantity at a distance of nine miles from the property. It is expected that it shall be brought to within two miles of the Kimball Mines this summer by a mining company which has leased the Hopkins Mine, located two miles down the Little Blackfoot in the direction of Elliston.

14. The existing usable buildings and equipment owned by Kimball Mines, Inc. are:

3400 ft. rails installed in Nos. 1 and 2 tunnels
4 ore cars
1000 ft. fan bag
1 gas motor and blower for unit
1 tool shed
1 log cabin
1 200-ton ore bunker
300 running ft. timbering

15. Ore from Kimball Mines could be trucked to Elliston (9 miles) and from there shipped by rail to the Helena smelter (25 miles), to Salt Lake (500 miles), or to Kellogg, Idaho (233 miles), or to other precessing plants within reasonable distance, or it could be trucked the total distance of 34 miles to the Helena smelter. Also custom mills are available to us in a radius of from 2 to 60 miles.

16. (a) Property was discovered by old-time prospector, Mr. William Kierstead, who subsequently operated the mine by hand for several years. During this period many thousands of dollars worth of minerals were extracted from the mine. This old prospector, who is now affiliated with our company, did not keep records of this production. However, he can give this information from memory to any of your engineers.
Mr. Kierstead, due to old age, stopped production and sold the property to Kimball Mines, Inc. Since we acquired the mine we have drifted along the vein in No. 2 tunnel to a distance of 1250 feet. We then continued Mr. Kierstead's tunnel in the lower level and after contacting the vein there drifted for a distance of 83 feet. The vein at the lower level is highly mineralized for the entire 83 feet.

(b) The Big Dick property, adjoining us to the east, had a record of half a million production in previous years. Has been recently opened up. The Hopkins mine, two miles down the Little Blackfoot, has recently been leased for operation.

(c) Enclosed find engineer's report.

17. Not in production.

18. (a) Commercial ore was exposed on the surface for 400 feet. In both upper and lower tunnels the vein has been drifted on and ore was encountered most of the way.

(b) Maps enclosed

(c) Only ore actually blocked out to date is 83 feet between upper and lower tunnels, approximately 8000 tons.

19. All covered, we believe.

20. Primarily lead and zinc, secondarily gold and silver.

21. We plan to bulldoze the surface and expose ore showings there, then continue drifting in upper tunnel until under the entire ore body which we will expose on the surface, and also continue the drift in upper tunnel until directly under farthest point of drift in the upper tunnel. We estimate this work will take somewhere between one year and eighteen months.

22. See enclosed engineer's report.

23. We estimate that the bulldozing on the surface will cost about $2500.00; and that drifting in both tunnels will cost approximately $54,175.00, or a total of $56,675.00.

24. Bulldozing work should be completed in approximately two weeks. We expect to average four feet a day in the drifting work, or a total of approximately 18 months to complete all the projected work.

Amendment

Question No. 21 -- We intend to continue drifting on the vein in No. 2 tunnel for an additional 450 feet. We are to drift in No. 1 tunnel until we reach a point directly under the furthest point of penetration of the upper tunnel, or a distance of approximately 1700 feet, or a total of about 2150 feet.

23

(a) One miner at $12.45 per shift.
One mucker at $11.60 per day.
One trammer at $11.60 per day.
One laborer at $11.60 per day.

(b) One supervisor $500.00 per month.

(c) None.

(d)	Compressor building $1500.00	$ 1,500.00
	Blacksmith shop and storage room $300.00	300.00
	Change or dry house $300.00	300.00
(e)	Compressor (used) $3000.00	3,000.00
	Two receivers (new) $200.00 each.	400.00
	Two liners (Drill Machines)(new) $400. ea.	800.00
	Two stopers(" ")(") $250. ea.	500.00
	2000 feet of 16 or 20 lb. rails at $100.00 per ton (used) $3500.00	3,500.00
	2000 feet of two inch pipe (used) 21 cents per foot - $550.00 with fittings	550.00
	2000 feet of fan pipe twelve inch (new) 40 cents per foot - $800.00	800.00
	One fan and motor (used) $400.00	400.00
	Air and water hose (new) $250.00	250.00
	One mucking machine (used) $3000.00	3,000.00
	Total	$15,300.00

(f) None

(g) Four mine cars at $20.00 per month.

3400 feet rails $20.00 per month.

1200 feet fan bag at $10.00 per month.

(h) $950.00.

(i) $10.00 per day.

We intend working a six day week with these miners and estimate the labor cost will be $1500.00 a month exclusive of the supervisor as listed in this question.

24. The estimated time schedule after project is approved will be approximately eighteen months at a rate of approximately 100 feet per month with the crew listed above working on a six day schedule.

KIMBALL MINES, INC.
Spokane, (An Idaho Corporation) Washington

BALANCE SHEET AS OF DECEMBER 31,1950

A S S E T S

CURRENT ASSETS:			
Cash on hand and in bank		$ 6,822.10	
Advances		175.00	
Total current assets			$ 6,997.10
FIXED AND NON-CURRENT ASSETS:			
Mining Equipment		671.47	
Mining Claims and Millsite		66,431.00	
Deferred Charges to Development:			
Contract operations	$ 20,158.69		
General & administrative expense	4,362.11		
Total development expense		24,520.80	
Organization Expense		2,521.78	
Promotional Expense:			
Stock selling expense	5,000.00		
Commissions paid	10,055.00	15,055.00	
Total fixed and non-current assets			109,200.05
Total assets			$116,197.15

LIABILITIES AND NET WORTH

CURRENT LIABILITIES:			
Accounts payable			$ 1,621.85
FIXED LIABILITIES:			
10% Ore Production Certificates			47,700.00
Total liabilities			49,321.85
NET WORTH:			
Common capital stock authorized (1,000,000 shares -Par Value 10¢)		$ 100,000.00	
Unsubscribed stock	$ 32,324.70		
Donated treasury stock(fully paid)	575.00	32,899.70	
Capital stock outstanding		67,100.30	
Discount on stock sold		800.00	
Net capital stock outstanding		66,300.30	
Capital surplus (arising out of donations of treasury stock)		575.00	
Net worth			66,875.30
Total liabilities and net worth			$116,197.15

A REPORT ON THE PROPERTY AND HOLDINGS OF THE SUNSET GROUP OF MINERAL CLAIMS.

By Harry J. Evans.

Polaris, Montana
August 14, 1948.

LETTER OF TRANSMITTAL.

Mrs. Sarah L. Stratton & Associates,
West 3116 Grandview,
Spokane, Washington.

Dear Madam;

Pursuant to your request and instructions dated July 28th. I have please in submitting herewith a report on the mining property known as the Sunset Group and owned by Mr. W. E. Kierstead - the property being located in the Nigger Hill District, on the banks of the Little Blackfoot River and about nine miles southeast of the town of Elliston, in Powell County, Montana.

The report is based upon the findings of a personal visit and study of the holdings; an examination of the accessible underground workings; inspection and study of the vein system as exposed on the surface; sampling of all the underground and surface vein exposures; assays of all samples obtained; and the acquiring of all data pertaining to the property wherever information was available.

It was not attempted to make any detailed survey of the claims or to check or verify corners or directions of the locations except at the foot of the mountain where the camp and workings are located. A Brunton survey was made of the main underground workings in what has been designated at the No. 2 tunnel, and in which the principal ore exposures are disclosed.

The mine was visited on August 6, 7, 8, & 9, 1948, and the report was prepared after the receipt of the returns of theassays of samples.

I wish to make known my hearty appreciation for the facilities and full assistance given me by Mr. W. E. Kierstead while at the property.

Yours respectfully,

Polaris, Montana.
August 14, 1948.

Harry J. Evans,
Consulting Mining Engineer.

LOCATION, TOPOGRAPHY and ACCESSIBILITY.

The property is located in the Nigger Hill district, on the banks of the Little Blackfoot River, about nine miles southeast of the town of Elliston, in Powell County, Montana.

The property is accessible over a well maintained gravel road which follows the valley of Little Blackfoot from the town of Elliston to the mine, for a distance of nine miles. The small town of Elliston is a station on the Northern Pacific Railway and is also served by the East-West No. 10 highway through Montana. The property is about 33 miles from the state capital of Helena, and an additional five miles to the smelters of the American Smelting & Refining Co. at East Helena. The transportation facilities may be considered as favorable during both the summer and winter seasons.

The elevation of the lower workings of the property, which are located slightly above the floor of the valley are reported to be about 5,600 ft. and rises to about 6,400 ft. where the mineralized outcroppings are located on the crest of the hill and to the Northeast of the working tunnel. The topographic features of the immediate vicinity are a very steep surface contour but a noticable absence of precipitous rock exposures. The lack of any vein out-croppings on the surface indicates that the country rock encasement is of a harder texture than the mineralized fractures containing the fissure.

The mine is easily accessible and the general topography of the surface is most advantageous to mining operations. The level floor of the valley affords ample space for a camp-site and milling plants.

HISTORY of the DISTRICT and PROPERTY.

The history of the surrounding district in general dates back to the early days of Montana but the discovery of this particular property seems to be quite recent. Information obtained from the present owner indicates that prospecting for mineral was first started in 1928, and that the present claims were located in that year.

The development work which has been performed underground has been done through two tunnels at the foot of the mountain and slightly above the bed of the valley. These will be designated hereafter as No. 1 and No. 2 tunnels, which are about ninety feet vertically apart.

The No. 1 tunnel is a cross-cut being driven to encounter the vein (but is not yet connected with it) at an elevation of only 25 ft. above the bed of the valley. To date this tunnel has been driven only 60 ft. but should encounter the vein within a short distance. This tunnel is open but in as much as it has not yet reached the vein it discloses no information of value at this time.

The upper or No. 2 tunnel, which is 90 ft. vertically higher than the No. 1 tunnel, is entirely open at this time and although wet under feet can be inspected and sampled. The first portion of this tunnel is a cross-cut which intersects the vein at a point 50 ft. from the portal. From this 50-ft. point the tunnel follows the vein system to its face a total distance of 375 ft. from the portal.

It is reported that the Porter Brothers company of Helena optioned the property during 1946 and in their development program advanced the No. 2 tunnel about 70 feet to a total distance of 270 ft. It is assumed that the remainder of the work in this tunnel, to the 375 ft. point which is the present face has been performed by the owner.

Some small surface trenches and cuts have been excavated high up the hill on the projected strike of the vein and it is most probable that these holes are exposing part of the same fissure system.

PROPERTY and ASSETS.

The property consists of three unpatented lode mining claims and a millsite of about five acres, all in one compact and contiguous group. The claims are named from a south-west to a northeast direction: the Sunset No. 1, Sunset No. 2 and Sunset No. 3 and the millsite on the floor of the valley.

All of the underground workings are within the bounds of the Sunset No. 2 claim. The major surface excavations are found at or near the end lines of the Sunset No. 2 and Sunset No. 3 claims.

The physical assets of the property comprise a small cabin for living quarters of the owner located on the millsite, and small frame building which probably had been formerly used to house a compressor and located at the portal of the No. 2 tunnel.

In the underground workings the track-rails are in place to face of the tunnel. A small mine car (14 Cu. ft.) in good condition was found inside the No. 2 tunnel.

The property may be considered as having no improvements, buildings or assets of any kind except the mineral value to be developed.

TITLES.

The object of my examination was the establishment of the fact of worth of the property. It was not therefore my commission to inquire of titles, and it is here assumed that the requirements for holding unpatented mining claims have been complied with each year.

TIMBER, WATER and CLIMATE.

The area included in and surrounding these mining claims is heavily timbered with a growth of Douglas fir and lodge-pole pine, ranging in sizes from 6 inches to two ft. in diameter. The timber in this forest is capable of furnishing for an indefinite period all the timber for underground purposes and all the rough lumber and fuel requirements for any operation.

The water supply available from the creek flowing by the property is of sufficient quantity to take care of all mining, milling and domestic requirements.

The climate, both during summer and winter, can be considered moderate for Montana. The weather conditions here present no problem during the summer months, however during the winter months the snow falls to a depth of three to four feet before settling. It is reported that the County road crew keep these roads open and free of snow during the winter hence there seems to be no particular handicap to normal operations.

GEOLOGY.

The geological features of the immediate area and especially within the bounds of these claims are quite simple. The whole crest and flanks of the ridge upon which these claims are located is composed of andesite, through which there is a dike of aplite of yet unknown width or extent. The vein is in reality a contact deposit between the andesite and aplite with much of the aplite hangingwall being impregnated with sulfides from the solutions circulating in the contact.

On the higher peaks above the claims the andesite is capped over by a flow of rhyolite. Much of the rhyolite has now eroded away, the rough debris rocks from which have traversed downward and show over much of the surface in the higher levels. The rhyolite is of only historical importance and plays no part in the deposition of the economic minerals now forming the mineralization of the vein system.

The aplite which seems to be the most important host rock, is rather common within the area of the Boulder Batholith and its margins in the form of dikes and irregular masses. This rock is a fine grained granular, white to gray colored and is composed mostly of orthoclase and quartz with biotite or hornblende showing in it along intrusive contacts. The aplite has a rather distinct jointing or cleavage seams which have been impregnated with sulfides, some of which are of economic importance. The aplite as well as the andesite are of earlier periods than the remnants of rhyolite which crown the summit of the mountains nearby.

The overburden of dirt, which nurtures a heavy growth of trees, bushes and smaller vegetation, is not particularly deep but quite uniform throughout the area and had covered all rock and vein exposures which make it difficult to follow the continuity of contacts or vein systems.

The strike of the vein varies from 25 to 40 degrees Northeast and it dips about 60 - 65 degrees to the East. The strike of the outline of the out-crop as it ascends the steep hillside is about North 10 degrees East. An appreciable amount of mineralization is exposed along the strike of the outcrop at the higher elevations and it was from these shallow workings that the best samples of ore were procured. While the andesite footwall of the contact is not exposed in any of the excavations the directions check sufficiently close to assure the fact that the workings in the No. 2 tunnel and the surface exposures are the same or closely parallel systems.

The difference in elevations between the No. 2 tunnel workings and the mineralized outcroppings on the surface is about 800 ft. and the distance on the dip of the vein is considerably more than that figure. The back (height to the surface) over the face of the present No. 2 tunnel is about 175 ft. thus showing any workings driven on the vein system from the river level will develop an unusual amount of overhead ground.

There is no evidence of any fault disturbances or displacements of the vein by such action in so far as the present development work discloses. There is, however, evidence of much lateral and vertical movement within the plane of the fissure or contact itself, in the form of slippy gouge and ground-up wall rocks.

VEIN FILLING and MINERALIZATION.

The fissure or distance between walls varies from three ft. where the cross-cut first intersected the vein near the portal of the tunnel to as much as fourteen ft. in width at the present face and about 325 ft. ahead. The mineralized vein filling is proportionately less and where the walls are far apart the vein contains streaks and ribbons of altered but unimpregnated aplite along with the streaks of sulfide minerals.

Although the work done to date is quite limited, the exposures of what ores are now showing in the No. 2 tunnel indicate that the original contact fracturing was irregular. Additional development work along the vein system may prove the orebodies to have lenticular dimensions due to the movements along the irregular walls.

The vein filling is composed of quartz, some calcite, crushed and altered aplitic wall rock inclusions and much clay gouge products. The better grade material is a hard and ribboned quartz with streaks of sulfides contained through its entire width. The footwall near the present face, where the width of the fissure is greatest, contains much ground and crushed andesite which presents a dry, soapy appearance when first exposed.

The economic minerals are galena (lead-sulfide) and sphalerite (zinc-sulfide) with arsenopyrite predominating. The principal metals are gold and silver. It is most probable that the silver is highest where the lead content predominates and the gold follows the arsenopyrite throughout the vein wherever sulfides exist in quantity.

The mineralization not only follows the quartz vein-filling but also is impregnated into the aplite hangingwall to varying extents and amounts. This deposition takes the form of then sulfide streaks along the joints or cleavages of the aplite and presents the possibilities of forming large though sometimes irregular orebodies of commercial value.

SAMPLES, ASSAYS and VALUES.

The promising showing which was presented in such a limited amount of development working necessitated the systematic sampling of the vein wherever exposed or un-lagged in order to gain some knowledge of the metal content and their probable commercial value.

A total of 28 samples and one composite were taken from the mine and later given for assay to a reliable firm in Helena, Montana. These samples were taken to represent locations and widths where they furnished maximum information as well as actual value.

All of the 28 samples were assayed for gold and silver, in as much as it was quite definitely established that the greater part of the value in the ore was in those small metals. One sample was assayed for gold, silver, lead and zinc. In order to check what the average lead and zinc content of the ores would be, a composite sample was made up from the pulp of samples Nos. 13-14-17-18-19-20-22-28 and this sample was assayed for lead and zinc content and for arsenic.

The results of the assays made from these samples will be found supplemented in the appendix of this report.

A review of the assay results reveal the fact that if only the gold and silver content of the ore were to be extracted they definitely would not pay to mine, however when the lead and zinc contents also are considered then the ore definitely has commercial value. However, the examination and sampling revealed no ore of shipping grade, or having sufficient mineral content to justify direct shipment of the crude ore direct to the smelters.

The sampling was started at the face of the No. 2 tunnel or 375 ft. from the portal and progressed out-ward to a point where the last sample was taken at 115 ft. from the portal. The weighted average of these results would be about $1.50 per ton in gold and three ounces of silver with about 2% of lead and 2% of zinc. The better grade of ore was encountered from the 115 ft. point to the 340 ft. mark where the vein widened considerably and the values tended to part into two distinct streaks.

The owner reported that there was shipped from a small raise up 30 ft. at the 170 ft. pt. a total of 120 tons; that he shipped 100 tons from the raise at the 100 ft. pt. and that he shipped 80 tons from selected ore out of the drift development. This could not be verified and the probable dates of the shipments to the smelters could not be obtained in order that duplicates of liquidation settlement sheets might be requested from them.

The limited amount of development performed (375 ft.) reveals many favorable aspects as to structural features and mineralization which are of importance as well as the actual assay value of the ore.

POWER SUPPLY.

A few years past, the Montana Power Company constructed a high-tension electric power line to a neighboring property and which passes near the Sunset claims. This line now idle and probably in poor condition, can be reconditioned and made to serve the requirements of the Sunset property.

It is understood, however, that the ownership of the line is somewhat clouded due to disagreement between the power company and the old company which it serviced. It is only logical that if actual power was desired from this line the differences between these parties could be settled and the lines made available to the Sunset property.

GENERAL ECONOMIC FEATURES.

There are a number of features about the property that mark it as justifying further expenditure on development.

The mine could be operated entirely through tunnels for a number of years thus eliminating the expense of hoisting ore and pumping water from shaft-workings. The property is in close proximity to the railroad and smelters, and to a large city for procurement of supplies. The surrounding hills are heavily wooded and can furnish all the timber for underground mining, lumber and fuel purposes. The necessary power seems to be reasonably assured at a small installation cost. And the general operating and living conditions, either for a development program or for full scale operations certainly can be considered as favorable.

CONCLUSIONS.

The results of my examination and study of the economic features of the property with a summary of the facts as set forth in the preceding pages have led to the following conclusions: that the property contains a vein which may be a long and persistant structure; that the limited amount of work now performed has disclosed oreshoots of commercial size and value; the work already performed warrants the confidence that additional orebodies can be reasonably expected; the evidence obtained from the underground workings justifies the further development of the mine.

RECOMMENDATIONS.

The above conclusions have led to the advisability that a sum of money - more or less $50,000 - be made available to undertake a program of development work to open the property. These claims in their present state of development must be considered as a prospect, as yet unproven regarding ore-reserves, but certainly meriting additional development in the No. 2 tunnel, the face of which is only 375 ft. ahead of the portal and this is the only major work on the property.

The following development work is recommended as the first stage of an exploration program;

I. The No. 2 tunnel be advanced on the vein an additional 300 ft. or to a total of about 700 ft. from the portal.

II. That cross-cuts, be driven, at certain intervals, from wall to wall and at the most advantageous points to furnish maximum information.

III. That certain raises be driven up at least 100 ft. above the drift and at points to be determined as the work progresses.

IV. That if conditions, as they unfold in this work, justify the completion of this preliminary stage then and not until then will it be come necessary or advisable to begin plans and preparations for a broader program which may lead toward the productive and future operation period of the undertaking.

The carrying out of the above program will require the following equipment and supplies:

1. One portable air compressor of 225 Cu. Ft. capacity with either gas or deisel power unit.
2. 800 ft. of 2 inch pipe - 200 ft. of 1 inch pipe.
3. One air-drill for drift work - one drill for raise work.
4. Drill steel, drill bits, air and water hose, bars & clamps, and water tank, etc.
5. 500 ft. of double track - 12 lb. rails.
6. One mine car.
7. Mine tools - shovels, picks, hammers, etc.
8. Powder, fuse, caps, carbide, oils, greases, etc.
9. Cutting and framing timbers, lagging, lumber, etc.
10. One pick-up truck for transporting men and supplies.

All of the above equipment may be procured from machinery houses handling second hand or used machinery at much cheaper prices and which would serve the purpose required just as well as new machines. All the tools and supplies would have to be purchased as new supplies, or tools.

This preliminary development work could be accomplished in any one of the three following ways:

I. Hiring men by the day under supervision by yourselves.

II. Contracting the work to a reliable miner and he furnish all the equipment, supplies and men.

III. Contracting the work and the equipment and supplies (other than powder, fuse, caps, carbide) be furnished by yourselves.

The first way would doubtless be the more expensive and require the most supervision. The second way would be the easier, but would most likely result in poor work being performed and countless delays to progress due to the contractor having poor and inadequate equipment.

The third or last way would be advisable; it will allow for better direction of the work; greater speed in advancing the headings; will afford an easier change of contractors in case the work carried on was unsatisfactory. In the event that the work performed did not prove sufficient ore to justify further work then all the equipment could be changed to some other project or sold.

It should not be inferred that the above work will cost the full $50,000.00 but it is generally unwise to undertake even a small project without ample funds available to assure its completion.

The present building at the portal of the No. 2 tunnel may be sufficient to house the compressor unit and for usage as a small shop. If the work continued into the winter it would be necessary to construct another building of sufficient size to make a small change-room and for timber framing purposes.

The property is near enough (9 miles) to the town of Elliston to permit the crews to stay out there and go to the mine each day.

In conclusion it is my opinion that the evidence gained from the examination of the property justifies the above recommended development program and that if carried out the work has an excellent chance of exposing ore in sufficient quantity to warrant the consideration of a full scale operation.

Respectfully submitted,

/s/ H. J. Evans
Harry J. Evans,

Polaris, Montana.
August 14, 1948.

ASSAY RESULTS OF SAMPLES

Sample No.	GOLD Oz.	SILVER Oz.	LEAD %	ZINC %	ARSENIC %	DESCRIPTION
1	.07	1.9				370 ft in. - 2½ ft. wide on FW & South side of X-cut.
2	.04	.7				On HW of No. I Sample - 1½ ft.
3	.05	1.6				On HW of No. 2 " - 5 ft.
4	.02	.6				Face of small sub-level & 15 ft. above drift - 2½ ft. wide.
5	.02	.5				On HW of No. 3 - 2 ft. wide
6	.02	.7				In sub-level - on HW of sample No. 5 — 1 ft. wide.
7	.03	.4				Opposite Sample No. 1 on North side of X-cut - 3 ft. wide.
8	.03	.5				On HW of Sample No. 7 - 7½ ft. wide
9	.02	.6				On HW of Sample No. 8 in face of drift - 2 ft. wide.
10	.03	1.0				Opposite Sample No. 2 in FW Raise 3 ft. wide.
11	.12	9.4				350 ft. in - 2½ ft. wide on HW.
12	.04	3.0				340 ft. in - 3 ft. wide on HW.
13	.04	1.4				340 ft. in - 3 ft. wide on FW.
14	.08	7.4				335 ft. in - 2½ ft. wide on HW.
15	.07	7.6				320 ft. in - 3 ft. wide on HW.
16	.03	2.0				310 ft. in - 3 ft. wide on HW.
17	.23	8.7				305 ft. in - 8 inches of sulfide on HW.
18	.10	3.9				275 ft. in - 2 ft. on HW.
19	.01	1.6	0.8	0.7		177 ft. in - at Raise - 2½ ft. wide on HW.

ASSAY RESULT OF SAMPLES (continued)

Sample No.	GOLD Oz.	SILVER Oz.	LEAD %	ZINC %	ARSENIC %	DESCRIPTION
20	.02	.6				165 ft. in - 2½ ft. wide - 10 ft. south of Raise.
21	.04	.7				140 ft. in - 2¼ ft. of gouge-sulfide.
22	.15	12.8				125 ft. in - 2 ft. ore on HW.
23	.08	1.8				115 ft. in - 2½ ft. wide on HW.
24	.11	.8				100 ft. in - 2½ ft. on HW.
* * * * *	* * * * *	* * * * *	* * * * *	* * * * *	* * * * *	* * * * * * * * * * * * * * * * *
25	.06	2.9				In surface trench at crest of hill 3 ft. wide.
26	tr.	.2				Altered & oxidized aplite in cut below sample No. 25 - 7 ft. wide
27	.26	11.6				High-grade specimens from cuts at crest of hill.
28	.20	6.8				Selected sulfide rocks on dump at No. 2 tunnel.
Composite			1.8	1.9	3.5	A composite sample mixed from the pulps of samples Nos. 13-14-17-18-19-20-22-28.

The positions of these samples where taken underground were plainly marked and their location and widths can be easily identified and checked.

INTERIM REPORT OF PROGRESS
MADE ON THE
SUNSET GROUP OF MINING CLAIMS
BY
KIMBALL MINES, Inc.
Elliston, Montana

Harry J. Evans
August 29-31, 1950

In company with Mr. Roy Lorang, of Spokane, Washington, a visit was made to the Sunset Group of Mining Claims, of the Kimball Mines, Inc. located at Elliston, Montana. The purpose of this trip, similar to a previous one made during October, 1949, was to inspect the property and check the results obtained from the progress made in development work at the mine.

The program of development of the property, as planned by the company, was found to be progressing satisfactorily. The work accomplished since the last visit has been confined to the advancement of the main or No. 2 tunnel along the vein structure with a few cross-cuts at intervals to establish the foot or hanging-wall of the vein. The work and the timbering seems to have been well done, however it was reported that some retimbering of the tunnel became necessary due to soft (swelling) ground at certain points, this condition is of no concern as the tunnel now appears in splendid comdition.

The driving of the tunnel has been made by contract to an experienced miner of the district, at an established price per foot of advancement including all the necessary timbering. This method of performing the work (contracting) sometimes proves disadvantageous but in this case it seems to have been quite satisfactory and certainly most economical. It was again noted that no unnecessary work or expenditures were made about the property.

The face of the No. 2 tunnel now is roughly 900 ft. in from the portal and approaching the southwest end-line of the Sunset No. 3 claim. The face also is approaching the zone under the surface mineralized fracture system with ore disclosures along the end lines of Sunset No. 2 and No. 3 claims. The face of the No. 2 tunnel, at the time of my visit presented formation somewhat more solid than the previous 300 ft. with a distinct, hard and rather slickened hangingwall. There was no commercial ore exposed at the face but a streak of black sulphides (2"-3" wide) indicated that mineralization continued. More water than usual was emerging from the face and dropping from the back of the tunnel. These features - the development of more water and the hard, tightening hangingwall and apparent narrowing of the fracture system coupled with the fact that the face of the tunnel is approaching the location below the surface mineralized zone, as mentioned above, is at this time very encouraging. The drift should, for the reason of easier mining, be advanced along this hard hangingwall, which it is on at the present time. This drift should be advanced several hundred additional feet, as it is at present just approaching the more favorable territory for ore bodies.

The First Cross-cut, off the hangingwall side of the No. 2 tunnel exposed an ore body about 5 ft. wide and showing a value better than $25.00 per ton. During the past winter this ore was exposed by drifting on it for about twenty feet. Two samples, taken at this time, near the face of this hangingwall drift gave a value of $26.00 per ton over a width of 5 ft. plus. The strike or direction of this ore body indicates the possibility that it may diverge to the hangingwall of the main vein system, and follow a separate fracture. The face, now some twenty ft. from the cross-cut contains about 6 ft. of ore and shows no signs of narrowing or weakening. This hangingwall drift should, as soon as convenient, be extended some distance farther to determine

its direction and importance. Then, if its importance warrants the development, a raise should be driven up in this ore body to determine its dimensions and value. This work could be carried on concurrently with the advancement of the Main No. 2 drift without interference to either working face, by working them on a different shift.

The time has arrived now, when it seems advisable to begin the driving ahead of the No. 1 tunnel, which according to the engineer's survey of elevations, is 68 ft. vertically below the No. 2 tunnel. This will give about 100 ft. on the incline of the vein between the two tunnels. This work might be carried forward at any time as it will not interfer with any other development. The No. 1 tunnel now in about 60 ft. is in good condition to the face. It requires about 75 ft. of additional work to cross-cut the footwall formation before intercepting the vein. As stated in the previous report, this would soon be under the ore body disclosed in the No. 2 tunnel above.

It is understood, that all the additional claims considered and projected for location have been located and the necessary work performed for holding purposes. The location workings performed on two of these claims were inspected. They both contained what is considered good surface showings and disclosed a vein or lens well mineralized. However, both outcroppings were in the upper rhyolitic capping and when developed the values can be expected to be mostly in gold. These claims are a valuable asset to the company and aside from their mineral value serve for protective purposes and can contribute to the timer supply which will be needed.

The Mineral Surveyor will be required this autumn to survey and complete the plans of the company's mining claims. While he is at the property, he should be instructed to survey and map what underground workings have been opened since his last visit there.

It may be advisable to cut and place in the yards, a sufficient supply of mine timbers before the winter snows appear. It is much more costly to get timber out of the forest in the deep snows and timber is much harder to work up into the desired sizes when covered with snow. For the timber requirements for reopening the No. 1 tunnel, it may be advisable and more economical to use mill lumber for lagging purposes and for spiling in the heavy ground.

All the machines and equipment used at the property was in good condition and serving their various requirements very satisfactorily. The present ventilating fan, compressor and drills will meet the additional requirements imposed by the new work which should soon be initiated, except that an additional drill and bits may be advisable. The daily work shifts can be so staggered, that the present air compressor can furnish all the air required. Also the new cars recently purchased by the company will be ample to transport all the muck made by the two headings in the No. 2 tunnel. The old cars can be utilized for the short-haul requirements in the No. 1 tunnel when that work is started.

Ordinarily, it would be advisable for the one contractor to handle both the headings in the No. 2 tunnel. Inasmuch as the contractor owns the ventilating fan and the compressor and drills it seems the better plan to continue an agreement with him for both projects. In the No. 1 tunnel it seems optional but if the present contractor can furnish the men and perform the work satisfactorily, a lump-sum contract for all the work would naturally be preferrable. However, if it is preferred, there is no reason why another contractor could not perform the work of driving the No. 1 tunnel without interference to the work being done in the No. 2 tunnel.

It must be remembered that in the No. 1 tunnel work fairly hard ground will be encountered until the vein, some 75 ft. ahead, is intercepted. This hard ground will

require a somewhat higher price per foot than what is being paid the present contractor, advancing his heading in fairly soft vein material.

In starting this work in the No. 1 tunnel, it may be necessary in any event, to begin this work on a day's-pay basis, due to the fact that the present face is still in loose, detritus, disintegration material and will require the services of a miner who knows how to get through bad ground. Observation indicates that good and solid ground can be expected within twenty feet of the present face and from there it is a matter of ordinary hard ground.

The completion of the payments for the claims, making the company owner of the property without further obligation, can be only a matter of gratification to the stockholders and a feeling of accomplishment to the Officers. These claims together with the others located by the company itself and the ground acquired as a mill-site will give the company ample ground for future operations.

Since the last report was rendered, about one-half of the high-tension lines which formerly served the Big Dick mines and passing near the company's property was removed and sold. However, that portion of the line nearer the company's property is still in place and appears to be servicable. This line may be available to the company at a reasonable cost if investigated at an opportune time.

The results obtained from the development progress during the past eight months warrants the continuation of the work now in progress and the initiation of more work.

The following development projects are recommended at this time:

I. The continued advancement of the No. 2 tunnel for at least another two hundred feet. Drift to be run along the N.W. side.
II. A hangingwall drift to be driven on the ore body disclosed in the first hangingwall cross-cut of the No. 2 tunnel.
III. As soon as working conditions permit, a raise should be driven up in the ore body above this (II) hangingwall drift.
IV. The No. 1 tunnel be reopened and advanced into the vein to develop the ore body disclosed in the No. 2 tunnel above.
V. Advisable to continue the work by contract.
VI. Attention given toward the purchasing of the high-tension electric line from Elliston to the mine. One-half of the line still remains in place.

The above development work, as recommended in I, II, III & IV is all that seems advisable for the immediate future and can be accomplished without the purchase of very little, if any, additional equipment. It is also probable that this work can be done by one and the same contractor.

This work also can be accomplished, as has the work during the past, by an occasional visit of one of the company's officers to the property, thus saving the expense of a supervisor to oversee the work.

This work can be carried forward during the coming winter months without any weather handicaps, if sufficient timber is placed in the yards before snow falls.

Respectfully submitted,

Harry J. Evans

Washington, D.C.
3010 Gainesville St. SE.
September 6, 1950

KIMBALL MINES, INC.
3116 W. Grandview
Spokane 16, Washington

July 23, 1951

To The Shareholders of Kimball Mines, Inc.:

The management of your company believes that a statement of operations since our last report is due to you at this time.

In the last report of the company of October 10, 1950, you remember that four undertakings were recommended by our engineers: - (1) The continued advancement of the main adit tunnel for at least 200 additional feet; (2) A drift to be driven on the ore body disclosed in the crosscut to the hanging wall, which showed a value of $25.00 per ton or better; (3) A raise in the ore body in the crosscut, and (4) The reopening and advancement of the lower tunnel to develop the ore bodies disclosed in the upper tunnel.

During the intervening months, the vein in the crosscut has been explored and its course followed until it converged again with the vein in the main adit tunnel. Values were good throughout its 70 feet. They were carefully recorded for future development.

The main adit tunnel has been advanced the recommended 200 feet, plus an additional 100 feet. This advancement was made through a good grade of milling ore, with occasional small stringers of high grade. It was obvious from the appearance of the vein in the face of the upper tunnel that an additional distance would have to be run to cut the ore showing exposed on the surface 1000 feet above. We hope to bulldoze the surface before working again at this point.

The additional work done in the main adit tunnel made the total footage about 1200 feet. At this point the air in the tunnel became very bad, and the tramming of cars by hand for 1200 feet became impractical.

It then became a question of spending money for adequate equipment, for hauling, and for pumps for air, or spending the money in opening the lower tunnel, which is 100 feet below the main adit tunnel. Your directors decided on the latter program, and this is where we have been working. In opening the lower tunnel, thirty feet of overburden was penetrated before solid formation was encountered. The drift has been driven now a distance of 188 feet, and has developed a good grade of mill feed, which we have been stockpiling for future milling. Eighty-three feet of the footage is in the vein, with the most gratifying showing, with assays as high as $68.00 per ton.

When this tunnel is further advanced, a raise will be made into the upper tunnel. This will provide the desired ventilation and will block out an ore body 100 feet long and 100 feet high.

For your information, we have filed with the County Recorder of Powell County, Montana, in which County the mine is situated, a Proof of Labor showing an expenditure during the assessment year ending July 1, 1951, of in excess of $15,700.00. Of this amount more than $9,350.00 was expended under contract in the operations in the upper tunnel, more than $5,290.00 was expended under contract in the operations in the lower tunnel, and more than $1,060.00 was expended on materials, supplies and equipment, which included two mine cars and 2,550 lbs. of rail.

The board of directors released the contractor, as the price of $25.00 per foot for the work in the lower tunnel was too high. The board plans on having further work performed in the tunnels either by contract or day's labor, whichever is the most satisfactory. At the present time a flow sheet is being prepared by Denver Equipment Company on a 600-lb. sample of our ore. They have quoted us a price of $15,000 for a 25-ton mill.

Our immediate need is for finances to operate the property on a company basis and to purchase and install the necessary mining equipment to do so, and buildings to install the same.

We solicit at all times letters from our stockholders on any information desired.

Respectfully submitted,

S. L. Stratton
President

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA 1944

Date received 8-10-51

Participation

Kimball Mines, Inc.
3116 West Grandview
Spokane 16, Washington

Name and address of applicant

Date July 27, 1951

FILL IN THIS BLOCK

Date of application July 27, 1951

Estimated cost $56,675.00

Mineral or metal Gold, silver, Lead & zinc

Percentage of Government participation 1/2

Location of mine Elliston, Montana

Date of filing MF-100

DMA Docket Number, if available 1944

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 10 1951

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

KIMBALL MINES, INC.
(Name of company)

By Sarah L. Stratton
(Signature of authorized official)

July 27, 1951
(Date)

President
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

1. Corporation of the State of Idaho.

3. Officers:
   Sarah L. Stratton, 3116 Grandview, President
   Gertrude E. Finney, 2946 Grandview, Vice-President
   Therrett Towles, 1229 Old National Bank Bldg., Secretary-Treasurer

   Directors:
   Sarah Stratton; Gertrude Finney; Therrett Towles; Leroy L. Lorang, 4014 Hawthorne, Spokane; and James W. Riley, 9617 Dalton, Millwood, Wash.

   Five largest stockholders:
   Sarah Stratton; Gertrude Finney; James Riley; William Kierstead, Elliston, Montana; and Dr. E. M. Wygant, Lewiston, Idaho.

4. The majority of our directors have had years of experience in the Coeur d'Alene Mining District. Our superintendent has had 25 years experience in mining and milling operations.

5. Corporation owns mine.

6. None

7. --------

8. See financial report.

9. $53,916.45 (treasury stock)

10. (a) Claims: Sunset No. 1, Sunset No. 2, Sunset No. 3, Sunset No. 4, Sunset No. 5, Sunset No. 6, Sunset No. 7, Sunset No. 8, Sunset No. 9, Sunset No. 10, Sunset No. 11, all quartz lode mining claims, and Maud V. and Sunset placer mining claims, and Sunset mill site, in Treasure Mountain (formerly Nigger Hill) Mining District, Secs. 1 and 12, T. 8 N., R. 7 W., M.P.M., Powell County, Montana.

    (b) The same.

11. Sunset Mining Claims.

12. Kimball Mines are located on Treasure Mountain, nine miles in a southwesterly direction from Elliston, Montana, on the Little Blackfoot River. The road between the mine and Elliston is a hard gravel surface, kept open by the county the year round, and it joins Highway #10, the main artery between Missoula and Helena, Montana.

    The N.P.R.R. also runs through Elliston and has sidings and loading platform facilities. The distance between Elliston and Helena is approximately 25 miles.

13. The Little Blackfoot River runs within 300 yards of the Kimball Mines # 1 tunnel and furnishes 200 cubic foot per second at low water.

Deisel compression power has been used at a cost of $2.60 per shift. Electric power is available in any quantity at a distance of nine miles from the property. It is expected that it shall be brought to within two miles of the Kimball Mines this summer by a mining company which has leased the Hopkins Mine, located two miles down the Little Blackfoot in the direction of Elliston.

14. The existing usable buildings and equipment owned by Kimball Mines, Inc. are:

3400 ft. rails installed in Nos. 1 and 2 tunnels
4 ore cars
1000 ft. fan bag
1 gas motor and blower for unit
1 tool shed
1 log cabin
1 200-ton ore bunker
300 running ft. timbering

15. Ore from Kimball Mines could be trucked to Elliston (9 miles) and from there shipped by rail to the Helena smelter (25 miles), to Salt Lake (500 miles), or to Kellogg, Idaho (233 miles), or to other precessing plants within reasonable distance, or it could be trucked the total distance of 34 miles to the Helena smelter. Also custom mills are available to us in a radius of from 2 to 60 miles.

16. (a) Property was discovered by old-time prospector, Mr. William Kierstead, who subsequently operated the mine by hand for several years. During this period many thousands of dollars worth of minerals were extracted from the mine. This old prospector, who is now affiliated with our company, did not keep records of this production. However, he can give this information from memory to any of your engineers.
Mr. Kierstead, due to old age, stopped production and sold the property to Kimball Mines, Inc. Since we acquired the mine we have drifted along the vein in No. 2 tunnel to a distance of 1250 feet. We then continued Mr. Kierstead's tunnel in the lower level and after contacting the vein there drifted for a distance of 83 feet. The vein at the lower level is highly mineralized for the entire 83 feet.

(b) The Big Dick property, adjoining us to the east, had a record of half a million production in previous years. Has been recently opened up. The Hopkins mine, two miles down the Little Blackfoot, has recently been leased for operation.

(c) Enclosed find engineer's report.

17. Not in production.

18. (a) Commercial ore was exposed on the surface for 400 feet. In both upper and lower tunnels the vein has been drifted on and ore was encountered most of the way.

    (b) Maps enclosed

    (c) Only ore actually blocked out to date is 83 feet between upper and lower tunnels, approximately 8000 tons.

19. All covered, we believe.

20. Primarily lead and zinc, secondarily gold and silver.

21. We plan to bulldoze the surface and expose ore showings there, then continue drifting in upper tunnel until under the entire ore body which we will expose on the surface, and also continue the drift in upper tunnel until directly under farthest point of drift in the upper tunnel. We estimate this work will take somewhere between one year and eighteen months.

22. See enclosed engineer's report.

23. We estimate that the bulldozing on the surface will cost about $2500.00; and that drifting in both tunnels will cost approximately $54,175.00, or a total of $56,675.00.

24. Bulldozing work should be completed in approximately two weeks. We expect to average four feet a day in the drifting work, or a total of approximately 18 months to complete all the projected work.

Amendment

Question No. 21 -- We intend to drift on the vein in No. 2 tunnel for an additional 450 feet. We are to drift in No. 1 tunnel until we reach a point directly under the furthest point of penetration of the upper tunnel, or a distance of approximately 1700 feet, or a total of about 2150 feet.

23

(a) One miner at $12.45 per shift.
One mucker at $11.60 per day.
One trammer at $11.60 per day.
One laborer at $11.60 per day.

(b) One supervisor $500.00 per month.

(c) None.

(d)	Compressor building $1500.00	$ 1,500.00
	Blacksmith shop and storage room $300.00	300.00
	Change or dry house $300.00	300.00
(e)	Compressor (used) $3000.00	3,000.00
	Two receivers (new) $200.00 each.	400.00
	Two liners (Drill Machines)(new) $400. ea.	800.00
	Two stopers(" ")(") $250. ea.	500.00
	2000 feet of 16 or 20 lb. rails at $100.00 per ton (used) $3500.00	3,500.00
	2000 feet of two inch pipe (used) 21 cents per foot - $550.00 with fittings	550.00
	2000 feet of fan pipe twelve inch (new) 40 cents per foot - $800.00	800.00
	One fan and motor (used) $400.00	400.00
	Air and water hose (new) $250.00	250.00
	One mucking machine (used) $3000.00	3,000.00
	Total	$15,300.00

(f) None

(g) Four mine cars at $20.00 per month.

3400 feet rails $20.00 per month.

1200 feet fan bag at $10.00 per month.

(h) $950.00.

(i) $10.00 per day.

We intend working a six day week with these miners and estimate the labor cost will be $1500.00 a month exclusive of the supervisor as listed in this question.

24. The estimated time schedule after project is approved will be approximately eighteen months at a rate of approximately 100 feet per month with the crew listed above working on a six day schedule.

KIMBALL MINES, INC.q
Spokane, (An Idaho Corporation) Washington

BALANCE SHEET AS OF DECEMBER 31,1950

A S S E T S

CURRENT ASSETS:				
Cash on hand and in bank			$ 6,822.10	
Advances			175.00	
Total current assets				$ 6,997.10
FIXED AND NON-CURRENT ASSETS:				
Mining Equipment			671.47	
Mining Claims and Millsite			66,431.00	
Deferred Charges to Development:				
Contract operations	$	20,158.69		
General & administrative expense		4,362.11		
Total development expense			24,520.80	
Organization Expense			2,521.78	
Promotional Expense:				
Stock selling expense		5,000.00		
Commissions paid		10,055.00	15,055.00	
Total fixed and non-current assets				109,200.05
Total assets				$116,197.15

LIABILITIES AND NET WORTH

CURRENT LIABILITIES:				
Accounts payable				$ 1,621.85
FIXED LIABILITIES:				
10% Ore Production Certificates				47,700.00
Total liabilities				49,321.85
NET WORTH:				
Common capital stock authorized (1,000,000 shares -Par Value 10¢)			$ 100,000.00	
Unsubscribed stock	$	32,324.70		
Donated treasury stock(fully paid)		575.00	32,899.70	
Capital stock outstanding			67,100.30	
Discount on stock sold			800.00	
Net capital stock outstanding			66,300.30	
Capital surplus (arising out of donations of treasury stock)			575.00	
Net worth				66,875.30
Total liabilities and net worth				$116,197.15

A REPORT ON THE PROPERTY AND HOLDINGS OF THE SUNSET GROUP OF MINERAL CLAIMS.

By Harry J. Evans.

Polaris, Montana
August 14, 1948.

LETTER OF TRANSMITTAL.

Mrs. Sarah L. Stratton & Associates,
West 3116 Grandview,
Spokane, Washington.

Dear Madam;

Pursuant to your request and instructions dated July 28th. I have please in submitting herewith a report on the mining property known as the Sunset Group and owned by Mr. W. E. Kierstead - the property being located in the Nigger Hill District, on the banks of the Little Blackfoot River and about nine miles southeast of the town of Elliston, in Powell County, Montana.

The report is based upon the findings of a personal visit and study of the holdings; an examination of the accessible underground workings; inspection and study of the vein system as exposed on the surface; sampling of all the underground and surface vein exposures; assays of all samples obtained; and the acquiring of all data pertaining to the property wherever information was available.

It was not attempted to make any detailed survey of the claims or to check or verify corners or directions of the locations except at the foot of the mountain where the camp and workings are located. A Brunton survey was made of the main underground workings in what has been designated at the No. 2 tunnel, and in which the principal ore exposures are disclosed.

The mine was visited on August 6, 7, 8, & 9, 1948, and the report was prepared after the receipt of the returns of theassays of samples.

I wish to make known my hearty appreciation for the facilities and full assistance given me by Mr. W. E. Kierstead while at the property.

Yours respectfully,

Harry J. Evans,
Consulting Mining Engineer.

Polaris, Montana.
August 14, 1948.

LOCATION, TOPOGRAPHY and ACCESSIBILITY.

The property is located in the Nigger Hill district, on the banks of the Little Blackfoot River, about nine miles southeast of the town of Elliston, in Powell County, Montana.

The property is accessible over a well maintained gravel road which follows the valley of Little Blackfoot from the town of Elliston to the mine, for a distance of nine miles. The small town of Elliston is a station on the Northern Pacific Railway and is also served by the East-West No. 10 highway through Montana. The property is about 33 miles from the state capital of Helena, and an additional five miles to the smelters of the American Smelting & Refining Co. at East Helena. The transportation facilities may be considered as favorable during both the summer and winter seasons.

The elevation of the lower workings of the property, which are located slightly above the floor of the valley are reported to be about 5,600 ft. and rises to about 6,400 ft. where the mineralized outcroppings are located on the crest of the hill and to the Northeast of the working tunnel. The topographic features of the immediate vicinity are a very steep surface contour but a noticable absence of precipitous rock exposures. The lack of any vein out-croppings on the surface indicates that the country rock encasement is of a harder texture than the mineralized fractures containing the fissure.

The mine is easily accessible and the general topography of the surface is most advantageous to mining operations. The level floor of the valley affords ample space for a camp-site and milling plants.

HISTORY of the DISTRICT and PROPERTY.

The history of the surrounding district in general dates back to the early days of Montana but the discovery of this particular property seems to be quite recent. Information obtained from the present owner indicates that prospecting for mineral was first started in 1928, and that the present claims were located in that year.

The development work which has been performed underground has been done through two tunnels at the foot of the mountain and slightly above the bed of the valley. These will be designated hereafter as No. 1 and No. 2 tunnels, which are about ninety feet vertically apart.

The No. 1 tunnel is a cross-cut being driven to encounter the vein (but is not yet connected with it) at an elevation of only 25 ft. above the bed of the valley. To date this tunnel has been driven only 60 ft. but should encounter the vein within a short distance. This tunnel is open but in as much as it has not yet reached the vein it discloses no information of value at this time.

The upper or No. 2 tunnel, which is 90 ft. vertically higher than the No. 1 tunnel, is entirely open at this time and although wet under feet can be inspected and sampled. The first portion of this tunnel is a cross-cut which intersects the vein at a point 50 ft. from the portal. From this 50-ft. point the tunnel follows the vein system to its face a total distance of 375 ft. from the portal.

It is reported that the Porter Brothers company of Helena optioned the property during 1946 and in their development program advanced the No. 2 tunnel about 70 feet to a total distance of 270 ft. It is assumed that the remainder of the work in this tunnel, to the 375 ft. point which is the present face has been performed by the owner.

Some small surface trenches and cuts have been excavated high up the hill on the projected strike of the vein and it is most probable that these holes are exposing part of the same fissure system.

PROPERTY and ASSETS.

The property consists of three unpatented lode mining claims and a millsite of about five acres, all in one compact and contiguous group. The claims are named from a south-west to a northeast direction: the Sunset No. 1, Sunset No. 2 and Sunset No. 3 and the millsite on the floor of the valley.

All of the underground workings are within the bounds of the Sunset No. 2 claim. The major surface excavations are found at or near the end lines of the Sunset No. 2 and Sunset No. 3 claims.

The physical assets of the property comprise a small cabin for living quarters of the owner located on the millsite, and small frame building which probably had been formerly used to house a compressor and located at the portal of the No. 2 tunnel.

In the underground workings the track-rails are in place to face of the tunnel. A small mine car (14 Cu. ft.) in good condition was found inside the No. 2 tunnel.

The property may be considered as having no improvements, buildings or assets of any kind except the mineral value to be developed.

TITLES.

The object of my examination was the establishment of the fact of worth of the property. It was not therefore my commission to inquire of titles, and it is here assumed that the requirements for holding unpatented mining claims have been complied with each year.

TIMBER, WATER and CLIMATE.

The area included in and surrounding these mining claims is heavily timbered with a growth of Douglas fir and lodge-pole pine, ranging in sizes from 6 inches to two ft. in diameter. The timber in this forest is capable of furnishing for an indefinite period all the timber for underground purposes and all the rough lumber and fuel requirements for any operation.

The water supply available from the creek flowing by the property is of sufficient quantity to take care of all mining, milling and domestic requirements.

The climate, both during summer and winter, can be considered moderate for Montana. The weather conditions here present no problem during the summer months, however during the winter months the snow falls to a depth of three to four feet before settling. It is reported that the County road crew keep these roads open and free of snow during the winter hence there seems to be no particular handicap to normal operations.

GEOLOGY.

The geological features of the immediate area and especially within the bounds of these claims are quite simple. The whole crest and flanks of the ridge upon which these claims are located is composed of andesite, through which there is a dike of aplite of yet unknown width or extent. The vein is in reality a contact deposit between the andesite and aplite with much of the aplite hangingwall being impregnated with sulfides from the solutions circulating in the contact.

On the higher peaks above the claims the andesite is capped over by a flow of rhyolite. Much of the rhyolite has now eroded away, the rough debris rocks from which have traversed downward and show over much of the surface in the higher levels. The rhyolite is of only historical importance and plays no part in the deposition of the economic minerals now forming the mineralization of the vein system.

The aplite which seems to be the most important host rock, is rather common within the area of the Boulder Batholith and its margins in the form of dikes and irregular masses. This rock is a fine grained granular, white to gray colored and is composed mostly of orthoclase and quartz with biotite or hornblende showing in it along intrusive contacts. The aplite has a rather distinct jointing or cleavage seams which have been impregnated with sulfides, some of which are of economic importance. The aplite as well as the andesite are of earlier periods than the remnants of rhyolite which crown the summit of the mountains nearby.

The overburden of dirt, which nurtures a heavy growth of trees, bushes and smaller vegetation, is not particularly deep but quite uniform throughout the area and had covered all rock and vein exposures which make it difficult to follow the continuity of contacts or vein systems.

The strike of the vein varies from 25 to 40 degrees Northeast and it dips about 60 - 65 degrees to the East. The strike of the outline of the out-crop as it ascends the steep hillside is about North 10 degrees East. An appreciable amount of mineralization is exposed along the strike of the outcrop at the higher elevations and it was from these shallow workings that the best samples of ore were procured. While the andesite footwall of the contactis not exposed in any of the excavations the directions check sufficiently close to assure the fact that the workings in the No. 2 tunnel and the surface exposures are the same or closely parallel systems.

The difference in elevations between the No. 2 tunnel workings and the mineralized outcroppings on the surface is about 800 ft. and the distance on the dip of the vein is considerably more than that figure. The back (height to the surface) over the face of the present No. 2 tunnel is about 175 ft. thus showing any workings driven on the vein system from the river level will develop an unusual amount of overhead ground.

There is no evidence of any fault disturbances or displacements of the vein by such action in so far as the present development work discloses. There is, however, evidence of much lateral and vertical movement within the plane of the fissure or contact itself, in the form of slippy gouge and ground-up wall rocks.

VEIN FILLING and MINERALIZATION.

The fissure or distance between walls varies from three ft. where the cross-cut first intersected the vein near the portal of the tunnel to as much as fourteen ft. in width at the present face and about 325 ft. ahead. The mineralized vein filling is proportionately less and where the walls are far apart the vein contains streaks and ribbons of altered but unimpregnated aplite along with the streaks of sulfide minerals.

Although the work done to date is quite limited, the exposures of what ores are now showing in the No. 2 tunnel indicate that the original contact fracturing was irregular. Additional development work along the vein system may prove the orebodies to have lenticular dimensions due to the movements along the irregular walls.

The vein filling is composed of quartz, some calcite, crushed and altered aplitic wall rock inclusions and much clay gouge products. The better grade material is a hard and ribboned quartz with streaks of sulfides contained through its entire width. The footwall near the present face, where the width of the fissure is greatest, contains much ground and crushed andesite which presents a dry, soapy appearance when first exposed.

The economic minerals are galena (lead-sulfide) and sphalerite (zinc-sulfide) with arsenopyrite predominating. The principal metals are gold and silver. It is most probable that the silver is highest where the lead content predominates and the gold follows the arsenopyrite throughout the vein wherever sulfides exist in quantity.

The mineralization not only follows the quartz vein-filling but also is impregnated into the aplite hangingwall to varying extents and amounts. This deposition takes the form of then sulfide streaks along the joints or cleavages of the aplite and presents the possibilities of forming large though sometimes irregular orebodies of commercial value.

SAMPLES, ASSAYS and VALUES.

The promising showing which was presented in such a limited amount of development working necessitated the systematic sampling of the vein wherever exposed or un-lagged in order to gain some knowledge of the metal content and their probable commercial value.

A total of 28 samples and one composite were taken from the mine and later given for assay to a reliable firm in Helena, Montana. These samples were taken to represent locations and widths where they furnished maximum information as well as actual value.

All of the 28 samples were assayed for gold and silver, in as much as it was quite definitely established that the greater part of the value in the ore was in those small metals. One sample was assayed for gold, silver, lead and zinc. In order to check what the average lead and zinc content of the ores would be, a composite sample was made up from the pulp of samples Nos. 13-14-17-18-19-20-22-28 and this sample was assayed for lead and zinc content and for arsenic.

The results of the assays made from these samples will be found supplemented in the appendix of this report.

A review of the assay results reveal the fact that if only the gold and silver content of the ore were to be extracted they definitely would not pay to mine, however when the lead and zinc contents also are considered then the ore definitely has commercial value. However, the examination and sampling revealed no ore of shipping grade, or having sufficient mineral content to justify direct shipment of the crude ore direct to the smelters.

The sampling was started at the face of the No. 2 tunnel or 375 ft. from the portal and progressed out-ward to a point where the last sample was taken at 115 ft. from the portal. The weighted average of these results would be about $1.50 per ton in gold and three ounces of silver with about 2% of lead and 2% of zinc. The better grade of ore was encountered from the 115 ft. point to the 340 ft. mark where the vein widened considerably and the values tended to part into two distinct streaks

The owner reported that there was shipped from a small raise up 30 ft. at the 170 ft. pt. a total of 120 tons; that he shipped 100 tons from the raise at the 100 ft. pt. and that he shipped 80 tons from selected ore out of the drift development. This could not be verified and the probable dates of the shipments to the smelters could not be obtained in order that duplicates of liquidation settlement sheets might be requested from them.

The limited amount of development performed (375 ft.) reveals many favorable aspects as to structural features and mineralization which are of importance as well as the actual assay value of the ore.

POWER SUPPLY.

A few years past, the Montana Power Company constructed a high-tension electric power line to a neighboring property and which passes near the Sunset claims. This line now idle and probably in poor condition, can be reconditioned and made to serve the requirements of the Sunset property.

It is understood, however, that the ownership of the line is somewhat clouded due to disagreement between the power company and the old company which it serviced. It is only logical that if actual power was desired from this line the differences between these parties could be settled and the lines made available to the Sunset property.

GENERAL ECONOMIC FEATURES.

There are a number of features about the property that mark it as justifying further expenditure on development.

The mine could be operated entirely through tunnels for a number of years thus eliminating the expense of hoisting ore and pumping water from shaft-workings. The property is in close proximity to the railroad and smelters, and to a large city for procurement of supplies. The surrounding hills are heavily wooded and can furnish all the timber for underground mining, lumber and fuel purposes. The necessary power seems to be reasonably assured at a small installation cost. And the general operating and living conditions, either for a development program or for full scale operations certainly can be considered as favorable.

CONCLUSIONS.

The results of my examination and study of the economic features of the property with a summary of the facts as set forth in the preceding pages have led to the following conclusions: that the property contains a vein which may be a long and persistant structure; that the limited amount of work now performed has disclosed oreshoots of commercial size and value; the work already performed warrants the confidence that additional orebodies can be reasonably expected; the evidence obtained from the underground workings justifies the further development of the mine.

RECOMMENDATIONS.

The above conclusions have led to the advisability that a sum of money - more or less $50,000 - be made available to undertake a program of development work to open the property. These claims in their present state of development must be considered as a prospect, as yet unproven regarding ore-reserves, but certainly meriting additional development in the No. 2 tunnel, the face of which is only 375 ft. ahead of the portal and this is the only major work on the property.

The following development work is recommended as the first stage of an exploration program;

I. The No. 2 tunnel be advanced on the vein an additional 300 ft. or to a total of about 700 ft. from the portal.

II. That cross-cuts, be driven, at certain intervals, from wall to wall and at the most advantageous points to furnish maximum information.

III. That certain raises be driven up at least 100 ft. above the drift and at points to be determined as the work progresses.

IV. That if conditions, as they unfold in this work, justify the completion of this preliminary stage then and not until then will it be come necessary or advisable to begin plans and preparations for a broader program which may lead toward the productive and future operation period of the undertaking.

The carrying out of the above program will require the following equipment and supplies:

1. One portable air compressor of 225 Cu. Ft. capacity with either gas or deisel power unit.
2. 800 ft. of 2 inch pipe - 200 ft. of 1 inch pipe.
3. One air-drill for drift work - one drill for raise work.
4. Drill steel, drill bits, air and water hose, bars & clamps, and water tank, etc.
5. 500 ft. of double track - 12 lb. rails.
6. One mine car.
7. Mine tools - shovels, picks, hammers, etc.
8. Powder, fuse, caps, carbide, oils, greases, etc.
9. Cutting and framing timbers, lagging, lumber, etc.
10. One pick-up truck for transporting men and supplies.

All of the above equipment may be procured from machinery houses handling second hand or used machinery at much cheaper prices and which would serve the purpose required just as well as new machines. All the tools and supplies would have to be purchased as new supplies, or tools.

This preliminary development work could be accomplished in any one of the three following ways:

I. Hiring men by the day under supervision by yourselves.

II. Contracting the work to a reliable miner and he furnish all the equipment, supplies and men.

III. Contracting the work and the equipment and supplies (other than powder, fuse, caps, carbide) be furnished by yourselves.

The first way would doubtless be the more expensive and require the most supervision. The second way would be the easier, but would most likely result in poor work being performed and countless delays to progress due to the contractor having poor and inadequate equipment.

The third or last way would be advisable; it will allow for better direction of the work; greater speed in advancing the headings; will afford an easier change of contractors in case the work carried on was unsatisfactory. In the event that the work performed did not prove sufficient ore to justify further work then all the equipment could be changed to some other project or sold.

It should not be inferred that the above work will cost the full $50,000.00 but it is generally unwise to undertake even a small project without ample funds available to assure its completion.

The present building at the portal of the No. 2 tunnel may be sufficient to house the compressor unit and for usage as a small shop. If the work continued into the winter it would be necessary to construct another building of sufficient size to make a small change-room and for timber framing purposes.

The property is near enough (9 miles) to the town of Elliston to permit the crews to stay out there and go to the mine each day.

In conclusion it is my opinion that the evidence gained from the examination of the property justifies the above recommended development program and that if carried out the work has an excellent chance of exposing ore in sufficient quantity to warrant the consideration of a full scale operation.

Respectfully submitted,

/s/ H. J. Evans
Harry J. Evans,

Polaris, Montana.
August 14, 1948.

ASSAY RESULTS OF SAMPLES

Sample No.	GOLD Oz.	SILVER Oz.	LEAD %	ZINC %	ARSENIC %	DESCRIPTION
1	.07	1.9				370 ft in. - 2½ ft. wide on FW & South side of X-cut.
2	.04	.7				On HW of No. I Sample - 1½ ft.
3	.05	1.6				On HW of No. 2 " - 5 ft.
4	.02	.6				Face of small sub-level & 15 ft. above drift - 2½ ft. wide.
5	.02	.5				On HW of No. 3 - 2 ft. wide
6	.02	.7				In sub-level - on HW of sample No. 5 — 1 ft. wide.
7	.03	.4				Opposite Sample No. 1 on North side of X-cut - 3 ft. wide.
8	.03	.5				On HW of Sample No. 7 - 7½ ft. wide
9	.02	.6				On HW of Sample No. 8 in face of drift - 2 ft. wide.
10	.03	1.0				Opposite Sample No. 2 in FW Raise 3 ft. wide.
11	.12	9.4				350 ft. in - 2½ ft. wide on HW.
12	.04	3.0				340 ft. in - 3 ft. wide on HW.
13	.04	1.4				340 ft. in - 3 ft. wide on FW.
14	.08	7.4				335 ft. in - 2½ ft. wide on HW.
15	.07	7.6				320 ft. in - 3 ft. wide on HW.
16	.03	2.0				310 ft. in - 3 ft. wide on HW.
17	.23	8.7				305 ft. in - 8 inches of sulfide on HW.
18	.10	3.9				275 ft. in - 2 ft. on HW.
19	.01	1.6	0.8	0.7		177 ft. in - at Raise - 2½ ft. wide on HW.

ASSAY RESULT OF SAMPLES (continued)

Sample No.	GOLD Oz.	SILVER Oz.	LEAD %	ZINC %	ARSENIC %	DESCRIPTION
20	.02	.6				165 ft. in - 2½ ft. wide - 10 ft. south of Raise.
21	.04	.7				140 ft. in - 2¼ ft. of gouge-sulfide.
22	.15	12.8				125 ft. in - 2 ft. ore on HW.
23	.08	1.8				115 ft. in - 2½ ft. wide on HW.
24	.11	.8				100 ft. in - 2½ ft. on HW.
* *						
25	.06	2.9				In surface trench at crest of hill 3 ft. wide.
26	tr.	.2				Altered & oxidized aplite in cut below sample No. 25 - 7 ft. wide
27	.26	11.6				High-grade specimens from cuts at crest of hill.
28	.20	6.8				Selected sulfide rocks on dump at No. 2 tunnel.
Composite			1.8	1.9	3.5	A composite sample mixed from the pulps of samples Nos. 13-14-17-18-19-20-22-28.

The positions of these samples where taken underground were plainly marked and their location and widths can be easily identified and checked.

INTERIM REPORT

of

PROGRESS MADE ON THE

SUNSET GROUP OF MINING CLAIMS

by

KIMBALL MINES, Inc.

Elliston, Montana.

Harry J. Evans,
August 29 - 31, 1950.

In company with Mr. Roy Lorang, of Spokane, Washington, a visit was made to the Sunset Group of Mining Claims, of the Kimball Mines, Inc. located at Elliston, Montana. The purpose of this trip, similar to a previous one made during October, 1949, was to inspect the property and check the results obtained from the progress made in development work at the mine.

The program of development of the property, as planned by the company, was found to be progressing satisfactorily. The work accomplished since the last visit has been confined to the advancement of the main or No. tunnel along the vein structure with a few cross-cuts at intervals to establish the foot or hanging-wall of the vein. The work and the timbering seems to have been well done, however it was reported that some retimbering of the tunnel became necessary due to soft (swelling) ground at certain points, this condition is of no concern as the tunnel now appears in splendid condition.

The driving of the tunnel has been made by contract to an experienced miner of the district, at an established price per-foot of advancement including all the necessary timbering. This method of performing the work (contracting) sometimes proves disadvantageous but in this case it seems to have been quite satisfactory and certainly most economical. It was again noted that no unnecessary work or expenditures were made about the property.

The face of the No. 2 tunnel now is roughly 900 ft. in from the portal and approaching the southwest end-line of the Sunset No. 3 claim. The face also is approaching the zone under the surface mineralized fracture system with ore disclosures along the end lines of Sunset No. 2 and No. 3 claims. The face of the No. 2 tunnel, at the time of my visit presented formation somewhat more solid than the previous 300 ft. with a distinct, hard and rather slickened hangingwall. There was no commercial ore exposed at the face but a streak of black sulphides (2"-3" wide) indicated that mineralization continued. More water than usual was emerging from the face and dropping from the back of the tunnel. These features - the development of more water and the hard, tightening hangingwall and apparent narrowing of the fracture system coupled with the fact that the face of the tunnel is approaching the location below the surface mineralized zone, as mentioned above, is at this time very encouraging. The drift should, for the reason of easier mining, be advanced along this hard hangingwall, which it is on at the present time. This drift should be advanced several hundred additional feet, as it is at present just approaching the more favorable territory for orebodies.

The First Cross-cut, off the hangingwall side of the No. 2 tunnel exposed an orebody about 5 ft. wide and showing a value better than $25.00 per ton. During the past winter this ore was exposed by drifting on it for about twenty feet. Two samples, taken at this time, near the face of this hangingwall drift gave a value of $26.00 per ton over a width of 5 ft. plus. The strike or direction of this orebody indicates the possibility that it may diverge to the hangingwall of the main vein system, and follow a separate fracture. The face, now some twenty ft. from the corss-cut contains about 6 ft. of ore and shows no signs of narrowing or weakening. This hangingwall drift should, as soon as convenient, be extended some distance farther to determine its direction and importance. Then, if its importance warrants the development, a raise should be driven up in this orebody to determine its dimensions and value. This work could be carried on concurrently with the advancement of the Main No. 2 drift without interference to either working face, by working them on a different shift.

The time has arrived now, when it seems advisable to begin the driving ahead of the No. I tunnel, which according to the engineer's survey of elevations, is 68 ft. vertically below the No. 2 tunnel. This will give about 100 ft. on the incline of the vein between the two tunnels. This work might be carried forward at any time as it will not interfer with any other development. The No. 1 tunnel now in about 60 ft. is in good condition to the face. It requires about 75 ft. of additional work to cross-cut the footwall formation before intercepting the vein. As stated in the previous report, this would soon be under the orebody disclosed in the No. 2 tunnel above.

It is understodd, that all the additional claims considered and projected for location have been located and the necessary work performed for holding purposes. The location workings performed on two of these claims were inspected. They both contained what is considered good surface showings and disclosed a vein or lens well mineralized. However, both outcroppings were in the upper rhyolitic capping and when developed the values can be expected to be mostly in gold. These claims are a valuable asset to the company and aside from their mineral value serve for protective purposes and can contribute to the timer supply which will be needed.

The Mineral Surveyor will be required this autumn to survey and complete the plans of the company's mining claims. While he is at the property, he should be instructed to survey and map what underground workings have been opened since his last visit there.

It may be advisable to cut and place in the yards, a sufficient supply of mine timbers before the winter snows appear. It is much more costly to get timber out of the forest in the deep snows and timber is much harder to work up into the desired sizes when covered with snow. For the timber requirements for re-opening the No. 1 tunnel, it may be advisable and more economical to use mill lumber for lagging purposes and for spiling in the heavy ground.

All the machines and equipment used at the property was in good condition and serving their various requirements very satisfactorily. The present ventilating fan, compressor and drills will meet the additional requirements imposed by the new work which should soon be initiated, except that an additional drill and bits may be advisable. The daily work shifts can be so staggered, that the present air compressor can furnish all the air required. Also the new cars recently purchased by the company will be ample to transport all the muck made by the two headings in the No. 2 tunnel. The old cars can be utilized for the short-haul requirements in the No. 1 tunnel when that work is started.

Ordinarily, it would be advisabbe for the one contractor to handle both the headings in the No. 2 tunnel. In as much as the contractor owns the ventilating fan and the compressor and drills it seems the better plan to continue an agreement with him for both projects. In the No. 1 tunnel it seems optional but if the present contractor can furnish the men and perform the work satisfactorily, a lump-sum contract for all the work would naturally be preferrable. However, if it is preferred, there is no reason why another contractor could not perform the work of driving the No. 1 tunnel without interference to the work being done in the No. 2 tunnel.

It must be remembered that in the No. 1 tunnel work fairly hard ground will be encountered until the vein, some 75 ft. ahead, is intercepted. This hard ground will require a somewhat higher price per-foot than what is being paid the present contractor, advancing his heading in fairly soft vein material.

In starting this work in the No. 1 tunnel, it may be necessary in any event, to begin this work on a days-pay basis, due to the fact that the present face is still in loose, detritus, disintegration material and will require the services of a miner who knows how to get through bad ground. Observation indicates that good and solid ground can be expected within twenty ft. of the present face and from there it is a matter of ordinary hard ground.

The completion of the payments for the claims, making the company owner of the property without further obligation, can be only a matter of gratification to the stockholders and a feeling of accomplishment to the Officers. These claims together with the others located by the company itself and the ground acquired as a mill-site will give the company ample ground for future operations.

Since the last report was rendered, about one-half of the high-tension lines which formerly served the Big Dick mines and passing near the company's property was removed and sold. However, that portion of the line nearer the company's property is still in place and appears to be servicable. This line may be abailable to the company at a reasonable cost if investigated at an opportune time.

The results obtained from the development progress during the past eight months warrents the continuation of the work now in progress and the initiation of more work.

The following development projects are recommended at this time:

I. The continued advancement of the No. 2 tunnel for at least another two-hundred feet. Drift to be run along the N. W. side.

II. A hangingwall drift to be driven on the orebody disclosed in the first hangingwall cross-cut of the No. 2 tunnel.

III. As soon as working conditions permit, a raise should be driven up in the orebody above this (II) hangingwall drift.

IV. The No. 1 tunnel be reopened and advanced into the vein to develop the orebody disclosed in the No. 2 tunnel above.

V. Advisable to continue the work by contract.

VI. Attention given toward the purchasing of the high-tension electric line from Elliston to the mine. One-half of the line still remains in place.

The above development work, as recommended in I, II, III & IV is all that seems advisable for the immediate future and can be accomplished without the purchase of very little, if any, additional equipment. It is also probable that this work can be done by one and the same contractor.

This work also can be accomplished, as has the work during the past, by an occasional visit of one of the company's officers to the property, thus saving the expense of a supervisor to over-see the work.

This work can be carried forward during the coming winter months without any weather handicaps, if sufficient timber is placed in the yards before snow falls.

Respectfully submitted,

Harry J. Evans,

Washington, D. C.
3010 Gainesville St. SE.
September 6, 1950

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA 1944

Date received 8-10-51

Participation

Kimball Mines, Inc.
3116 West Grandview
Spokane 16, Washington

Name and address of applicant

Date July 27, 1951

FILL IN THIS BLOCK

Date of application July 27, 1951

Estimated cost $56,675.00

Mineral or metal Gold, silver, Lead & zinc

Percentage of Government participation 1/2

Location of mine Elliston, Montana

Date of filing MF-100

DMA Docket Number, if available 1944

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signa

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 10 1951

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

KIMBALL MINES, INC.
(Name of company)

By Sarah L. Stratton
(Signature of authorized official)

July 27, 1951
(Date)

President
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

1. Corporation of the State of Idaho.

3. Officers:
   Sarah L. Stratton, 3116 Grandview, President
   Gertrude E. Finney, 2946 Grandview, Vice-President
   Therrett Towles, 1229 Old National Bank Bldg., Secretary-Treasurer

   Directors:
   Sarah Stratton; Gertrude Finney; Therrett Towles; Leroy L. Lorang, 4014 Hawthorne, Spokane; and James W. Riley, 9617 Dalton, Millwood, Wash.

   Five largest stockholders:
   Sarah Stratton; Gertrude Finney; James Riley; William Kierstead, Elliston, Montana; and Dr. E. M. Wygant, Lewiston, Idaho.

4. The majority of our directors have had years of experience in the Coeur d'Alene Mining District. Our superintendent has had 25 years experience in mining and milling operations.

5. Corporation owns mine.

6. None

7. --------

8. See financial report.

9. $53,916.45 (treasury stock)

10. (a) Claims: Sunset No. 1, Sunset No. 2, Sunset No. 3, Sunset No. 4, Sunset No. 5, Sunset No. 6, Sunset No. 7, Sunset No. 8, Sunset No. 9, Sunset No. 10, Sunset No. 11, all quartz lode mining claims, and Maud V. and Sunset placer mining claims, and Sunset mill site, in Treasure Mountain (formerly Nigger Hill) Mining District, Secs. 1 and 12, T. 8 N., R. 7 W., M.P.M., Powell County, Montana.

    (b) The same.

11. Sunset Mining Claims.

12. Kimball Mines are located on Treasure Mountain, nine miles in a southwesterly direction from Elliston, Montana, on the Little Blackfoot River. The road between the mine and Elliston is a hard gravel surface, kept open by the county the year round, and it joins Highway #10, the main artery between Missoula and Helena, Montana.

    The N.P.R.R. also runs through Elliston and has sidings and loading platform facilities. The distance between Elliston and Helena is approximately 25 miles.

13. The Little Blackfoot River runs within 300 yards of the Kimball Mines # 1 tunnel and furnishes 200 cubic foot per second at low water.

Deisel compression power has been used at a cost of $2.60 per shift. Electric power is available in any quantity at a distance of nine miles from the property. It is expected that it shall be brought to within two miles of the Kimball Mines this summer by a mining company which has leased the Hopkins Mine, located two miles down the Little Blackfoot in the direction of Elliston.

14. The existing usable buildings and equipment owned by Kimball Mines, Inc. are:

3400 ft. rails installed in Nos. 1 and 2 tunnels
4 ore cars
1000 ft. fan bag
1 gas motor and blower for unit
1 tool shed
1 log cabin
1 200-ton ore bunker
300 running ft. timbering

15. Ore from Kimball Mines could be trucked to Elliston (9 miles) and from there shipped by rail to the Helena smelter (25 miles), to Salt Lake (500 miles), or to Kellogg, Idaho (233 miles), or to other precessing plants within reasonable distance, or it could be trucked the total distance of 34 miles to the Helena smelter. Also custom mills are available to us in a radius of from 2 to 60 miles.

16. (a) Property was discovered by old-time prospector, Mr. William Kierstead, who subsequently operated the mine by hand for several years. During this period many thousands of dollars worth of minerals were extracted from the mine. This old prospector, who is now affiliated with our company, did not keep records of this production. However, he can give this information from memory to any of your engineers.
Mr. Kierstead, due to old age, stopped production and sold the property to Kimball Mines, Inc. Since we acquired the mine we have drifted along the vein in No. 2 tunnel to a distance of 1250 feet. We then continued Mr. Kierstead's tunnel in the lower level and after contacting the vein there drifted for a distance of 83 feet. The vein at the lower level is highly mineralized for the entire 83 feet.

(b) The Big Dick property, adjoining us to the east, had a record of half a million production in previous years. Has been recently opened up. The Hopkins mine, two miles down the Little Blackfoot, has recently been leased for operation.

(c) Enclosed find engineer's report.

17. Not in production.

18. (a) Commercial ore was exposed on the surface for 400 feet. In both upper and lower tunnels the vein has been drifted on and ore was encountered most of the way.

    (b) Maps enclosed

    (c) Only ore actually blocked out to date is 83 feet between upper and lower tunnels, approximately 8000 tons.

19. All covered, we believe.

20. Primarily lead and zinc, secondarily gold and silver.

21. We plan to bulldoze the surface and expose ore showings there, then continue drifting in upper tunnel until under the entire ore body which we will expose on the surface, and also continue the drift in upper tunnel until directly under farthest point of drift in the upper tunnel. We estimate this work will take somewhere between one year and eighteen months.

22. See enclosed engineer's report.

23. We estimate that the bulldozing on the surface will cost about $2500.00; and that drifting in both tunnels will cost approximately $54,175.00, or a total of $56,675.00.

24. Bulldozing work should be completed in approximately two weeks. We expect to average four feet a day in the drifting work, or a total of approximately 18 months to complete all the projected work.

Amendment

Question No. 21 -- We intend to drift on the vein in No. 2 tunnel for an additional 450 feet. We are to drift in No. 1 tunnel until we reach a point directly under the furthest point of penetration of the upper tunnel, or a distance of approximately 1700 feet, or a total of about 2150 feet.

23

(a) One miner at $12.45 per shift.
One mucker at $11.60 per day.
One trammer at $11.60 per day.
One laborer at $11.60 per day.

(b) One supervisor $500.00 per month.

(c) None.

(d) Compressor building $1500.00	$ 1,500.00
Blacksmith shop and storage room $300.00	300.00
Change or dry house $300.00	300.00
(e) Compressor (used) $3000.00	3,000.00
Two receivers (new) $200.00 each.	400.00
Two liners (Drill Machines)(new) $400. ea.	800.00
Two stopers(" ")(") $250. ea.	500.00
2000 feet of 16 or 20 lb. rails at $100.00 per ton (used) $3500.00	3,500.00
2000 feet of two inch pipe (used) 21 cents per foot - $550.00 with fittings	550.00
2000 feet of fan pipe twelve inch (new) 40 cents per foot - $800.00	800.00
One fan and motor (used) $400.00	400.00
Air and water hose (new) $250.00	250.00
One mucking machine (used) $3000.00	3,000.00
Total	$15,300.00

(f) None

(g) Four mine cars at $20.00 per month.

3400 feet rails $20.00 per month.

1200 feet fan bag at $10.00 per month.

(h) $950.00.

(i) $10.00 per day.

We intend working a six day week with these miners and estimate the labor cost will be $1500.00 a month exclusive of the supervisor as listed in this question.

24. The estimated time schedule after project is approved will be approximately eighteen months at a rate of approximately 100 feet per month with the crew listed above working on a six day schedule.

KIMBALL MINES, INC.q
Spokane, (An Idaho Corporation) Washington

BALANCE SHEET AS OF DECEMBER 31,1950

A S S E T S

CURRENT ASSETS:			
Cash on hand and in bank		$ 6,822.10	
Advances		175.00	
Total current assets			$ 6,997.10
FIXED AND NON-CURRENT ASSETS:			
Mining Equipment		671.47	
Mining Claims and Millsite		66,431.00	
Deferred Charges to Development:			
Contract operations	$ 20,158.69		
General & administrative expense	4,362.11		
Total development expense		24,520.80	
Organization Expense		2,521.78	
Promotional Expense:			
Stock selling expense	5,000.00		
Commissions paid	10,055.00	15,055.00	
Total fixed and non-current assets			109,200.05
Total assets			$116,197.15

LIABILITIES AND NET WORTH

CURRENT LIABILITIES:			
Accounts payable			$ 1,621.85
FIXED LIABILITIES:			
10% Ore Production Certificates			47,700.00
Total liabilities			49,321.85
NET WORTH:			
Common capital stock authorized (1,000,000 shares -Par Value 10¢)		$ 100,000.00	
Unsubscribed stock	$ 32,324.70		
Donated treasury stock(fully paid)	575.00	32,899.70	
Capital stock outstanding		67,100.30	
Discount on stock sold		800.00	
Net capital stock outstanding		66,300.30	
Capital surplus (arising out of donations of treasury stock)		575.00	
Net worth			66,875.30
Total liabilities and net worth			$116,197.15

A REPORT ON THE PROPERTY AND HOLDINGS OF THE SUNSET GROUP OF MINERAL CLAIMS.

By Harry J. Evans.

Polaris, Montana
August 14, 1948.

LETTER OF TRANSMITTAL.

Mrs. Sarah L. Stratton & Associates,
West 3116 Grandview,
Spokane, Washington.

Dear Madam;

Pursuant to your request and instructions dated July 28th. I have please in submitting herewith a report on the mining property known as the Sunset Group and owned by Mr. W. E. Kierstead - the property being located in the Nigger Hill District, on the banks of the Little Blackfoot River and about nine miles southeast of the town of Elliston, in Powell County, Montana.

The report is based upon the findings of a personal visit and study of the holdings; an examination of the accessible underground workings; inspection and study of the vein system as exposed on the surface; sampling of all the underground and surface vein exposures; assays of all samples obtained; and the acquiring of all data pertaining to the property wherever information was available.

It was not attempted to make any detailed survey of the claims or to check or verify corners or directions of the locations except at the foot of the mountain where the camp and workings are located. A Brunton survey was made of the main underground workings in what has been designated at the No. 2 tunnel, and in which the principal ore exposures are disclosed.

The mine was visited on August 6, 7, 8, & 9, 1948, and the report was prepared after the receipt of the returns of theassays of samples.

I wish to make known my hearty appreciation for the facilities and full assistance given me by Mr. W. E. Kierstead while at the property.

Yours respectfully,

Polaris, Montana.
August 14, 1948.

Harry J. Evans,
Consulting Mining Engineer.

LOCATION, TOPOGRAPHY and ACCESSIBILITY.

The property is located in the Nigger Hill district, on the banks of the Little Blackfoot River, about nine miles southeast of the town of Elliston, in Powell County, Montana.

The property is accessible over a well maintained gravel road which follows the valley of Little Blackfoot from the town of Elliston to the mine, for a distance of nine miles. The small town of Elliston is a station on the Northern Pacific Railway and is also served by the East-West No. 10 highway through Montana. The property is about 33 miles from the state capital of Helena, and an additional five miles to the smelters of the American Smelting & Refining Co. at East Helena. The transportation facilities may be considered as favorable during both the summer and winter seasons.

The elevation of the lower workings of the property, which are located slightly above the floor of the valley are reported to be about 5,600 ft. and rises to about 6,400 ft. where the mineralized outcroppings are located on the crest of the hill and to the Northeast of the working tunnel. The topographic features of the immediate vicinity are a very steep surface contour but a noticable absence of precipitous rock exposures. The lack of any vein out-croppings on the surface indicates that the country rock encasement is of a harder texture than the mineralized fractures containing the fissure.

The mine is easily accessible and the general topography of the surface is most advantageous to mining operations. The level floor of the valley affords ample space for a camp-site and milling plants.

HISTORY of the DISTRICT and PROPERTY.

The history of the surrounding district in general dates back to the early days of Montana but the discovery of this particular property seems to be quite recent. Information obtained from the present owner indicates that prospecting for mineral was first started in 1928, and that the present claims were located in that year.

The development work which has been performed underground has been done through two tunnels at the foot of the mountain and slightly above the bed of the valley. These will be designated hereafter as No. 1 and No. 2 tunnels, which are about ninety feet vertically apart.

The No. 1 tunnel is a cross-cut being driven to encounter the vein (but is not yet connected with it) at an elevation of only 25 ft. above the bed of the valley. To date this tunnel has been driven only 60 ft. but should encounter the vein within a short distance. This tunnel is open but in as much as it has not yet reached the vein it discloses no information of value at this time.

The upper or No. 2 tunnel, which is 90 ft. vertically higher than the No. 1 tunnel, is entirely open at this time and although wet under feet can be inspected and sampled. The first portion of this tunnel is a cross-cut which intersects the vein at a point 50 ft. from the portal. From this 50-ft. point the tunnel follows the vein system to its face a total distance of 375 ft. from the portal.

It is reported that the Porter Brothers company of Helena optioned the property during 1946 and in their development program advanced the No. 2 tunnel about 70 feet to a total distance of 270 ft. It is assumed that the remainder of the work in this tunnel, to the 375 ft. point which is the present face has been performed by the owner.

Some small surface trenches and cuts have been excavated high up the hill on the projected strike of the vein and it is most probable that these holes are exposing part of the same fissure system.

PROPERTY and ASSETS.

The property consists of three unpatented lode mining claims and a millsite of about five acres, all in one compact and contiguous group. The claims are named from a south-west to a northeast direction: the Sunset No. 1, Sunset No. 2 and Sunset No. 3 and the millsite on the floor of the valley.

All of the underground workings are within the bounds of the Sunset No. 2 claim. The major surface excavations are found at or near the end lines of the Sunset No. 2 and Sunset No. 3 claims.

The physical assets of the property comprise a small cabin for living quarters of the owner located on the millsite, and small frame building which probably had been formerly used to house a compressor and located at the portal of the No. 2 tunnel.

In the underground workings the track-rails are in place to face of the tunnel. A small mine car (14 Cu. ft.) in good condition was found inside the No. 2 tunnel.

The property may be considered as having no improvements, buildings or assets of any kind except the mineral value to be developed.

TITLES.

The object of my examination was the establishment of the fact of worth of the property. It was not therefore my commission to inquire of titles, and it is here assumed that the requirements for holding unpatented mining claims have been complied with each year.

TIMBER, WATER and CLIMATE.

The area included in and surrounding these mining claims is heavily timbered with a growth of Douglas fir and lodge-pole pine, ranging in sizes from 6 inches to two ft. in diameter. The timber in this forest is capable of furnishing for an indefinite period all the timber for underground purposes and all the rough lumber and fuel requirements for any operation.

The water supply available from the creek flowing by the property is of sufficient quantity to take care of all mining, milling and domestic requirements.

The climate, both during summer and winter, can be considered moderate for Montana. The weather conditions here present no problem during the summer months, however during the winter months the snow falls to a depth of three to four feet before settling. It is reported that the County road crew keep these roads open and free of snow during the winter hence there seems to be no particular handicap to normal operations.

GEOLOGY.

The geological features of the immediate area and especially within the bounds of these claims are quite simple. The whole crest and flanks of the ridge upon which these claims are located is composed of andesite, through which there is a dike of aplite of yet unknown width or extent. The vein is in reality a contact deposit between the andesite and aplite with much of the aplite hangingwall being impregnated with sulfides from the solutions circulating in the contact.

On the higher peaks above the claims the andesite is capped over by a flow of rhyolite. Much of the rhyolite has now eroded away, the rough debris rocks from which have traversed downward and show over much of the surface in the higher levels. The rhyolite is of only historical importance and plays no part in the deposition of the economic minerals now forming the mineralization of the vein system.

The aplite which seems to be the most important host rock, is rather common within the area of the Boulder Batholith and its margins in the form of dikes and irregular masses. This rock is a fine grained granular, white to gray colored and is composed mostly of orthoclase and quartz with biotite or hornblende showing in it along intrusive contacts. The aplite has a rather distinct jointing or cleavage seams which have been impregnated with sulfides, some of which are of economic importance. The aplite as well as the andesite are of earlier periods than the remnants of rhyolite which crown the summit of the mountains nearby.

The overburden of dirt, which nurtures a heavy growth of trees, bushes and smaller vegetation, is not particularly deep but quite uniform throughout the area and had covered all rock and vein exposures which make it difficult to follow the continuity of contacts or vein systems.

The strike of the vein varies from 25 to 40 degrees Northeast and it dips about 60 - 65 degrees to the East. The strike of the outline of the out-crop as it ascends the steep hillside is about North 10 degrees East. An appreciable amount of mineralization is exposed along the strike of the outcrop at the higher elevations and it was from these shallow workings that the best samples of ore were procured. While the andesite footwall of the contactis not exposed in any of the excavations the directions check sufficiently close to assure the fact that the workings in the No. 2 tunnel and the surface exposures are the same or closely parallel systems.

The difference in elevations between the No. 2 tunnel workings and the mineralized outcroppings on the surface is about 800 ft. and the distance on the dip of the vein is considerably more than that figure. The back (height to the surface) over the face of the present No. 2 tunnel is about 175 ft. thus showing any workings driven on the vein system from the river level will develop an unusual amount of overhead ground.

There is no evidence of any fault disturbances or displacements of the vein by such action in so far as the present development work discloses. There is, however, evidence of much lateral and vertical movement within the plane of the fissure or contact itself, in the form of slippy gouge and ground-up wall rocks.

VEIN FILLING and MINERALIZATION.

The fissure or distance between walls varies from three ft. where the cross-cut first intersected the vein near the portal of the tunnel to as much as fourteen ft. in width at the present face and about 325 ft. ahead. The mineralized vein filling is proportionately less and where the walls are far apart the vein contains streaks and ribbons of altered but unimpregnated aplite along with the streaks of sulfide minerals.

Although the work done to date is quite limited, the exposures of what ores are now showing in the No. 2 tunnel indicate that the original contact fracturing was irregular. Additional development work along the vein system may prove the orebodies to have lenticular dimensions due to the movements along the irregular walls.

The vein filling is composed of quartz, some calcite, crushed and altered aplitic wall rock inclusions and much clay gouge products. The better grade material is a hard and ribboned quartz with streaks of sulfides contained through its entire width. The footwall near the present face, where the width of the fissure is greatest, contains much ground and crushed andesite which presents a dry, soapy appearance when first exposed.

The economic minerals are galena (lead-sulfide) and sphalerite (zinc-sulfide) with arsenopyrite predominating. The principal metals are gold and silver. It is most probable that the silver is highest where the lead content predominates and the gold follows the arsenopyrite throughout the vein wherever sulfides exist in quantity.

The mineralization not only follows the quartz vein-filling but also is impregnated into the aplite hangingwall to varying extents and amounts. This deposition takes the form of then sulfide streaks along the joints or cleavages of the aplite and presents the possibilities of forming large though sometimes irregular orebodies of commercial value.

SAMPLES, ASSAYS and VALUES.

The promising showing which was presented in such a limited amount of development working necessitated the systematic sampling of the vein wherever exposed or un-lagged in order to gain some knowledge of the metal content and their probable commercial value.

A total of 28 samples and one composite were taken from the mine and later given for assay to a reliable firm in Helena, Montana. These samples were taken to represent locations and widths where they furnished maximum information as well as actual value.

All of the 28 samples were assayed for gold and silver, in as much as it was quite definitely established that the greater part of the value in the ore was in those small metals. One sample was assayed for gold, silver, lead and zinc. In order to check what the average lead and zinc content of the ores would be, a composite sample was made up from the pulp of samples Nos. 13-14-17-18-19-20-22-28 and this sample was assayed for lead and zinc content and for arsenic.

The results of the assays made from these samples will be found supplemented in the appendix of this report.

A review of the assay results reveal the fact that if only the gold and silver content of the ore were to be extracted they definitely would not pay to mine, however when the lead and zinc contents also are considered then the ore definitely has commercial value. However, the examination and sampling revealed no ore of shipping grade, or having sufficient mineral content to justify direct shipment of the crude ore direct to the smelters.

The sampling was started at the face of the No. 2 tunnel or 375 ft. from the portal and progressed out-ward to a point where the last sample was taken at 115 ft. from the portal. The weighted average of these results would be about $1.50 per ton in gold and three ounces of silver with about 2% of lead and 2% of zinc. The better grade of ore was encountered from the 115 ft. point to the 340 ft. mark where the vein widened considerably and the values tended to part into two distinct streaks.

The owner reported that there was shipped from a small raise up 30 ft. at the 170 ft. pt. a total of 120 tons; that he shipped 100 tons from the raise at the 100 ft. pt. and that he shipped 80 tons from selected ore out of the drift development. This could not be verified and the probable dates of the shipments to the smelters could not be obtained in order that duplicates of liquidation settlement sheets might be requested from them.

The limited amount of development performed (375 ft.) reveals many favorable aspects as to structural features and mineralization which are of importance as well as the actual assay value of the ore.

POWER SUPPLY.

A few years past, the Montana Power Company constructed a high-tension electric power line to a neighboring property and which passes near the Sunset claims. This line now idle and probably in poor condition, can be reconditioned and made to serve the requirements of the Sunset property.

It is understood, however, that the ownership of the line is somewhat clouded due to disagreement between the power company and the old company which it serviced. It is only logical that if actual power was desired from this line the differences between these parties could be settled and the lines made available to the Sunset property.

GENERAL ECONOMIC FEATURES.

There are a number of features about the property that mark it as justifying further expenditure on development.

The mine could be operated entirely through tunnels for a number of years thus eliminating the expense of hoisting ore and pumping water from shaft-workings. The property is in close proximity to the railroad and smelters, and to a large city for procurement of supplies. The surrounding hills are heavily wooded and can furnish all the timber for underground mining, lumber and fuel purposes. The necessary power seems to be reasonably assured at a small installation cost. And the general operating and living conditions, either for a development program or for full scale operations certainly can be considered as favorable.

CONCLUSIONS.

The results of my examination and study of the economic features of the property with a summary of the facts as set forth in the preceding pages have led to the following conclusions: that the property contains a vein which may be a long and persistant structure; that the limited amount of work now performed has disclosed oreshoots of commercial size and value; the work already performed warrants the confidence that additional orebodies can be reasonably expected; the evidence obtained from the underground workings justifies the further development of the mine.

RECOMMENDATIONS.

The above conclusions have led to the advisability that a sum of money - more or less $50,000 - be made available to undertake a program of development work to open the property. These claims in their present state of development must be considered as a prospect, as yet unproven regarding ore-reserves, but certainly meriting additional development in the No. 2 tunnel, the face of which is only 375 ft. ahead of the portal and this is the only major work on the property.

The following development work is recommended as the first stage of an exploration program;

I. The No. 2 tunnel be advanced on the vein an additional 300 ft. or to a total of about 700 ft. from the portal.

II. That cross-cuts, be driven, at certain intervals, from wall to wall and at the most advantageous points to furnish maximum information.

III. That certain raises be driven up at least 100 ft. above the drift and at points to be determined as the work progresses.

IV. That if conditions, as they unfold in this work, justify the completion of this preliminary stage then and not until then will it be come necessary or advisable to begin plans and preparations for a broader program which may lead toward the productive and future operation period of the undertaking.

The carrying out of the above program will require the following equipment and supplies:

1. One portable air compressor of 225 Cu. Ft. capacity with either gas or deisel power unit.
2. 800 ft. of 2 inch pipe - 200 ft. of 1 inch pipe.
3. One air-drill for drift work - one drill for raise work.
4. Drill steel, drill bits, air and water hose, bars & clamps, and water tank, etc.
5. 500 ft. of double track - 12 lb. rails.
6. One mine car.
7. Mine tools - shovels, picks, hammers, etc.
8. Powder, fuse, caps, carbide, oils, greases, etc.
9. Cutting and framing timbers, lagging, lumber, etc.
10. One pick-up truck for transporting men and supplies.

All of the above equipment may be procured from machinery houses handling second hand or used machinery at much cheaper prices and which would serve the purpose required just as well as new machines. All the tools and supplies would have to be purchased as new supplies, or tools.

This preliminary development work could be accomplished in any one of the three following ways:

I. Hiring men by the day under supervision by yourselves.

II. Contracting the work to a reliable miner and he furnish all the equipment, supplies and men.

III. Contracting the work and the equipment and supplies (other than powder, fuse, caps, carbide) be furnished by yourselves.

The first way would doubtless be the more expensive and require the most supervision. The second way would be the easier, but would most likely result in poor work being performed and countless delays to progress due to the contractor having poor and inadequate equipment.

The third or last way would be advisable; it will allow for better direction of the work; greater speed in advancing the headings; will afford an easier change of contractors in case the work carried on was unsatisfactory. In the event that the work performed did not prove sufficient ore to justify further work then all the equipment could be changed to some other project or sold.

It should not be inferred that the above work will cost the full $50,000.00 but it is generally unwise to undertake even a small project without ample funds available to assure its completion.

The present building at the portal of the No. 2 tunnel may be sufficient to house the compressor unit and for usage as a small shop. If the work continued into the winter it would be necessary to construct another building of sufficient size to make a small change-room and for timber framing purposes.

The property is near enough (9 miles) to the town of Elliston to permit the crews to stay out there and go to the mine each day.

In conclusion it is my opinion that the evidence gained from the examination of the property justifies the above recommended development program and that if carried out the work has an excellent chance of exposing ore in sufficient quantity to warrant the consideration of a full scale operation.

Respectfully submitted,

/s/ H. J. Evans
Harry J. Evans,

Polaris, Montana.
August 14, 1948.

ASSAY RESULTS OF SAMPLES

Sample No.	GOLD Oz.	SILVER Oz.	LEAD %	ZINC %	ARSENIC %	DESCRIPTION
1	.07	1.9				370 ft in. - 2½ ft. wide on FW & South side of X-cut.
2	.04	.7				On HW of No. I Sample - 1½ ft.
3	.05	1.6				On HW of No. 2 " - 5 ft.
4	.02	.6				Face of small sub-level & 15 ft. above drift - 2½ ft. wide.
5	.02	.5				On HW of No. 3 - 2 ft. wide
6	.02	.7				In sub-level - on HW of sample No. 5 — 1 ft. wide.
7	.03	.4				Opposite Sample No. 1 on North side of X-cut - 3 ft. wide.
8	.03	.5				On HW of Sample No. 7 - 7½ ft. wide
9	.02	.6				On HW of Sample No. 8 in face of drift - 2 ft. wide.
10	.03	1.0				Opposite Sample No. 2 in FW Raise 3 ft. wide.
11	.12	9.4				350 ft. in - 2½ ft. wide on HW.
12	.04	3.0				340 ft. in - 3 ft. wide on HW.
13	.04	1.4				340 ft. in - 3 ft. wide on FW.
14	.08	7.4				335 ft. in - 2½ ft. wide on HW.
15	.07	7.6				320 ft. in - 3 ft. wide on HW.
16	.03	2.0				310 ft. in - 3 ft. wide on HW.
17	.23	8.7				305 ft. in - 8 inches of sulfide on HW.
18	.10	3.9				275 ft. in - 2 ft. on HW.
19	.01	1.6	0.8	0.7		177 ft. in - at Raise - 2½ ft. wide on HW.

ASSAY RESULT OF SAMPLES (continued)

Sample No.	GOLD Oz.	SILVER Oz.	LEAD %	ZINC %	ARSENIC %	DESCRIPTION
20	.02	.6				165 ft. in - 2½ ft. wide - 10 ft. south of Raise.
21	.04	.7				140 ft. in - 2¼ ft. of gouge-sulfide.
22	.15	12.8				125 ft. in - 2 ft. ore on HW.
23	.08	1.8				115 ft. in - 2½ ft. wide on HW.
24	.11	.8				100 ft. in - 2½ ft. on HW.
* *						
25	.06	2.9				In surface trench at crest of hill 3 ft. wide.
26	tr.	.2				Altered & oxidized aplite in cut below sample No. 25 - 7 ft. wide
27	.26	11.6				High-grade specimens from cuts at crest of hill.
28	.20	6.8				Selected sulfide rocks on dump at No. 2 tunnel.
Composite			1.8	1.9	3.5	A composite sample mixed from the pulps of samples Nos. 13-14-17-18-19-20-22-28.

The positions of these samples where taken underground were plainly marked and their location and widths can be easily identified and checked.

INTERIM REPORT

of

PROGRESS MADE ON THE

SUNSET GROUP OF MINING CLAIMS

by

KIMBALL MINES, Inc.

Elliston, Montana.

Harry J. Evans,
August 29 - 31, 1950.

In company with Mr. Roy Lorang, of Spokane, Washington, a visit was made to the Sunset Group of Mining Claims, of the Kimball Mines, Inc. located at Elliston, Montana. The purpose of this trip, similar to a previous one made during October, 1949, was to inspect the property and check the results obtained from the progress made in development work at the mine.

The program of development of the property, as planned by the company, was found to be progressing satisfactorily. The work accomplished since the last visit has been confined to the advancement of the main or No. tunnel along the vein structure with a few cross-cuts at intervals to establish the foot or hanging-wall of the vein. The work and the timbering seems to have been well done, however it was reported that some retimbering of the tunnel became necessary due to soft (swelling) ground at certain points. This condition is of no concern as the tunnel now appears in splendid condition.

The driving of the tunnel has been made by contract to an experienced miner of the district, at an established price per-foot of advancement including all the necessary timbering. This method of performing the work (contracting) sometimes proves disadvantageous but in this case it seems to have been quite satisfactory and certainly most economical. It was again noted that no unnecessary work or expenditures were made about the property.

The face of the No. 2 tunnel now is roughly 900 ft. in from the portal and approaching the southwest end-line of the Sunset No. 3 claim. The face also is approaching the zone under the surface mineralized fracture system with ore disclosures along the end lines of Sunset No. 2 and No. 3 claims. The face of the No. 2 tunnel, at the time of my visit presented formation somewhat more solid than the previous 300 ft. with a distinct, hard and rather slickened hangingwall. There was no commercial ore exposed at the face but a streak of black sulphides (2"-3" wide) indicated that mineralization continued. More water than usual was emerging from the face and dropping from the back of the tunnel. These features - the development of more water and the hard, tightening hangingwall and apparent narrowing of the fracture system coupled with the fact that the face of the tunnel is approaching the location below the surface mineralized zone, as mentioned above, is at this time very encouraging. The drift should, for the reason of easier mining, be advanced along this hard hangingwall, which it is on at the present time. This drift should be advanced several hundred additional feet, as it is at present just approaching the more favorable territory for orebodies.

The First Cross-cut, off the hangingwall side of the No. 2 tunnel exposed an orebody about 5 ft. wide and showing a value better than $25.00 per ton. During the past winter this ore was exposed by drifting on it for about twenty feet. Two samples, taken at this time, near the face of this hangingwall drift gave a value of $26.00 per ton over a width of 5 ft. plus. The strike or direction of this orebody indicates the possibility that it may diverge to the hangingwall of the main vein system, and follow a separate fracture. The face, now some twenty ft. from the cross-cut contains about 6 ft. of ore and shows no signs of narrowing or weakening. This hangingwall drift should, as soon as convenient, be extended some distance farther to determine its direction and importance. Then, if its importance warrants the development, a raise should be driven up in this orebody to determine its dimensions and value. This work could be carried on concurrently with the advancement of the main No. 2 drift without interference to either working face, by working them on a different shift.

The time has arrived now, when it seems advisable to begin the driving ahead of the No. 1 tunnel, which according to the engineer's survey of elevations, is 68 ft. vertically below the No. 2 tunnel. This will give about 100 ft. on the incline of the vein between the two tunnels. This work might be carried forward at any time as it will not interfer with any other development. The No. 1 tunnel now in about 60 ft. is in good condition to the face. It requires about 75 ft. of additional work to cross-cut the footwall formation before intercepting the vein. As stated in the previous report, this would soon be under the orebody disclosed in the No. 2 tunnel above.

It is understood, that all the additional claims considered and projected for location have been located and the necessary work performed for holding purposes. The location workings performed on two of these claims were inspected. They both contained what is considered good surface showings and disclosed a vein or lens well mineralized. However, both outcroppings were in the upper rhyolitic capping and when developed the values can be expected to be mostly in gold. These claims are a valuable asset to the company and aside from their mineral value serve for protective purposes and can contribute to the timber supply which will be needed.

The Mineral Surveyor will be required this autumn to survey and complete the plans of the company's mining claims. While he is at the property, he should be instructed to survey and map what underground workings have been opened since his last visit there.

It may be advisable to cut and place in the yards, a sufficient supply of mine timbers before the winter snows appear. It is much more costly to get timber out of the forest in the deep snows and timber is much harder to work up into the desired sizes when covered with snow. For the timber requirements for reopening the No. 1 tunnel, it may be advisable and more economical to use mill lumber for lagging purposes and for spiling in the heavy ground.

All the machines and equipment used at the property was in good condition and serving their various requirements very satisfactorily.. The present ventilating fan, compressor and drills will meet the additional requirements imposed by the new work which should soon be initiated, except that an additional drill and bits may be advisable. The daily work shifts can be so staggered, that the present air compressor can furnish all the air required. Also the new cars recently purchased by the company will be ample to transport all the muck made by the two headings in the No. 2 tunnel. The old cars can be utilized for the short-haul requirements in the No. 1 tunnel when that work is started.

Ordinarily, it would be advisable for the one contractor to handle both the headings in the No. 2 tunnel. In as much as the contractor owns the ventilating fan and the compressor and drills it seems the better plan to continue an agreement with him for both projects. In the No. 1 tunnel it seems optional but if the present contractor can furnish the men and perform the work satisfactorily, a lump sum contract for all the work would naturally be preferrable. However, if it is preferred, there is no reason why another contractor could not perform the work of driving the No. 1 tunnel without interference to the work being done in the No. 2 tunnel.

It must be remembered that in the No. 1 tunnel work fairly hard ground will be encountered until the vein, some 75 ft. ahead, is intercepted. This hard ground will require a somewhat higher price per-foot than what is being paid the present contractor, advancing his heading in fairly soft vein material.

In starting this work in the No. 1 tunnel, it may be necessary in any event, to begin this work on a days-pay basis, due to the fact that the present face is still in loose, detritus, disintegration material and will require the services of a miner who knows how to get through bad ground. Observation indicates that good and solid ground can be expected within twenty ft. of the present face and from there it is a matter of ordinary hard ground.

The completion of the payments for the claims, making the company owner of the property without further obligation, can be only a matter of gratification to the stockholders and a feeling of accomplishment to the Officers. These claims together with the others located by the company itself and the ground acquired as a mill-site will give the company ample ground for future operations.

Since the last report was rendered, about one-half of the high-tension lines which formerly served the Big Dick mines and passing near the company's property was removed and sold. However, that portion of the line nearer the company's property is still in place and appears to be servicable. This line may be available to the company at a reasonable cost if investigated at an opportune time.

The results obtained from the development progress during the past eight months warrants the continuation of the work now in progress and the initiation of more work.

The following development projects are recommended at this time:

I. The continued advancement of the No. 2 tunnel for at least another two-hundred feet. Drift to be run along the N. W. side.

II. A hangingwall drift be driven on the orebody disclosed in the first hangingwall cross-cut of the No.2 tunnel.

III. As soon as working conditions permit, a raise should be driven up in the orebody above this (II) hangingwall drift.

IV. The No. 1 tunnel be reopened and advanced into the vein to develop the orebody disclosed in the No. 2 tunnel above.

V. Advisable to continue the work by contract.

VI. Attention given toward the purchasing of the high-tension electric line from Elliston to the mine. One-half of the line still remains in place.

The above development work, as recommened in I, II, III, & IV is all that seems advisable for the immediate future and can be accomplished without the purchase of very little, if any, additional equipment. It is also probable that this work can be done by one and the same contractor.

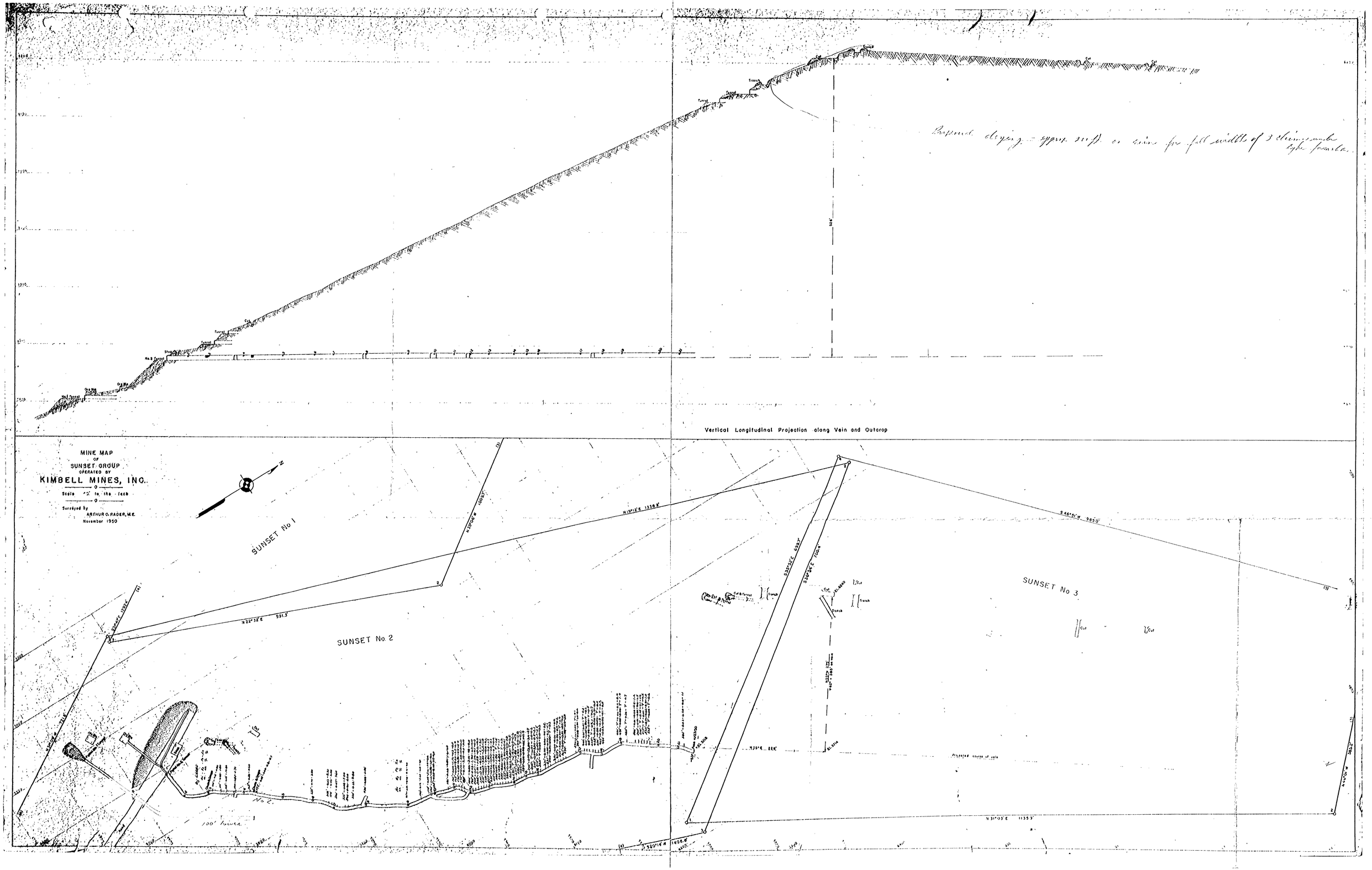
This work also can be accomplished, as has the work during the past, by an occasional visit of one of the company's officers to the property, thus saving the expense of a supervisor to over-see the work.

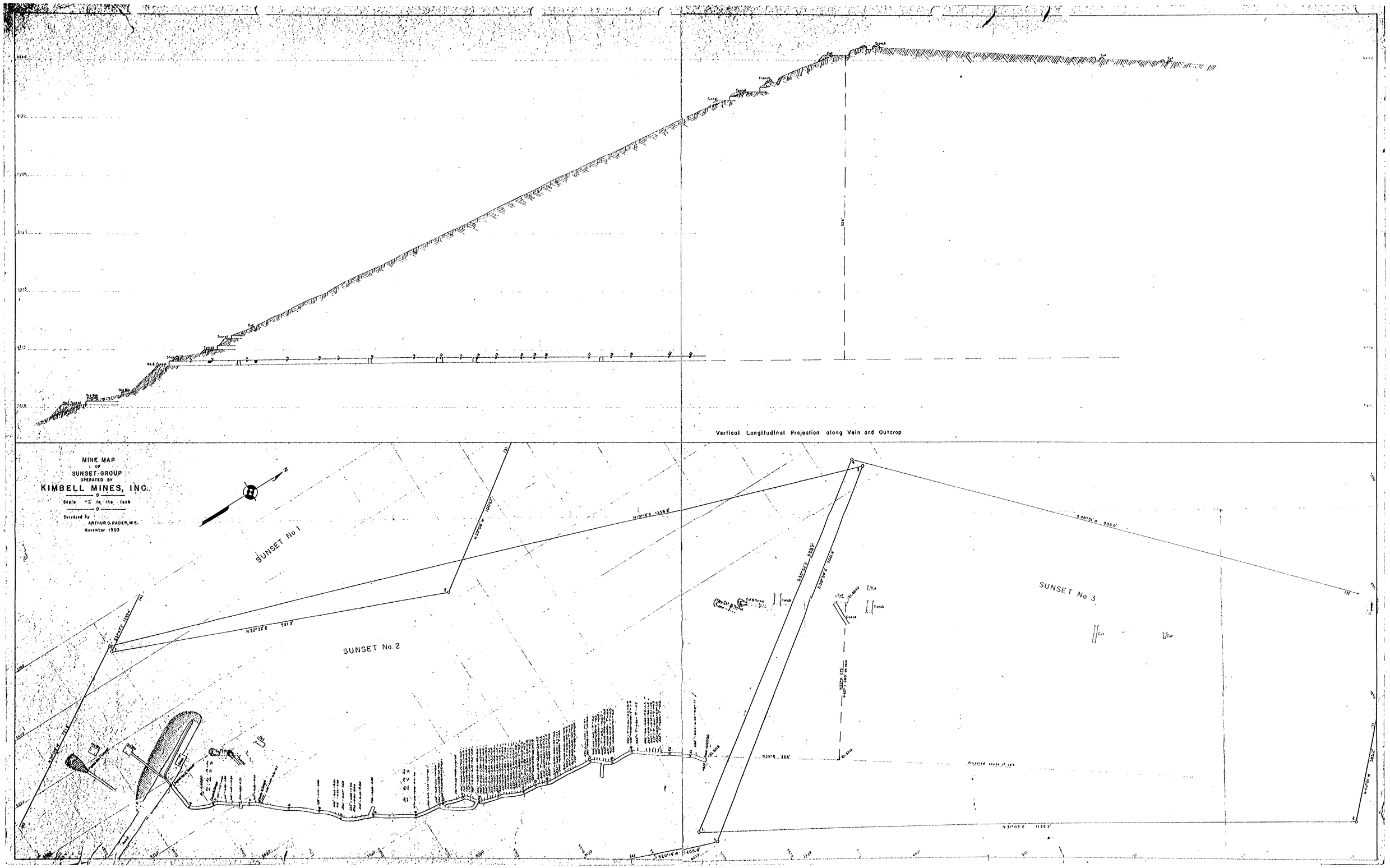
This work can be carried forward during the coming winter months without any weather handicaps, if sufficient timber is placed in the yards before snow falls.

Respectfully submitted,

Harry J. Evans,

Washington, D. C.
3010 Gainesville St. SE.
September 6, 1950


Vertical Longitudinal Projection along Vein and Outcrop
MINE MAP
OF
SUNSET GROUP
OPERATED BY
KIMBELL MINES, INC.
Scale 40' to the inch
Surveyed by
ARTHUR G. RADER, M.E.
November 1950
SUNSET No 1
SUNSET No 2
SUNSET No 3
N 19°12'E 1338.8'
S 46°51'W 985.0'
N 28°32'E 591.3'
N 31°03'E 1135.3'
S 32°04'E 1004.4'
S 33°04'E 698.8'
S 32°10'W 1408.8'
N 32°04'W 1008.7'
Projected course of vein
100' level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S 30°04'E 700.4'
S 30°04'E 699.7'
N 31°03'E 1155.7'
S 30°14'W 1426.8'
Projected course of vein