VERMONT COPPER COMPANY, INC.
TENTATIVE STATEMENT OF OPERATIONS
FOR THE PERIOD APRIL 1, 1950 TO MARCH 31, 1951

SALES		
Copper (7,242,404 Pounds)	$1,739,436.69	
Copper Cathode Allowances Received	10,312.42	
Gold & Silver	25,837.69	
TOTAL SALES	1,775,586.80	
Deduct Charges Against Production	363,447.30	
NET MINE REVENUE		$1,412,139.50
OPERATING COSTS		
Mining	631,476.55	
Surface	140,032.92	
Milling	138,407.59	
General Overhead	182,522.23	
Total	1,092,439.29	
Less Income Credits to Operating Costs	15,069.45	
NET OPERATING COSTS	1,077,369.84	
Add Decrease in Inventory of Copper (Tentative)	81,283.30	1,158,653.14
OPERATING PROFIT BEFORE DEPRECIATION & COST DEPLETION		253,486.36
DEDUCT		
Depreciation (Tentative)	107,073.84	
Cost Depletion (Tentative)	30,150.00	137,223.84
PROFIT AFTER DEPRECIATION & COST DEPLETION		116,262.52
OTHER INCOME		16,628.09
		132,890.61
OTHER EXPENSES		9,031.63
NET PROFIT FOR THE PERIOD MARCH 31, 1950 TO MARCH 31, 1951		$123,858.98 *

* * * * * * * * * * * *

Gross Pounds Actually Produced for Year 4/1/50 - 3/31/51	6,897,180
Smelter Deduction	212,816
Net (Saleable) Pounds Produced	6,684,364

* * * * * * * * * * * *

* There will be no federal income tax payable on the profit for the fiscal year ended March 31, 1951, due to a loss carry-over of $284,000.00 from the fiscal year ended March 31, 1949.

gpe
7/5/51

June 23, 1951

Dr. James Boyd, Administrator
Defense Metals Administration
Department of the Interior
Washington, D. C.

Dear Dr. Boyd:

Your files contain the full history of this Company from its incorporation in the early spring of 1942. Until that time I had no financial interest in the old abandoned Vermont copper mines, and I had never been near the properties and in fact although I grew up in Vermont, I never knew they existed until 1933.

In the summer of 1942 the Bureau of Mines commenced a very extensive drilling program which continued until the spring of 1943, and I believe it was upon the preliminary results of this program and the recommendation of the Bureau of Mines, that the War Production Board approved the rehabilitation of this mining Company in August, 1942, for 16,500,000 pounds of copper. I was urged and in fact begged by government representatives to take the lead in reopening these old mines as a public service, and I am confident that you are convinced that my motive was solely to perform a service for the country.

The plan upon which we proceeded was worked out primarily by government representatives, and under that plan private interests were to put up $200,000 for preferred stock and the government was to advance $550,000 which was the amount estimated by government engineers as to the cost of erecting a concentrating plant and reopening and putting into operation the Elizabeth Mine. My principal advisor at this time was a mining geologist whom I had borrowed for sixty days from American Smelting and Refining Company. There was no possible chance of carrying through the work for any such figure. And in order to avoid a default, the private interests advanced additional moneys generally in $100,000 lots and each time on the expectation that the advance would be sufficient, until an aggregate of $1,300,000 of private moneys was invested and that amount now remains in the Company. The government

long since has been paid its advances of $550,000 and a later advance of $150,000 in full with interest.

The Company owns at this time about 8,000 acres of lands and mining rights of which acreage over half is owned outright. It has a plant and equipment which cost about $2,000,000 and it has a capacity for the treatment of between 600 and 700 tons of ore daily. During the period of operations the ore has averaged about 2%. However, during the past six months the Company has developed on the 975 foot level a new and rich zone which commences about one-half mile north of the Company's main shaft. This zone has been partially developed through a distance of 2700 feet, nearly half by drift which is on top of the ore body. It now is essential in order to operate this ore body to construct a new shaft a mile to the north of the old shaft and at a point where the surface is much lower, and it is believed that economies can be made thereby. But in any event this ore body cannot be opened up and worked properly without another shaft. The ore in this new zone along the drift already opened averaged over 3% and presents very favorable potentialities for the substantial development of the Elizabeth Mine.

The ore zone appears to extend about 15 miles from north to south and is on a direct line with the old abandoned mines in Connecticut and other mines in Canada. Six miles to the north of the Elizabeth mine is the Ely mine which on the basis of government statistics appears to have been the most actively worked of all the mines during the period 1870 to 1880 which definitely marked the heyday of this Vermont mining district. The government reports show three or four million pounds of copper produced annually from the Ely mine, with a record production in one year of seven million pounds. There was a town of fourteen hundred on this site all dependent on the operation of this mine. And further to the north are the Eureka and Union mines, together generally referred to as the Pike Hill mines. So far as existing records show it appears that the ore was richer with each step to the north and that the Ely ore was somewhat richer than the Elizabeth, and the Pike Hill ores generally averaging over 3% copper. Our geologist, Professor Hugh McKinstry of Harvard, has advised us that exploration and development work should be done throughout this whole district, with particular reference to the northerly zone including the Pike Hill mines. And it is probable that such work will prove the necessity for the construction of a second concentrating plant at that point.

Upon the expiration of the copper premium plan this Company could have been liquidated and the stockholders would have received about fifty cents on the dollar, and in addition

the lands and the plant and equipment. From a business standpoint that seemed to be the wise course to follow. However, yourself primarily, and other government officials, urged me not to close down the mines because of the irreparable damage which would be done and also because all responsible mining engineers who had studied the situation agreed with the viewpoint which I believe was held by you, that it was most important from the national standpoint to develop a real eastern copper mining district.

I am becoming more and more convinced that there are much greater potentialities in this district than are realized generally. I believe that it is reasonable to assume that with further exploration and development work the Company could be put on the basis of twelve to fifteen million pounds of copper production per year and with the proper development in an emergency it could produce double that figure.

From the national standpoint consideration also should be given to the recovery of the sulphur as well as the iron. As you know the ore is a pyrrhotite, and the sulphur content averages about 13% and the iron 22%. We have experimented regularly with the production of an iron sulphur concentrate which is readily produced with a sulphur content of 35% and iron about 55%. We have completed negotiations with one of the largest paper manufacturers to sell them about 40% of our current production in the form of iron sulphur concentrates. They propose to construct a plant for the recovery of the sulphur and we hope to sell the iron calcine to one of the steel companies. The tailings from our current production run about 75 tons of sulphur and 125 tons of iron daily and we have in the tailings piles over 100,000 tons of sulphur and around 200,000 tons of iron all of which can be re-worked.

We have no money for the exploration and development of this property nor for the essential construction and equipment of a new shaft. Furthermore we have turned over the largest block of stock to the Vermont Development Trust which is a public charitable trust limited to Vermont institutions. We are desirous of disposing of that block of stock in order to provide funds for the Trust and in the meantime we do not feel it is proper for the Trust to consent to any large loan. In other words unless we can get some assistance in one form or another we must proceed to operate the mine on a hand to mouth basis producing a few hundred thousand pounds of copper monthly and without any real exploration and development work.

I want to propose to the United States Government several possible and practical plans.

First: We propose that the Company enter into a five-year contract for the sale to the government of all of our copper at the Connecticut Valley price plus seven cents, and we will agree on our part to use five cents out of the seven for exploration and development work and for capital expenditures. This necessarily would involve cancellation of our present government contract which has two years to run.

Second: In the event that the foregoing plan is not approved, we solicit the cancellation of the government contract effective as of June 1, 1951, conditioned upon our being able to secure a minimum of $200,000 of additional financing through the issue of stock all of which moneys we will undertake to use over a two-year period for exploration and development and for capital expenditures. We have reason to believe that this financing can be obtained from parties interested in copper or sulphur, but we have been unsuccessful in efforts to obtain such financing unless the government contract is terminated. On this point we want to call your attention to the fact that the government contract was assumed to have been entered into as a means of helping this Company and not as a detriment to it. We have been informed that several other companies have obtained deferments or cancellation of similar contract although we have been unable to obtain any such relief. There is the further point that the contract is based upon "market price". We believe that at the present time there is no market price of 24½ cents. That is primarily the price at which the larger companies sell to their controlled fabricating companies. The export price is 27½ cents and the Canadian and Chilean prices are the same figure and it would seem equitable for the government to pay us at least that figure. The fair course is for the government to cancel the contract.

Third: We will dispose of our investment in the Company at our cost of $1,300,000, without interest, provided one of the larger companies will take it over and develop properly the eastern copper district. We are more interested in the establishment of a sound enterprise in the interest of our country and state than in private profit.

We have produced over forty million pounds of copper since reopening these old mines. And we contend that this Company has done an outstanding job for the government, and has overcome great obstacles in bringing the Company to the present condition.

We respectfully request that the government arrange for proceeding along one of the three courses above set forth.

Respectfully,

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMA 1150

Commodity Copper

Total Amount $304,584.50

Govt. Participation 152,292.25

1. Name and Address of Applicant Vermont Copper Company, Inc
So. Tunbridge, Vermont

2. Location of Property Lot #84 in the Third Division of
Strafford Township, Orange County, Vermont

3. Mineral or metal Copper Is it listed in Section 9 of MO-5? yes

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good ✓

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project?
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? yes. Owner
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached?

Does the lease have sufficient time to run to cover a future

productive period? —

*question numbers are those of MF-103

7. Are subordination agreements necessary? No

a) MF-201? _____

b) MF-202 _____

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Yes

e) Power (question 13)* will be installed

Is a field check needed on any of these points? No

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

Is a field check needed on this point? No

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Yes

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Yes

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? all except installation of power

If not, what part of it is? installation of power line & transformer

Is this part a worthwhile exploration project? Yes

d) Are the cost estimates detailed? Yes

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? Yes If so, attach a draft.

e) Are the cost estimates reasonable? Yes

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? No

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes

b) If so, are sufficient data furnished? Yes If so, attach a draft.

c) Is a field check needed? No

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes

b) Sufficient data? Yes If so, attach a draft.

c) Are rents and charges reasonable? Yes

d) Is a field check needed? No

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? Yes

b) Is the schedule adequate for the work proposed? Yes

c) Is the schedule excessive for the work proposed? ~~Time shifts~~ Number of over-seems high

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? No

Vermont Copper Co DMA-1950

Exhibit A

Exploration Project

"... it is proposed to sink an exploratory shaft approx. 450 ft in depth, at a point 4,000 ft North of present operating shaft, and to drive 225 ft of crosscuts and 1,500 feet of drifts to explore the vein indicated by diamond drill cores in that area.

Cost Estimates

labor		87,284.17
supervision		29,299.75
equipment	more than $50/	39,629.00
"	less than "	77,030.08
Rental	- unowned equip.	11,674.80
"	owned "	9,306.99
Installing	Power & hoist	47,277.70
Misc.		3,082.00
		304,584.49

all estimates include 15% for contingencies

DMA 1990

Exhibit B

Hoist & compressor Bldg

Labor	3,433.12	
mat'ls	2,085.30	
15% contin	827.76	
TOTAL		6,346.18

Head frame & Bins

Labor	5,347.28	
mat'ls	5,633.76	
15% Cont.	1,686.99	
TOTAL		12,668.03

Moving Hoist

Labor	4,942.68	
Rentals	630.00	
mat'ls	0	
15% Cont.	0	
TOTAL		5,572.68

Power Installation

Labor	6,600.32	
Rentals	1,341.92	
mat'ls	28,323.00	
15% Cont	5,439.78	
TOTAL		41,705.02

DMA # 1950

Exhibit C

23-E cost of items @ more $50.00

ITEM	NUMBER	COST
cross head	1	300.00
sinking bucket	2	300.00
Blasting set	1	500.00
Bucket dump door	1	800.00
Horst Rope		1 600.00
skip cages	2	4.000.00
Sump pump	1	2 000 00
mucking machine	1	5 000.00
Battery Locomotive	1	12.000.00
Cars @ $535.00	6	3.210.00
Oil Heater	1	300.00
Sheaves - 6 foot	2	1,100.00
Diversion gate		1.000.00
Skip Dump	2	500.00
Control gate & Asses	1	800.00
Cartridge	1	800.00
Gripples	2	250.00
15 % Contingencies		5.169.00
		39,629.00

DMA # 1750

Exhibit C (con't)

23-f Rental of unowned equipment

Portable compressor	2 for 306 days @ $32.00 / day	9,792.00
Trucks	4 for 5 days @ $72.00/d	300.00
		10,152.00
15% conting.		1,522.80
		11,674.80

23-g Rental of owned equipment

1	Bull dozer	17 ds @ $53.12/d	903.04
1	Truck - dump	303 ds @ 18.00/d	5,454.00
4	Jack hammers	103 ds @ 2.00/d	824.00
2	Leyners	203 ds @ 2.00/d	812.00
1	Air Tugger	100 ds @ 1.00/d	100.00
			8,093.04
	15% conting.		1,213.95
			9,306.99

14. Exhibit E (question 23-c)*

a) Is it applicable? No

b) Sufficient data? _____

c) Reasonable? _____

d) Field check needed? _____

15. In your judgment, can the proposed work be done in the proposed time? Yes

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? _____

Reviewed by: R. W. Lewis

Date _____

97692

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMA 1950

Commodity Copper

Total Amount $304,584.50

Govt. Participation 50% 152,292.25

1. Name and Address of Applicant Vermont Copper Company, Inc
South Strafford, Vermont

2. Location of Property Lot #84 in the Third Division of
Strafford Township, Orange County, Vermont

3. Mineral or metal Copper Is it listed in Section 9 of MO-5? yes

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application
(question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good ✓

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project?
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? yes - owner
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached?

Does the lease have sufficient time to run to cover a future

productive period? —

*question numbers are those of MF-103

7. Are subordination agreements necessary? No

a) MF-201? _____

b) MF-202 _____

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Yes

e) Power (question 13)* will be installed

Is a field check needed on any of these points? No

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

Is a field check needed on this point? No

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Yes

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Is this part a worthwhile exploration project? Yes

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e) Are the cost estimates reasonable? Yes

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? NO

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes

b) If so, are sufficient data furnished? Yes If so, attach a draft.

c) Is a field check needed? No

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes

b) Sufficient data? Yes If so, attach a draft.

c) Are rents and charges reasonable? Yes

d) Is a field check needed? No

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? Yes

b) Is the schedule adequate for the work proposed? Yes

c) Is the schedule excessive for the work proposed? ~~No~~ Number of over-Time shifts seems high

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? No

Vermont Copper Co DMA-1950

Exhibit A

Exploration Project

"..... it is proposed to sink an exploratory shaft approx. 450 ft in depth, at a point 4,000 ft North of present operating shaft, and to drive 225 ft of crosscuts and 1,500 feet of drifts to explore the vein indicated by diamond drill cores in that area.

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Rental - unowned equip.		11,674.80
"	owned "	9,306.99
Installing Power & hoist		47,277.70
Misc.		3,082.00
		304,584.49

all estimates include 15% for contingencies

DMA 1950

Exhibit B

Hoist & Compressor Bldg

Labor	3,433.12	
mat'ls	2,085.30	
15% cont.	827.76	
TOTAL		6,346.18

Head frame & Bins

Labor	5,347.28	
mat'ls	5,633.76	
15% cont.	1,686.99	
TOTAL		12,668.03

Moving Hoist

Labor	4,942.68	
Rentals	630.00	
mat'ls	0	
15% cont.	0	
TOTAL		5,572.68

Power Installation

Labor	6,600.32	
Rentals	1,341.92	
mat'ls	28,323.00	
15% cont	5,439.78	
TOTAL		41,705.02

DMA # 1950

Exhibit C

23-e cost of items @ more $50.00

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sinking bucket	2	300.00
Blasting set	1	500.00
Bucket dump door	1	800.00
Hoist Rope		1 600.00
skip cages	2	4000.00
Sump pump	1	2 000.00
mucking machine	1	5 000.00
Battery Locomolive	1	12 000.00
Cars @ $535.00	6	3 210.00
Oil Heater	1	300.00
Sheaves - 6 foot	2	1,100.00
Diversion gate		1,000.00
Skip Dump	2	500.00
Control gate & Asses	1	800.00
Cartridge	1	800.00
Gripplies	2	250.00
15% Contingencies		5,169.00
		39,629.00

DMA # 1950

Exhibit C (con't)

23-f Rental of unowned equipment

Portable compressor	2 for 306 days @ $32.00 / day	9,792.00
Trucks	4 for 5 days @ $72.00/d	360.00
		10,152.00
15% conting.		1,522.80
		11,674.80

23-g Rental of owned equipment

1 Bull dozer	17 ds @ $53.12/d	903.04
1 Truck - dump	303 ds @ 18.00/d	5,454.00
4 Jack hammers	103 ds @ 2.00/d	824.00
2 Leyners	203 ds @ 2.00/d	812.00
1 air Tugger	100 ds @ 1.00/d	100.00
		8,093.04
15% conting.		1,213.95
		9,306.99

14. Exhibit E (question 23-c)*

a) Is it applicable? No

b) Sufficient data? _____

c) Reasonable? _____

d) Field check needed? _____

15. In your judgment, can the proposed work be done in the proposed time? Yes

(All exploration must be completed within two years)

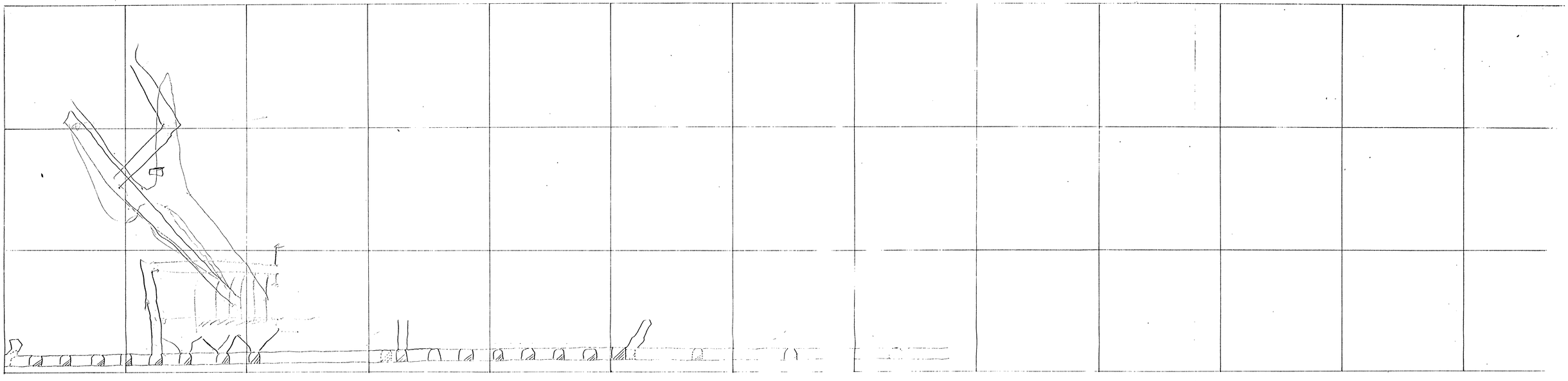
16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? _____

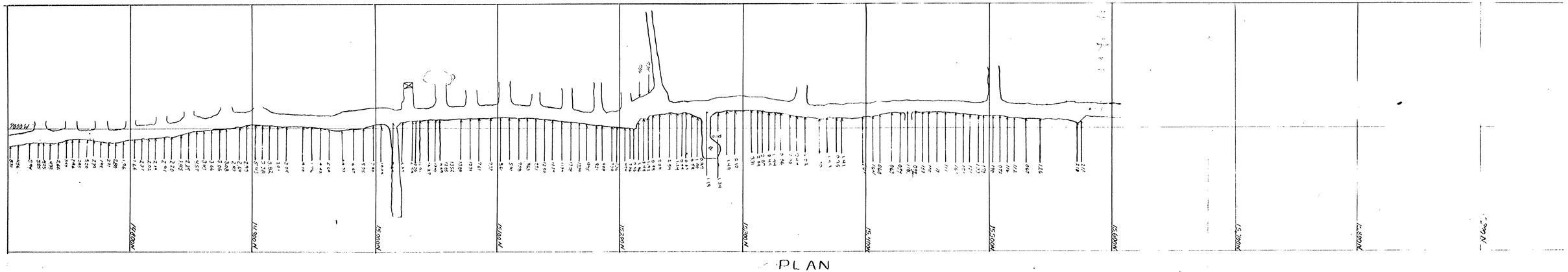
Reviewed by: R W Lewis

Date _____

97692

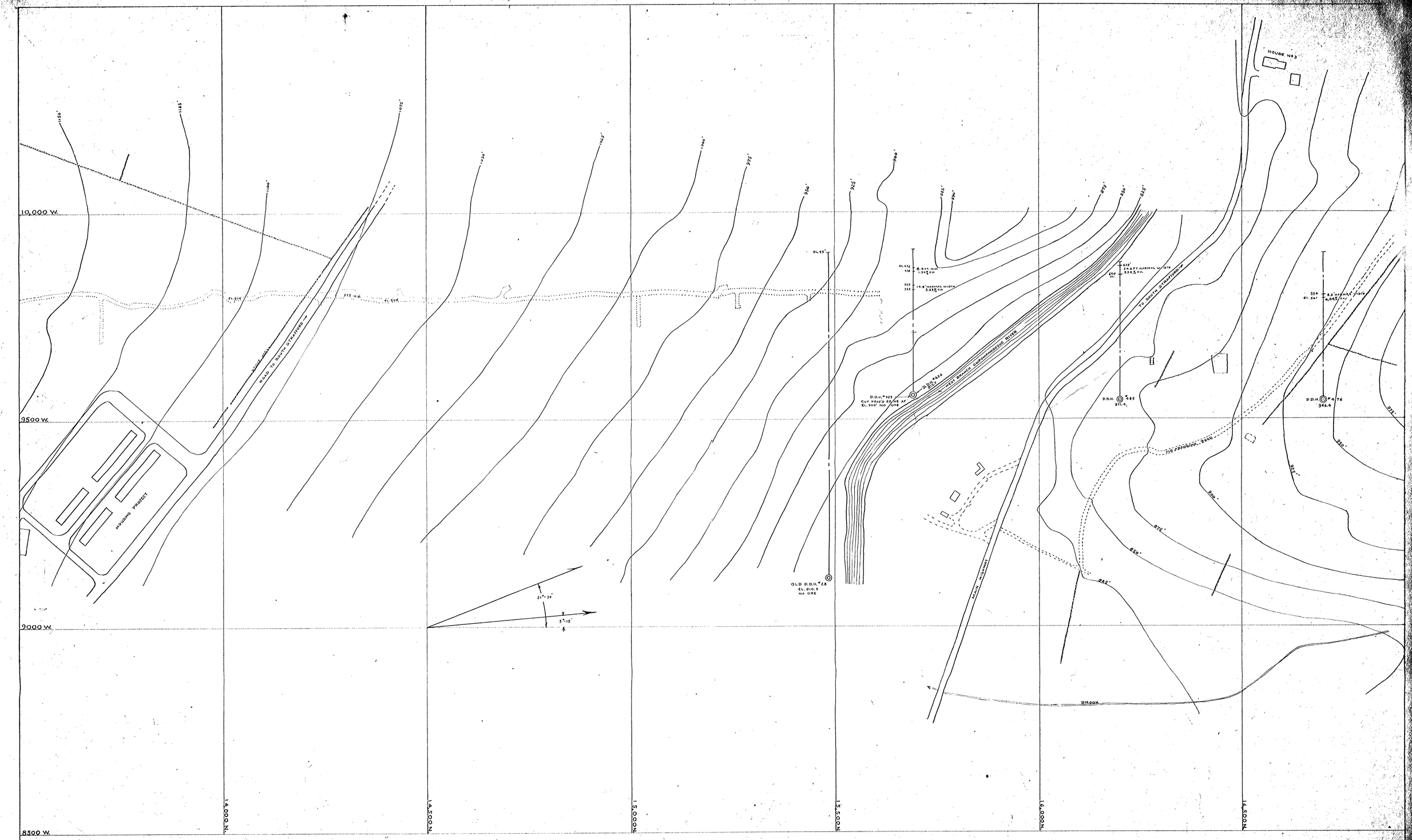


LONGITUDINAL SECTION



PLAN

DEVELOPMENT PROGRESS 9/15ND



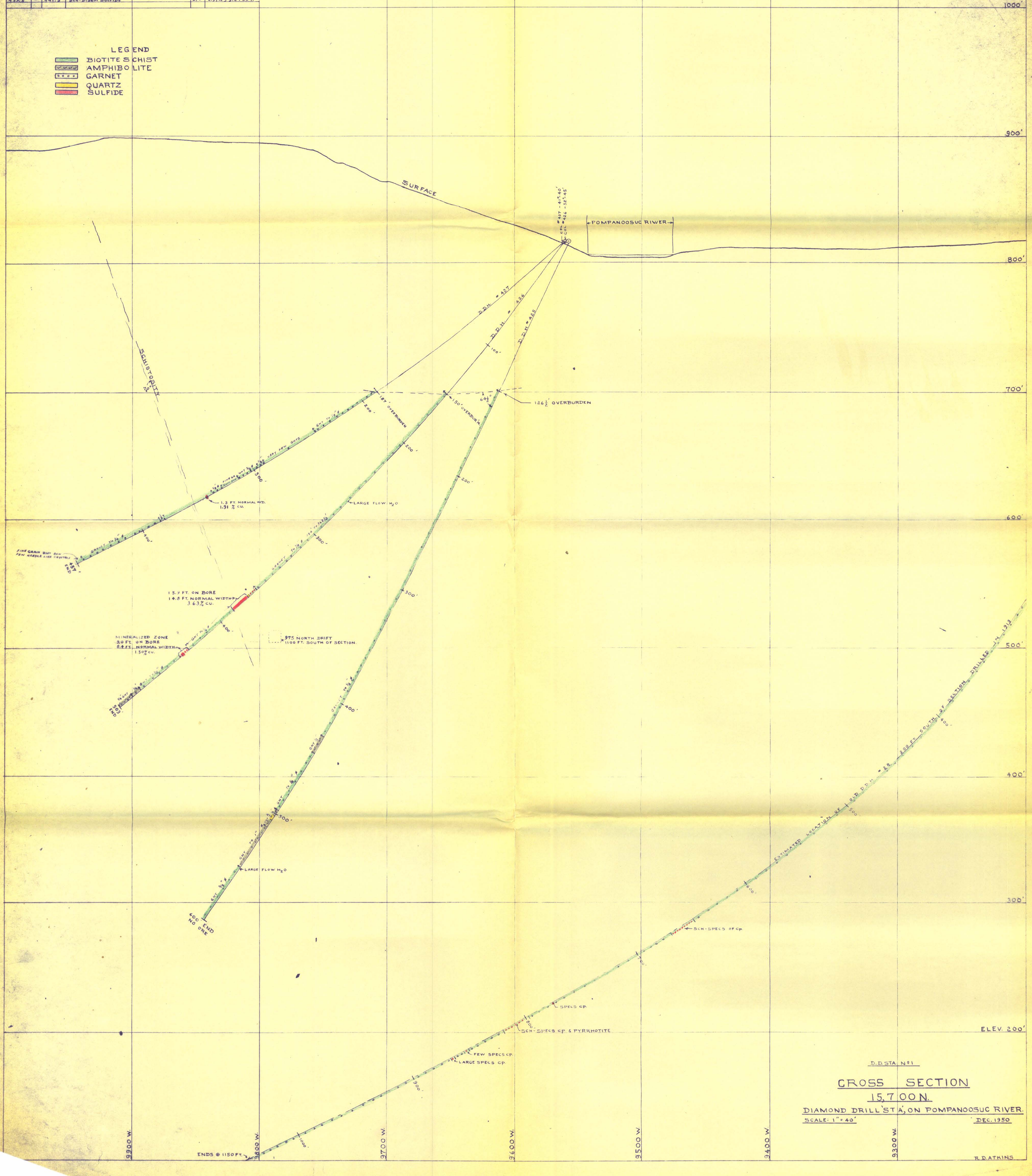
VERMONT COPPER COMPANY
SOUTH STRAFFORD
VERMONT

PLAN OF SURFACE DIAMOND DRILLING

SCALE: 1" = 100' DEC. 1950

LOG OF MINERALIZED ZONE D.D.H. #426

FROM	TO			WIDTH	ASSAY % CU.	
362.5	-	369.9	SCHIST - WEAK SULFIDE DISEM - NOT ORE			
369.9	-	370.9	QTZ STRGR			
370.9	-	372.0	LOST CORE - ORE	1.1'		
372.0	-	373.5	SCH - DISEM & WITH NARROW STRG'RS CP.	1.5'	5.47%	
373.5	-	375.0	MASSIVE SULFIDE	1.5'		
375.0	-	376.0	LOST CORE	1.0'		
376.0	-	378.8	MASSIVE SULFIDE	2.8'		
378.8	-	380.0	LOST CORE	1.2'	3.42%	AV. 3.63%
380.0	-	383.0	MASSIVE SULFIDE	3.0'		15.9 FEET.
383.0	-	384.0	DISEM. SCH.	1.0'		
384.0	-	385.0	SULFIDE - SOME SCH.	1.0'		
385.0	-	386.0	SCH. - DISEM CP.	1.0'	2.55%	
386.0	-	386.5	MASSIVE SULFIDE	0.5'		
386.5	-	386.8	SCH - DISEM CP.	0.3'		
386.8	-	432.5	BIOTITE-GNT SCH - NO ORE	45.7		
432.5	-	437.0	SCH - DISEM CP.	4.5'	1.47%	
437.0	-	439.5	SEMI TO MASSIVE SULFIDE	2.5'	1.99%	AV. 1.50%
439.5	-	441.5	SCH - DISEM SULFIDE	2.0'	0.97%	9.0 FEET.



D.D. STA. No 1

CROSS SECTION
15,700 N.

DIAMOND DRILL STA. ON POMPANOOSUC RIVER.

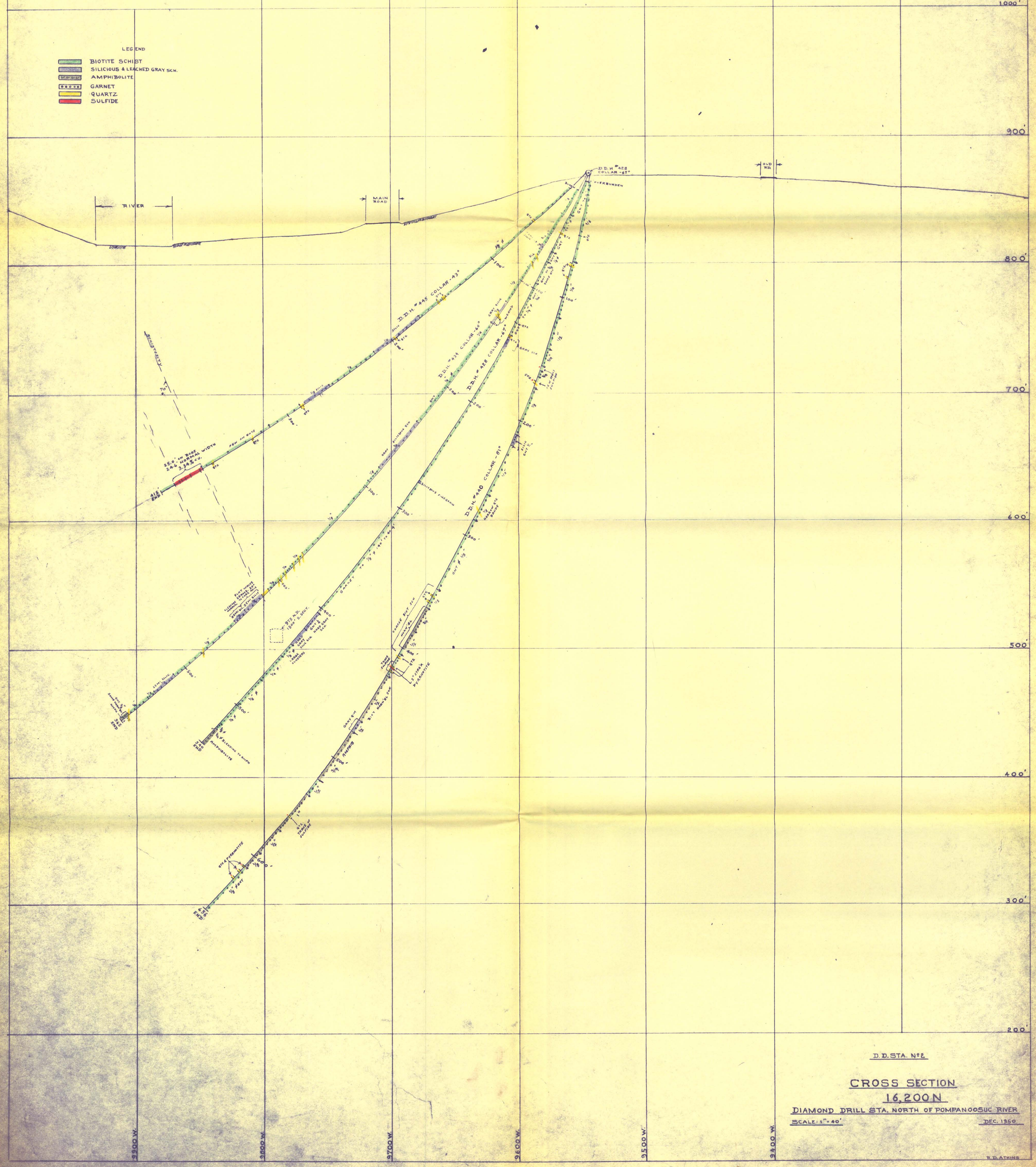
SCALE: 1" = 40'

DEC. 1950

R. D. ATKINS

LOG OF MINERALIZED ZONE D.D.H. #445

FROM	TO			WIDTH	ASSAY % CU.	
379.0	–	381.0	BIOTITE SCHIST WEAK CP. DISEM	2.0'	2.45	
381.0	–	390.0	MASSIVE SULFIDE	9.0'	4.84	
390.0	–	394.0	LOST CORE	4.0'	—	WTD AV. 25' 3.34% CU.
394.0	–	397.2	MASSIVE SULFIDE	3.2'	3.13	
397.2	–	399.8	STRINGERS OF SULFIDE & SCHIST	2.6'	0.97	
399.8	–	404.0	" " " " "	4.2'	2.20	



D.D. STA. No 2

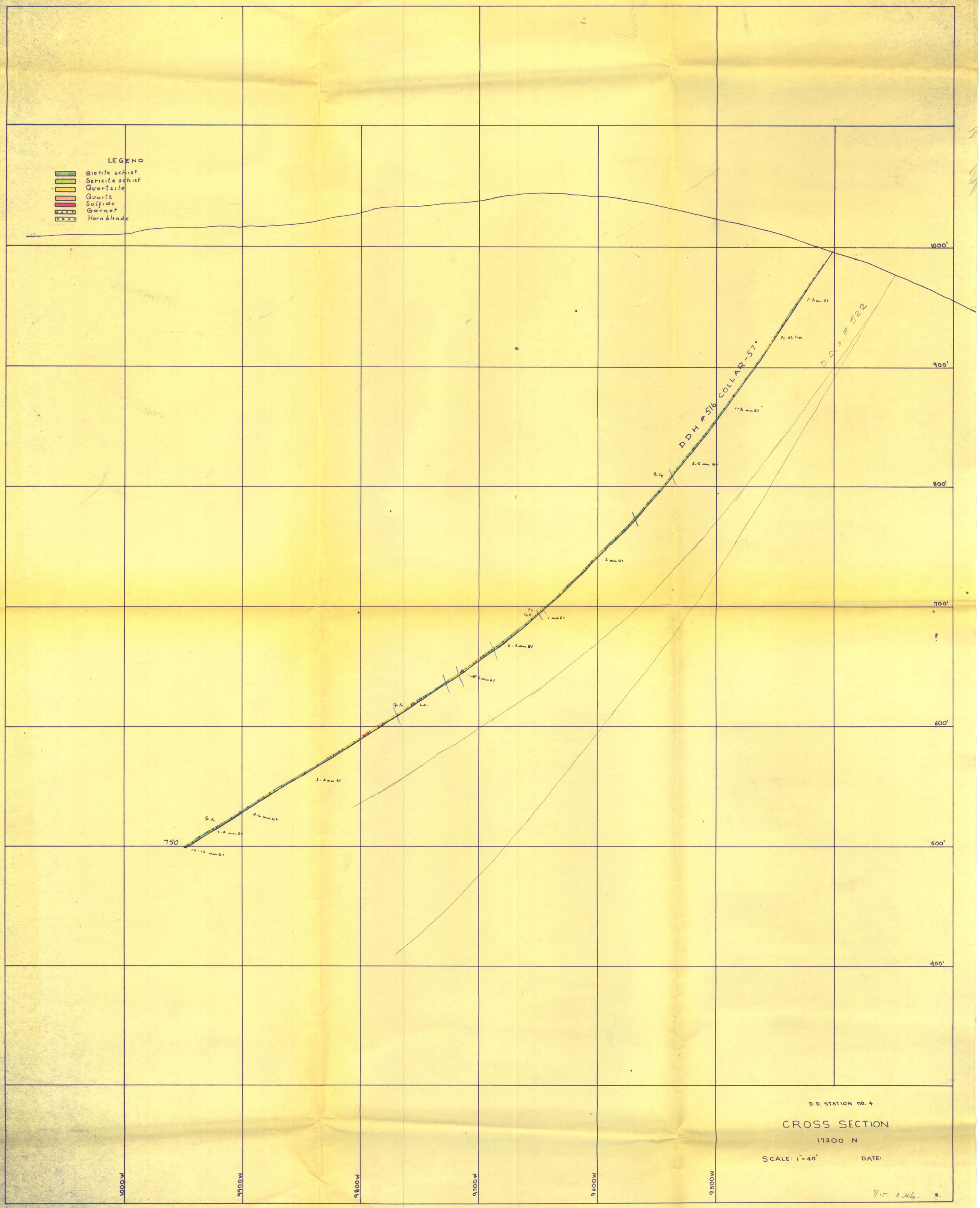
CROSS SECTION
16,200 N

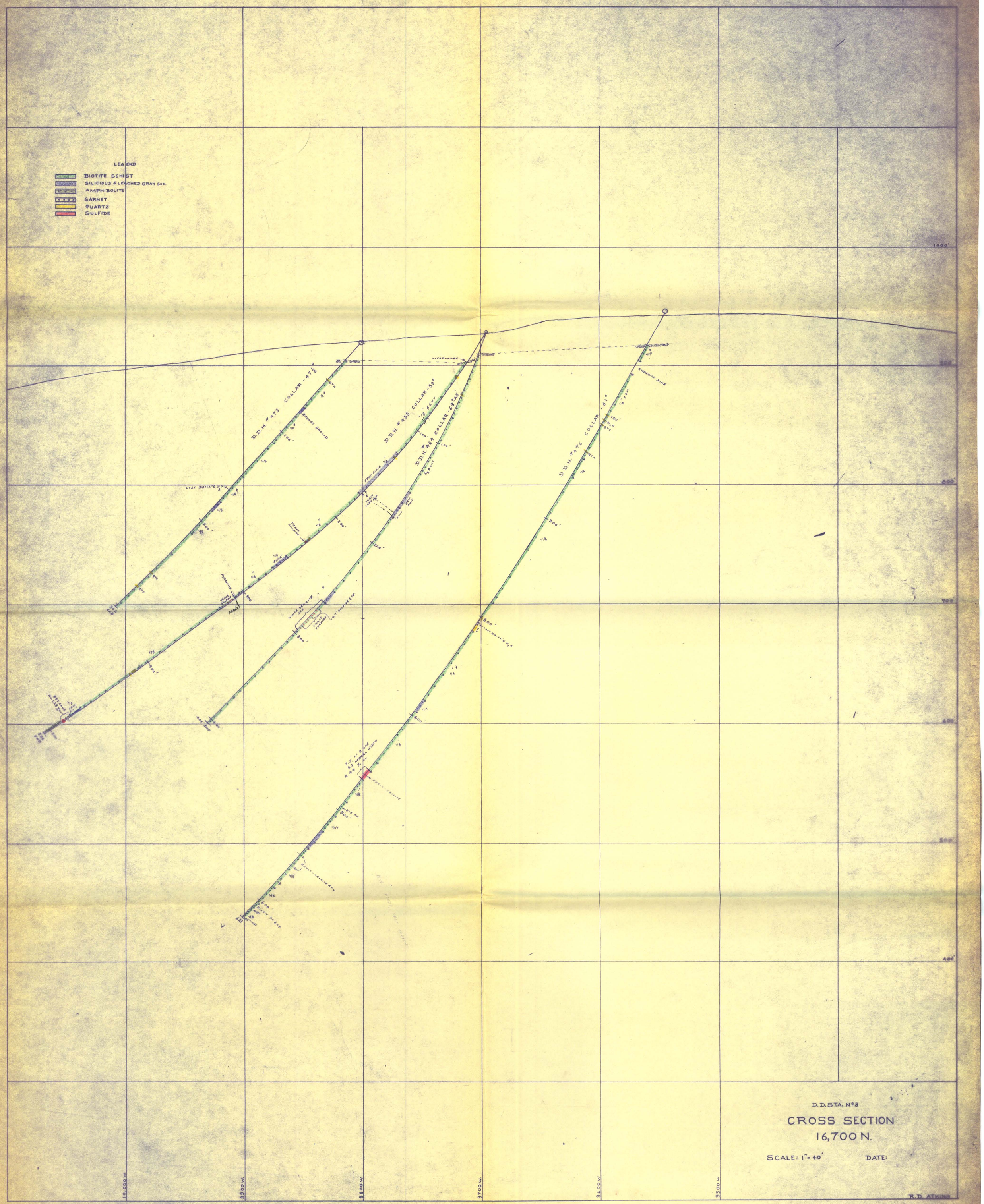
DIAMOND DRILL STA. NORTH OF POMPANOOSUC RIVER

SCALE: 1" = 40'

DEC. 1950

R.D. ATKINS


LEGEND
Biotite schist
Sericite schist
Quartzite
Quartz
Sulfide
Garnet
Hornblende
1000'
900'
800'
700'
600'
500'
400'
D.D.H #516 COLLAR -57°
D.D.H #522
1-2 mm Gt
Py. Sl. Tra
1-2 mm Gt
4-5 mm Gt
Po. Cp
2 mm Gt
Py
Cp. Po
1 mm Gt
2-3 mm Gt
Cp. Po.
L.C.
2-3 mm Gt
4-6 mm Gt
Cp. Po
7-8 mm Gt
750
10-12 mm Gt
1000W
9900W
9800W
9700W
9600W
9500W
D.D. STATION NO. 4
CROSS SECTION
17200 N
SCALE: 1"=40'
DATE:
9/15. A. Mla.



D.D. STA. No 3

CROSS SECTION

16,700 N.

SCALE: 1" = 40'

DATE:

R.D. ATKINS