Lake Almanor Inn,
Greenville, Plumas County, California.
June 20, 1926.

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Mr. J. R. Walker, President,
Walker Mining Company,
Salt Lake City, Utah.

Dear Sir:-

The following is my report on the Walker Mining Company's holdings in Plumas County, Calif. This report is supplemental to various reports in the past.

MILL - Camp - General

The mill is an excellent one and is doing very fine work. Costs of from eighty-five to ninety cents per ton on a monthly tonnage of twenty-four to twenty-six thousand tons of the class of ore found here are as low as can be expected. A greater tonnage handled will lower same slightly while a lower tonnage will show a marked increase in cost per ton.

The camp is in fine condition physically. The morale of the men in the camp is not what it should be. This is especially true as regards the underground employees. They do not feel as they should toward their Superintendent. The men, as a rule, who are working under ground impress me as not being the better class of miners.

The tailings pond is so full that next spring high water will carry much tailings down the creek with the possibility that they will clog irrigation ditches at Genessee and cause trouble there and also with the Debris and Fish and Game Commissions. The dam should be raised this summer or the tailings flumed alongside the hill and spread.

MINE -

I find the mine to be in bad shape. The removal of pillars that were scheduled to be left until such time as the mine, or that particular section of the mine, was to be abandoned; has resulted in extensive caving from the surface to the sub level above the tunnel. (These pillars to be left were classified by me as "Unavailable Ore" and "Floor Pillars to be Left" in my Ore Tabulation report for Income Tax Case of April 1st, 1924.)

This caving has filled nearly all of the mine down to the third level and probably two thirds of the area from the third to the sub level above the tunnel. This applies to the Central ore body. Naturally much water entered the mine and the hang wall of the northern portion of this ore body has sloughed badly. It is still working and there is no telling as to how extensive this sloughing near the incline shaft may eventually be. Time alone will tell as to just what effect this sloughing and caving will have on pillars that could otherwise have been

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salvaged.

The surface of the ground above the mine is caved and badly cracked. The cracks are still opening on up the hill and it is going to be very difficult, if possible, to keep the surface water from entering the mine.

The present result of this caving has been the net loss to the mill of from twelve to fifteen thousand tons of ore per month from this ore body. This is a most serious matter as the mine is in no shape to supply this lost tonnage. As to how long this production could have been maintained is problematical. The fact that a heavy loss has occurred must be accepted. As to how great this loss is or as to how great it may eventually be is not so much the problem now as is the question of future tonnage for the mill.

I find that development work for the past two years has been largely centered upon the socalled North Ore Body. This ore body at all times has been very spotty in values, very lean in general and badly faulted - the latter making it difficult and costly to mine. Extensive and costly development, stope and sorting preparation work has been done. The general grade of this ore is such that sorting of any nature other than intelligent selection in breaking is absolutely out of the question.

In my opinion the only hope of mining this at a profit if it can be mined at all at a profit, is in breaking it in large quantities in shrinkage stopes and later bulldozing it in the sub level above the tunnel. This with a minimum of supply drifts and raises for working the stopes. Lifts of at least 150 feet or more should be taken. If this is further attempted, the opening up of the stopes and the selection of ground to be broken daily should be in the hands of one man who must thoroughly understand shrinkage stoping, knows the ore, and who comprehends fully the effect of the faulting on the ore body. Even then, much trouble may be expected.

In order to even have a chance for a small profit under present market conditions, this ore must be loaded into cars at Spring Garden in the form of concentrates for not to exceed two dollars fifty cents per ton. This means a heavy duty per man and doing this with the class of labor apparently obtainable, is very doubtful. It cannot be done without radical changes in the handling of the stopes and in the preparation for same.

No one can calculate the grade of ore as it may be broken here. It is too spotty in value. The southern portion of this ore body should run - within reasonable limits - one point three to one point six percent copper. At the latter figure or even a tenth lower, with gold silver values of fifty

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cents to the ton; there is a chance for a small margin of profit if the costs can be made as stated.

I have never felt justified in doing more than recommending its development on the third and sixth levels. (Quotation from report to the Board of Directors of Walker Mining Co. Sept. 15, 1922. "The prospecting of the north ore body is also very advisable as the showing in same will largely determine the question of a new mill.") It is hardly necessary to state that I never recommended a new mill on this or any other showing.

SOUTH ORE BODIES

By south ore bodies I refer to the various fissures that have been opened up south of the granite stock which shows in the tunnel level near where it turns northward. These fissures, to me, are very promising and impress me as being the upper portions of what may make into large ore bodies with depth. The country rock shows intensive mineralization - some of sedimentaries now being thoroughly altered to quartzite - The country is hard and tight but even so, the ore is of the replacement type which has been found in the main or central ore body. (Quotation from report to Mr. Wraith - July 2, 1920: - "I am convinced that after the original formation of our quartz vein that the granite uplift accompanied by much faulting took place and following this granite uplift came the reinriching solutions. -- The original mineralization was largely quartz with small gold and ilver content. The solutions following were largely of copper content and probably owed their origin to the granite.")

I quote the above because I have always believed that the granite played an important part in the formation of our commercial ore bodies and latter developments are such as to make it practically impossible to successfully refute the statement. I further believe that the future of the mine hinges on this same granite as will be shown in the next paragraph.

The granite stock shown on the tunnel level and in the levels above is apparently raking to the northward or down under the central ore body. If this country, in depth, has been thoroughly shattered and opened; the discovery of good sized bodies of commercial ore can be logically expected. Eventually it will probably run to pyrite but much more depth than now obtained can be expected.

The central ore body on the tunnel level is in a tight but well altered country. It, however, carries a fair grade of ore. I have always been pessimistic as regards this making much further in depth but the granite to the south raking north-

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ward or under this central ore body has changed my views regarding its possibilities with further depth as I believe now that there is an excellent chance for much shattering near where the formation contacts with the granite and on down toward the granite. If this shattering is found to have taken place, the central ore body should show well with depth.

The ore to the south of the granite stock should rake to the northward or lengthen out following the granite and may eventually be found to extend to the northward even under the central ore body.

The prospecting of the central and south ore bodies below the tunnel level is strongly urged as the possibilities for favorable development are considered good. The present winze that has been started is well advised. Another winze that can be made into a three compartment shaft is considered advisable. It should be located at some point about two hundred fifty feet north of the granite stock that shows in the tunnel level. Sinking here will be in waste but very little water should be encountered. It is very advisable to keep clear of the water that shows in the north end of the central ore body as men cannot be held there and progress would be slow and very costly. I cannot urge this point too strongly. Stations should be cut at the 150 and 300 foot points and drifts run on the vein north and south, Stations from the winze should be so calculated that an easy grade to the main shaft can be made later.

RECOMMENDATIONS

Tailings dam as previously stated.

Do diamond drilling by contract - Present costs are entirely out of line. Drilling is now costing $6.00 to $7.00 per foot that should be done for $3.50 plus air or fuel.

The mill should be reduced to at least one ball mill in operation. If this is not done, there will be no feed for it other than the low grade material from the north ore body inside of a few weeks.

Crew at all points should be cut to a minimum and all efforts centered in sinking in the places indicated.

In short, the mine is eighteen months to two years behind in its development owing to too much confidence having been placed in the north ore body and it is now imperative that development for more depth start.

Respectfully submitted,
(Signed) V. A. Hart

MIN 000011836

Copy

Report of the

Walker Mining Company

For the Year Ending December 31, 1926

Walker Mining Company

PLUMAS COUNTY, CALIFORNIA

P. O. and Shipping Point
SPRING GARDEN, CALIFORNIA

Operating Office
KEARNS BUILDING, SALT LAKE CITY, UTAH

(Incorporated under the Laws of the State of Arizona)

CAPITAL STOCK

COMMON—Authorized	- - -	1,750,000 shares at $1.00 per share
Issued	- - - -	1,749,308 shares at $1.00 per share

Directors

J. R. WALKER GEO. BAGLIN J. O. ELTON J. B. WHITEHILL
B. R. HOWELL W. R. WALKER WILLIAM WRAITH

Officers

J. R. WALKER, *President*
WILLIAM WRAITH, *Vice-President*
J. O. ELTON, *Vice-President*
J. B. WHITEHILL, *Secretary-Treasurer*

President's Report

Salt Lake City, Utah, March 31, 1927.

To the Stockholders of the Walker Mining Company:

The following report of H. A. Geisendorfer, Manager of your company, covering the transactions and operations for the year ending December 31, 1926, also the Balance Sheet and Income Account certified by Pogson, Peloubet & Company, Public Accountants of New York, are herewith submitted. For the account of the Mining and Development operations, you will refer to the Manager's report.

Referring to the Income Account, there is shown for Mining and Milling costs the amount of $967,150.89. Included in this amount is an item of $62,880.96, being for development of previous years written off during the calendar year 1926. The Income Account shows an operating loss of $28,533.35 which, if above item for development is considered, would reflect an operating profit for the 1926 operation of $34,347.61.

Much work was done in prospecting for new ore bodies. The main haulage tunnel was extended over 1500 feet to the north during the year which is permanent work; also the sinking of two three-compartment winzes below the main haulage tunnel, from which winzes levels are now being run on good ore. The south winze is developing two parallel ore bodies, and this winze is 1500 feet south of the winze in the Main or Central ore body.

Through the marketing of broken ore on hand at January 1, 1926, the company reduced its indebtedness to the International Smelting Company during the year in the amount of $65,000.00, besides paying $51,474.42 interest on its notes, which now amount to $845,633.24.

The cost per pound copper and the cost per ton ores treated increased over the previous year due to the lower grade of ore delivered and also to the higher cost during the first nine months. The prospecting and development program which was initiated during the latter part of the previous year, has been continued with success in developing known, and finding new ore bodies.

During the year 1927 it is proposed to sink the winze under the Main ore body two hundred feet deeper; also to extend the main haulage tunnel eight hundred feet further to the north, and upraise to the surface which will explore the new ore body in the north end of the property, which is four thousand feet north of the Main or Central ore body.

The year 1926 was devoted principally to development, there having been 12,115 feet of mining and permanent development work done during the year.

J. R. Walker, *President.*

Manager's Report

Spring Garden, California, March 31, 1927.

MR. J. R. WALKER, President,
Walker Mining Company,
Salt Lake City, Utah.

Dear Sir: I beg to submit herewith annual report of the Walker Mining Company, covering the period of twelve months beginning January 1, 1926, and ending December 31, 1926.

MINING DEPARTMENT

The tonnage of ore mined during the year was as follows:

Ore, broken	223,840.00
Ore, produced and trammed	255,466.00

CENTRAL ORE BODY

A three-compartment winze is being sunk near the north end of this ore body from the seventh sublevel and has reached a depth of 135.5 feet. A two-compartment raise was driven to the fifth level in the south end, a distance of 175.5 feet, to produce ore from the old stopes and pillars. 105,358 tons of ore assaying 2.24% copper, or approximately 41% of the total tonnage produced came from this ore body.

NORTH ORE BODY

The main supply raise was driven 378.5 feet, completing this raise from the seventh level to 171 feet above the third level and leaving 254 feet yet to be driven. 702.5 feet of drifts and 55 feet of crosscuts were driven on the fourth level; the fifth level was advanced by 186 feet of drift. The sixth level was driven north 203 feet, and a crosscut from the face was extended 146 feet toward the west without results. On the seventh level 565.5 feet of haulage drift was driven on the vein for stoping purposes and the greater part of the stoping was done in this ore body. 117,758 tons of ore assaying 1.53% copper, or approximately 46% of the total tonnage produced, came from this area.

SOUTH ORE BODY

483 feet of main haulage drifts were driven in this part of the mine. A three-compartment winze was sunk 193 feet below the seventh level and a 28-foot raise was driven to connect it with the sublevel. At 150 feet below the seventh level, the eighth level was cut, exposing a short

shoot of ore. 385.5 feet of drifts were driven on this level and a stope started. 31,808 tons of 1.93% copper, or approximately 12.5% of the total tonnage produced, came from this ore body.

Main Haulage

The main haulage level was driven north 1513.5 feet, to explore ore located by diamond drilling. It is nearing its objective.

Diamond Drilling

Three holes were drilled from the surface, one of which at a depth of 310 feet cut 17 feet of ore assaying 4.12% copper, 5.167 ounces silver and 0.0856 ounces gold. The main haulage level advancing north was within 130 feet of the downward projection of this ore.

Development

The advances in underground openings for purposes of exploration and development were as follows:

Total drifting, large, feet	1,968.0
Small, feet	1,444.2
Crosscutting, large, feet	63.0
Small, feet	835.5
Raises, large, feet	387.5
Small, feet	472.5
Winzes	305.5
Stations	13.0
Total	5,489.2

Mining

The advances for purposes of mining were as follows:

Large drifts, feet	520.00
Raises, feet	668.50
Finger raises, feet	363.50
Stope raises, feet	507.00
Chute raises, feet	1,441.50
Small drifts, feet	1,178.00
Small crosscuts, feet	317.00
Stope drifts, feet	1,329.50
Stope crosscuts, feet	202.00
Total	6,527.00

Concentrating

The mill has operated satisfactorily during the year and 688.93 tons of ore per day were milled for 363 days.

The mill statistics for the year were as follows:

Ore delivered to the mill, dry tons	250,082.0000
Average grade of ore milled, per cent copper	1.8716
Average tails, per cent	.1474
Average recovery, per cent	92.6854
Average grade of concentrates, per cent copper	24.3392
Average grade of ore milled, ounces silver	.8110
Average grade of ore milled, ounces gold	.0498
Tonnage of concentrates produced	17,823.7400
Tonnage of concentrates reclaimed	66.2200

During the year we recovered and delivered to the smelter, in the form of ore and concentrates:

Copper, pounds	8,818,172.00
Silver, ounces	162,079.77
Gold, ounces	7,478.94

After deductions on smelting contract had been made copper paid for by smelter amounted to 8,195,521 pounds. Cost of producing this copper, after crediting gold and silver contents and including refining charges, was 14.1661 cents per pound. This cost includes development in the amount of $62,880.96 written off during 1926, but does not include depletion, depreciation, or interest.

Tramway

Concentrates handled during year, tons	18,004.458
Back freight delivered to mine	2,064.080

COSTS

The costs for the year were as follows:

Breaking ore, including development	$2.4524*
Producing ore	.6904
Mill operating	.8685
Tramway (per ton concentrates, $1.2738)	.0908
Total operating cost per ton crude ore and concentrates delivered to Spring Garden	$4.1021

*In this cost is included development cost of $.2809 per ton that was written off during the calendar year of 1926.

New Construction

	Previous	Year 1926	Total to date
Installation of Jeffrey Mine Ventilating Fan		$ 4,210.95	$ 4,210.95
Construction of Temporary Bunk House	$ 1,241.66	2,679.00	3,920.66
Additional Drill Equipment	2,214.01	4,983.48	7,197.49
	$ 3,455.67	$11,873.43	$15,329.10

Very truly yours,

WALKER MINING COMPANY,
By H. A. Geisendorfer, *Manager.*

Walker Mining Company

BALANCE SHEET—31st DECEMBER, 1926

Assets

FIXED:		
Mine, Mining Claims and Development	$1,582,167.43	
Plant and Equipment	1,068,028.34	$2,650,195.77
CURRENT:		
Supplies on hand and expenses prepaid	141,517.90	
Ores and concentrates on hand—at cost	296,147.54	
Accounts Receivable	2,189.26	
Cash	47,129.21	486,983.91
		$3,137,179.68

Liabilities

CAPITAL STOCK:		
Authorized— 1,750,000 shares of $1.00 each		
Outstanding—1,749,308 shares		$1,749,308.00
RESERVE FOR DEPRECIATION		536,627.22
NOTES PAYABLE		845,633.24
CURRENT:		
Interest and Taxes Accrued	$ 17,907.30	
Accounts and Wages Payable	107,496.39	125,403.69
SURPLUS ACCOUNT:		
Surplus 31st December, 1925	187,440.46	
Less, adjustment of Development and Depreciation charges to conform to amounts allowed for Federal Income Tax purposes	113,424.51	
	74,015.95	
Net Loss for the year ending 31st December, 1926	193,808.42	119,792.47
		$3,137,179.68

We hereby certify that this Balance Sheet shows the financial condition of Walker Mining Company at 31st December, 1926, and that the accompanying Income Account for the year ending that date is correct as stated.

POGSON, PELOUBET & CO.,
Certified Public Accountants.

New York, 2nd March, 1927.

NOTE.—In order to comply with the Government Income Tax requirements for the purpose of computing depletion, additional entries respecting the valuation of the mining property have been recorded upon the books of the company, but being made for tax purposes only the result of such entries is omitted from the current statements.

Walker Mining Company

INCOME ACCOUNT

YEAR ENDING 31ST DECEMBER, 1926

Sales of Ore and Concentrates		$1,109,090.58
Mining and Milling	$ 967,150.89	
Transportation	119,243.95	
Inventory at beginning of year	347,376.63	
	$1,433,771.47	
Less, Inventory at end of year	296,147.54	1,137,623.93
Operating Loss		$ 28,533.35
Depreciation		113,800.55
Interest		51,474.52
Net Loss for the year ending 31st December, 1926		$ 193,808.42

ARROW PRESS, 62 W. SECOND SOUTH, SALT LAKE

Terminated 1/1/28

THIS AGREEMENT made and entered into this 7th day of June, A. D., 1921, by and between WALKER MINING COMPANY, a corporation of Arizona, party of the first part, hereinafter called the "Seller", and INTERNATIONAL SMELTING COMPANY, a corporation of Montana, party of the second part, hereinafter called the "Smelting Company".

WITNESSETH: That for and in consideration of the mutual agreements of the parties herete hereinafter contained, to be kept and performed by each of said parties respectively, the Seller hereby agrees to sell and does sell and agrees to deliver to the Smelting Company, and the Smelting Company hereby agrees to purchase and does purchase from the Seller, the total output, except as hereinafter limited, of copper ores and copper concentrates, hereinafter designated as "Material" mined, produced or taken from those mines and mining claims and the dumps situated thereon or adjacent thereto, commonly known as the Walker Mine, located approximately twenty-six (26) miles north of Portola, Plumas County, California, and also the total output, except as hereinafter limited, of Material mined, produced or taken from any and all other mining properties containing copper ores, which are now or may hereafter be owned, leased, controlled or operated in any manner whatsoever by said Seller, at the prices and upon the terms and conditions hereinafter stated, for a period of five (5) years from the date hereof, except that this contract shall, at the option of the Smelting Company not expire until such time as

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the Seller is free from all indebtedness to the Smelting Company. This provision, however, shall not prevent the Smelting Company, if it so desires, from declaring this contract terminated at the end of the five year term hereinbefore provided.

The Seller covenants and agrees that during the period covered by this contract, it will not sell or make shipment of any of said Material to anyone, either individual, corporation or smelter other than to the said Smelting Company, provided, however, that in case the total output of Material produced by said Seller from any source whatsoever shall exceed an aggregate of two hundred (200) tons of such Material per day at any time during the period covered by this contract, then the Smelting Company may, if it so desires, refuse to accept any excess over such two hundred (200) tons of such Material per day and in such event the Seller shall have the privilege of selling elsewhere said excess Material over said two hundred (200) tons per day.

DELIVERY: The Seller covenants and agrees to deliver said Material to the Smelting Company in not less than full carload lots f.o.b. railroad cars at International, Tooele County, Utah, or at such other place as said Smelting Company shall designate as hereinafter provided. The Smelting Company shall pay the freight charges on all shipments of Material made by the Seller to the Smelting Company and the Smelting Company shall deduct all sums of money so paid for freight from any and all payments otherwise due to the Seller.

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ROUTING AND DIVERSION OF MATERIAL: The Smelting Company reserves the privilege, and the Seller grants to the Smelting Company the privilege of routing as well as diverting the Material to any of the Smelting Company's various plants, or to the plant or plants of any other person or corporation. In the event that the Smelting Company shall exercise this privilege at any time, it is covenanted and agreed that greater freight charges or smelter costs shall not be charged to the Seller than would have been charged if the Material had been received and smelted at the Smelting Company's plant at International, Utah.

CLASSIFICATION: The Seller hereby covenants and agrees that all Material shipped by it under this agreement to the Smelting Company shall be copper material, and further covenants and agrees to designate in the bill of lading for each car of Material consiged to said Smelting Company that the ores and concentrates contained therein are copper material, which designation contained in said bill of lading shall be final and shall govern the prices to be paid for and the deductions to be made upon said material.

DEDUCTION OF CHARGES: It is covenanted and agreed by and between the partis hereto that said Smelting Company shall have the right to deduct the freight and treatment or smelting charges and any other charges or penalties which are hereinafter agreed upon from any sums of money which may be due upon any shipments of Material made by the said Seller to the said Smelting Company.

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CONSTRUCTION: A ton as used in this agreement is understood and agreed to be a dry ton of two thousand (2000) pounds avoirdupois; a unit as used in this agreement is understood and agreed to be one-hundredth (1/100) part of a dry ton or twenty (20) pounds avoirdupois.

SETTLEMENT: Settlements are to be made at the office of the Smelting Company at Salt Lake City, Utah, and the Seller hereby agrees that the Smelting Company shall have the privilege, if it so desires, of making separate settlement for each individual carload of Material delivered by the Seller to the Smelting Companyduring the term of this agreement, Anything to the contrary herein contained notwithstanding, it is hereby understood, covenanted and agreed by and between the parties hereto that no payment shall be made for any metals that may be contained in said Material payment for which is not specifically hereinafter provided for.

GUARANTEE: The Seller hereby guarantees to the Smelting Company that each and every carload of Material which it ships to the Smelting Company shall have a gross value equal to at least the freight charges thereon plus the smelting or treatment charges and penalties thereon; and the term "gross value", as here used is understood and agreed to mean the total value as fixed by this contract of the contained metals paid for under this contract without any deductions for freight, treatment charges or penalties. In the event that any carload of Material shipped by the Seller shall have a less gross value than the freight charges plus the treatment charges and penalties thereon, then the Seller covenants and agrees

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to pay to the Smelting Company the amount of the difference between the gross value of the Material so shipped and the total freight charges plus the total treatment charges and penalties.

NOTIFICATION: The Seller hereby agrees to notify the Smelting Company of each and every shipment of Material which it may make to said Smelting Company as soon as each and every shipment has been received by any common carrier for transportation to said Smelting Company.

MIXING: Said Seller covenants and agrees that during the term of this contract it will not mix in the same lot either any crude ore with any concentrates or any concentrates produced by one concentrating process with any concentrates produced by any other concentrating process without first securing the written consent thereto of the said Smelting Company.

PAYMENT: The Smelting Company covenants and agrees to pay to the Seller for said Material, and the Seller agrees to receive in full payment therefor, and said Material is sold and purchased and agreed to be delivered, and full payment is to be made for metals contained therein as provided for hereinafter, in cash, at the following prices and upon the following terms per dry ton:

GOLD: The Smelting Company covenants and agrees to pay the Seller for all the gold contained in said Material when the gold content of said Material assays two one-hundredths (.02) of an ounce or more per ton, at the rate of Nineteen & 00/100 ($19.00) Dollars per ounce. No payment shall be made for the gold content of said Material when said Material assays less than two one-

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hundredths (.02) of an ounce per ton. The gold content of said Material shall be determined by fire assay.

SILVER: The Smelting Company agrees to pay said Seller for one hundred (100) per cent of the silver contained in said Material as determined by fire assay, if said Material shall contain one (1) ounce or more of silver per ton, at the quoted price for bar silver published in the Engineering and Mining Journal of New York City upon the date of sampling said ores. In the event that such Material should be sampled upon a legal holiday or upon a day when no silver quotation is published by said Engineering and Mining Journal of New York City as aforesaid, the price of silver as published for the next following day in said Engineering and Mining Journal of New York City shall be taken as the basis of settlement. It is hereby expressly stipulated and agreed, however, that during such time as the United States Government may, during the life of this contract, be engaged in purchasing such silver as may be offered to it for sale and the price paid by the United States Government for silver is equal to or greater than the price for silver quoted as aforesaid in said Engineering and Mining Journal of New York City, then, and during the period when the United States Government may be so purchasing silver and for such silver contents of Material received from Seller as the Smelting Company is able to sell to the United States Government, the price to be paid by the Smelting Company to the Seller for the silver content of said Material shall be the price at which said silver content can then be sold to the United States Government

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by the Smelting Company adjusted to the equivalent price for silver nine hundred ninety-nine one-thousandths (.999) fine and to the cost of delivery from refinery to mint.

COPPER: The Smelting Company agrees to pay said Seller for all of the copper content of said Material as determined by wet assay except ten (10) pounds thereof per ton of Material at a price per pound determined by deducting two and nine-tenths (2.9) cents from the average of the daily quotations per pound for electrolytic copper at New York for the week commencing on Thursday and ending on the following Wednesday next preceding the date of sampling as published by the Engineering and Mining Journal of New York City. Said ten (10) pounds per ton of the copper contents of said Material is to be retained by the Smelting Company as part of its treatment charge as hereinafter provided.

INSOLUBLE MATTER: The Smelting Company shall charge and the Seller agrees to pay a penalty or charge ar the rate of five (5) cents per unit for each unit of insoluble matter contained in said Material.

MOISTURE: The Seller covenants and agrees that all concentrates which may be sold to the Smelting Company under this agreement shall be filtered before the same are offered to the Smelting Company for treatment. It is further agreed that should the moisture in any lot of concentrates exceed fifteen (15) per cent per ton, then the SmeltingCompany shall charge the Seller and the Seller covenants and agrees to pay a penalty of fifty (50) cents per unit for each unit of water which the said con-

centrates may contain in excess of fifteen (15) per cent. This provision, however, shall not apply to any straight crude ore which may be shipped to the Smelting Company under this agreement.

TREATMENT CHARGE: The Smelting Company shall charge and the Seller agrees to pay a treatment charge for each ton of said Material delivered hereunder as follows:

(1) A basic charge of Three ($3.00) Dollars per ton in addition to any and all penalties and charges elsewhere provided for in this contract.

(2) A sum equal to five (5) per cent of the value of the silver content of each ton of said Material, if said Material shall contain one (1) ounce or more of silver per ton, said silver content to be determined by fire assay and said value except as hereinafter specified to be determined by the quoted price for bar silver published in the Engineering and Mining Journal of New York City upon the date of sampling said Material. In the event, however, that such Material should be sampled upon a legal holiday or upon a day when no silver quotation is published by said Engineering and Mining Journal of New York City, as aforesaid, the price of silver as published for the next following day in said Engineering and Mining Journal of New York City shall be taken as the basis of settlement. It is hereby expressly stipulated and agreed, however, that in all cases where the price paid by the Smelting Company to the Seller for the silver content of said Material is that paid therefor by the United States Government to the Smelting Company as in the paragraph headed "Silver" hereinbefore set forth, then the value of the silver content of said Material and the amount to

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be paid by the Seller to the Smelting Company under the terms of this paragraph numbered (2) hereof shall be determined from said price paid to the Smelting Company by the United States Government for such silver content as in the paragraph headed "Silver" hereinbefore set forth in the same manner as if said price were the price quoted as aforesaid in said Engineering and Mining Journal of New York City. The Seller agrees promptly to execute and deliver all affidavits required by any Act of Congress of the United States or which may be necessary to enable the Smelting Company to effect any sale or sales of said silver to the United States Government and to secure the full price authorized to be paid by the United States Government for silver.

(3) A sum equal to four and one-half (4½) cents per ounce for each ounce of silver contained in ninety-five (95) per cent of the silver content of each ton of said Material as determined by fire assay.

(4) A sum equal to five (5) per cent of the value of the copper content of each ton of said Material, said copper content to be determined by wet assay and said value to be arrived at by deducting two and nine-tenths (2.9) cents from the average of the daily quotations per pound for electrolytic copper at New York for the week commencing on Thursday and ending on the following Wednesday next preceding the date of sampling as published by the Engineering and Mining Journal of New York City.

(5) Said Smelting Company shall retain ten (10) pounds of copper per ton of Material and shall not pay for such ten (10) pounds of copper.

(6) The treatment charge provided under paragraphs (2), (3), (4) and five (5) respectively of this subdivision of this contract,

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which subdivision is headed "Treatment Charge" shall be paid for each ton of said Material delivered and smelted under the terms hereof in addition to the treatment charge to be paid under the provisions of paragraph (1) of this subdivision headed "Treatment Charge" as aforesaid and in addition to the penalties and charges in other subdivisions of this contract provided for.

SAMPLING: All Material delivered under this contract at International, Utah, shall be sampled by the Smelting Company at its plant at International, Utah, without cost to the Seller, and the Seller shall have the right to have a representative present at the time said Material is sampled. If any of said Material is diverted, as hereinbefore provided for, to any other smelter than that of the Smelting Company at International, Utah, the parties hereto, shall before such diversion is made, agree as to where said Material is to be sampled. Each pulp sample taken at the time of sampling said Material shall be divided into three parts, one of which shall be assayed by the Smelting Company, one of which shall be assayed by the Seller, and one of which shall be sealed jointly by the Seller and the Smelting Company and retained by the Smelting Company to be used as a control sample in case of dispute between the parties hereto.

ASSAYING: Assays of pulps of each and every lot of said Material shall be made by the Seller and the Smelting Company, each at its own expense, and the Seller and the Smelting Company shall exchange certificates of assay showing all assay and analytical results obtained on each and every pulp. If the assays

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made by the Seller and by the Smelting Company check within the limits of variation hereinafter set forth, it is understood and agreed that the average of the two assays shall govern in settlement. If said assays do not check within said limits the sealed umpire sample shall be submitted to an umpire agreeable to the Smelting Company and to the Seller, and the decision of such umpire shall be final if the result obtained by him shall fall between the results of the Seller and of the Smelting Company. But if the umpire shall report a result above the higher assay or below the lower assay, then the assay result of the party nearest the umpire's result shall govern in settlement. The cost of said umpire determination shall be paid by the party whose result is the farther from the result obtained by the umpire. Either the Smelting Company or the Seller shall have the right to require the umpire to repeat his assay. Assays results shall be exchanged between the Seller and the Smelting Company within a reasonable time after the date of receipt of each shipment of Material.

LIMITS OF VARIATION IN ASSAYS

GOLD: Assays must agree within two one-hundredths (2/100) of an ounce.

SILVER: Assays must agree within one-half (1/2) of an ounce.

COPPER: Assays must agree within twenty-five one-hundredths (25/100) of one (1) per cent.

INSOLUBLE: Assays must agree within one (1) per cent.

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SACKS: The Smelting Company does not agree to return any sacks in which said Material may be shipped by said Seller. Said Smelting Company will use its best efforts to save said sacks and return them to said Seller but said Seller shall pay all of the cost thereof. In case any such sacks are lost or destroyed said Smelting Company is not to pay therefor or to replace same.

DEMURRAGE CHARGES: All demurrage charges on cars containing the Material covered by this contract accruing at point of origin, en route or at point of destination, shall be paid by the Seller unless such demurrage charges accrue through the negligence of the Smelting Company. It is expressly agreed that all demurrage charges accruing by reason of the inability of the Smelting Company to unload cars when such inability arises from causes beyond the reasonable control of the Smelting Company shall be paid by the Seller.

PRECEDENT NOT ESTABLISHED: No assent, express or implied, of the Smelting Company to any breach of any of the Seller's covenants or agreements shall bedeemed to be a waiver of any succeeding breach of the same covenant or agreement; and no election at any time on the part of the Smelting Company not to exercise any option given to said Smelting Company hereunder and no failure at any time on the part of the Smelting Company to take advantage of any right given to said Smelting Company hereunder to limit shipments of Material or to make any other choice which said Smelting Company has the right to make hereunder shall be deemed thereafter to be a waiver of the Smelting

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Company's right to elect to exercise such option, to take advantage of any right to limit shipments of Material or to make any other choice which said Smelting Company has the right to make hereunder.

TAXES AND GOVERNMENTAL REGULATION OF METAL PRICES: In case either the United States or the State Government during the term of this contract imposes any tax or taxes upon the business of ore smelting and refining or regulates or fixes the price of any of the metals referred to in this contract, then it is agreed between the parties hereto that the terms, prices and conditions of this contract shall forthwith be revised, altered and changed so that the Seller proportionately with other Sellers with whom the Smelting Company shall have contracts at the time, shall bear all of the burden of any such tax or taxes and of any such regulation of metal prices and so that the Smelting Company shall not pay or bear any part thereof.

INCREASE OR DECREASE IN BASIC TREATMENT CHARGE ON ACCOUNT OF CHANGE IN LABOR WAGE SCALE: This contract is based upon a rate of wages paid by the Smelting Company for common laber of THREE & 00/100 ($3.00) Dollars per shift of eight (8) hours. If at any time during the term of this contract the Smelting Company shall increase or decrease its rate of wages for common labor there shall be a corresponding increase or decrease in the basic treatment charge at the rate of twenty (20) cents per ton for each twenty-five (25) cents increase or decrease in said rate of wages for common labor.

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INCREASE OR DECREASE IN BASIC TREATMENT CHARGE ON ACCOUNT OF CHANGE IN COST OF FURNACE COAL: This contract is based upon a cost of furnace coal of FIVE & 00/100 ($5.00) Dollars per ton f.o.b. International, Utah. If at any time during the term of this contract the cost of said furnace coal to the Smelting Company shall be increased or decreased there shall be a corresponding increase or decrease in the treatment charge at the rate of twenty-five (25) cents per ton for each ONE ($1.00) Dollar per ton increase or decrease in said cost of furnace coal at International, Utah.

MAXIMUM PRICE: Any provision in this contract contained to the contrary notwithstanding the Smelting Company shall at no time during the term of this contract be required to pay to the Seller any higher price for any metal than the maximum price fixed by the United States Government to be paid to said Smelting Company for such metal for said Government's own uses.

Bullion Freight Aug 11-1921 $16.50 + 3% War-Tax

FREIGHT RATES: This contract is based upon the freight rates which are in force on the date of execution of this contract on bullion from International, Utah, to eastern refineries, and also on all supplies from the various points in the United States to International, Utah. If at any time during the term of this contract these freight rates should be increased or decreased it is agreed that a corresponding change shall be made in the terms of this contract.

$22 + 3% War-Tax

FIRES, STRIKES, ETC. In case either party hereto shall

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be prevented from carrying out any of the provisions of this contract by reason of strikes of any kind affecting its operations; floods; unavoidable accidents; acts of God or the public enemy; shortage of cars or motive power or any other traffic interruption; shortage of fuel; wars or insurrections; financial crises; scarcity of laborers and workmen or inability to agree with such laborers and workmen respecting the hours or conditions of labor or the compensation therefor; shut-downs; Governmental demands, regulations or requirements; restraint by injunction or other legal process fom which such party cannot reasonably relieve itself by giving security or other procedure; or by reason of any other cause whatsoever, which being beyond the reasonable control of the contracting parties or either of them, shall disable said Seller from shipping and delivering the Material herein contracted for or render it a serious hardship upon said Seller so to do, or shall disable the Smelting Company from receiving or smelting or paying for said Material or shall render it a serious hardship upon the Smelting Company so to do neither party hereto shall be liable to the other for damages on account of such failure to ship and deliver or to receive or smelt or pay for such Material as the case may be. But it is covenantedand agreed that shipments and deliveries, and receipts, smelting and payments hereunder shall be resumed as soon as the disabling cause or causes shall have been removed, and the period or periods of time during which the shipment or delivery, or the receipt, smelting or payment for said Material is necessarily suspended by reason of any of the fore-

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going causes shall be excluded in computing the period of duration of this contract, and the period of duration of this contract shall be extended for a period of time equal to that during which such disability shall exist.

ARBITRATION: All differences, claims, demands, actions and causes of action that have arisen or that may hereafter arise between the parties hereto out of any matter whatsoever in any manner whatsoever connected with or growing out of this contract shall be and the same are hereby referred to a Board of Arbitration consisting of three members, one of whom shall be chosen by each of the parties hereto and the third member of which Board of Arbitration shall be chosen by the two arbitrators selected by the respective parties hereto. And the parties hereto mutually covenant and agree to and with each other that any and all awards made by the said arbitrators or by any two of them shall be final and shall in all respects be well and faithfully kept and observed by each of the parties hereto. A Board of Arbitration shall be selected by the parties hereto as hereinbefore provided each time that a difference arises between the parties hereto which they are unable to settle between themselves. The costs and expenses of each arbitration of differences between the parties hereto shall be borne by the party against whom the Board of Arbitration shall decide. In case the two arbitrators chosen by the respective parties hereto shall be unable for a period of ten (10) days to agree upon a third arbitrator either of the parties hereto shall have the right to apply to any court of competent jurisdiction to have a third arbitrator appointed.

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TIME LIMIT: Except as hereinafter in this paragraph hereof provided, this contract shall under no circumstance or condition be in force and effect after January 1, 1928. If, however, on January 1, 1928, or at any prior time when under its terms this contract would otherwise expire the Seller is indebted to said Smelting Company for any sum of money whatsoever, this contract and each and all of the terms and conditions thereof shall at the option of said Smelting Company continue in full force and effect until such a time as such indebtedness, including interest thereon, shall have been fully and completely paid.

RELEASE: If conditions should arise during the life of this contract beyond the reasonable control of the Smelting Company whereby the Smelting Company would be obliged to sustain a financial loss in order to carry out the provisions of this contract, then said Smelting Company shall be released from this contract and shall not be liable in damages to said Seller for a failure to receive Material hereunder, and this contract shall forthwith be terminated and shall be of no further force or effect. The Smelting Company shall be the sole judge as to whether it will sustain such financial loss if it continues to receive Material under this contract and shall have the right in reaching its decision on this point to consider this contract by itself or in connection with any or all of its other smelting contracts. The Smelting Company shall serve written notice upon the Seller either by personal delivery thereof or by mailing such notice, postage prepaid, to said Seller's offices in Salt Lake City, Utah, of said Smelting Company's intention to terminate this contract and said Smelting Company shall set forth in said notice or in

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a written statement accompanying said notice the facts upon which said Smelting Company bases its conclusion that financial loss to said Smelting Company would result from the carrying out by said Smelting Company of the provisions of this contract.

SUCCESSION: This contract shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto and all of its provisions as to the sale of Material shall, as to the Seller, be deemed and considered as a covenant existing and running with the property from which the said Material is mined; and if the said Seller shall sell, lease or otherwise dispose of any or all of the mining property producing the said Material covered by this contract, the Seller will cause its successors and assigns in interest in such mining property to carry out all of the terms and conditions with respect to the sale of said Material hereinbefore set forth.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their proper officers thereunto duly authorized and their corporate seals to be hereunto affixed, all in duplicate, the day and year first above written.

WALKER MINING COMPANY,

(SEAL)

By J. E. Walker,
Its President.

ATTEST:

J. Whitehill

INTERNATIONAL SMELTING COMPANY,

By _____
Its

ATTEST:

_____

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884-a

Agreement.
Walker Mining Co.
with
International Smelting Co.

June 7 - 1921.

Smelting

MIN 000001482

Report of the

Walker Mining Company

For the Year Ending December 31, 1927

BEST POSSIBLE COPY

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Walker Mining Company

PLUMAS COUNTY, CALIFORNIA

P. O. AND SHIPPING POINT
SPRING GARDEN, CALIFORNIA

OPERATING OFFICE
KEARNS BUILDING, SALT LAKE CITY, UTAH

(Incorporated under the Laws of the State of Arizona)

CAPITAL STOCK

COMMON—Authorized	- - -	1,750,000 shares at $1.00 per share
Issued	- - - -	1,749,308 shares at $1.00 per share

Directors

J. R. WALKER GEO. BAGLIN J. O. ELTON J. B. WHITEHILL
B. R. HOWELL WM. STORY, JR. ROBERT E. DWYER

Officers

J. R. WALKER, *President*
ROBERT E. DWYER, *Vice-President*
J. O. ELTON, *Vice-President*
J. B. WHITEHILL, *Secretary-Treasurer*

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President's Report

Salt Lake City, Utah, March 31, 1928.

To the Stockholders of the Walker Mining Company:

The following report covering the transactions and operations of your company for the year ending December 31, 1927, is submitted.

Referring to the income account, there is shown for mining and milling costs the amount of $1,072,922.09. Included in this amount is an item of $66,760.35, being ore development of previous years written off during the calendar year 1927. The income account shows an operating loss of $33,258.22; which, if above item for development is excluded, would reflect an operating profit for the 1927 operation of $33,502.14.

Through the marketing of broken ore on hand of January 1, 1927, the company reduced its indebtedness to the International Smelting Company during the year in the amount of $10,000.00, besides paying $50,363.20 interest on its notes, which now amount to $835,633.24. For the account of the mining and development operations, please refer to the Manager's report. 347,566 tons of ore were milled to produce 19,293.8842 tons of concentrates, containing:

Copper, pounds	9,363,351
Silver, ounces	190,474.03
Gold, ounces	12,410.828

The development program started in 1926 was continued with encouraging results, 7158.3 feet of drifts, raises, crosscuts and winzes being done, exclusive of work done in mining which amounted to 6774.5 feet, making a total of 13,932.8 feet. This development work has indicated several years of ore, which besides having proven that the central and south ore bodies continue to show strength with depth, has also proven the extension north on the 700 level of the main ore zone into ground 1500 feet north of the most northerly workings existing at the end of 1927, where the showing is encouraging. Only future development in this area can prove the real value of the ore shoot discovery. Plans for 1928 call for a continuation of the underground development program, which is to be supplemented by Diamond Drilling campaign to search for parallel ore bodies.

The management has succeeded in making a very favorable Diamond Drilling contract, which insures that this work will be done at a minimum expense.

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Only a relatively small amount of money, $16,327.29 was expended for construction and equipment. All the underground and surface equipment is of the best and was maintained in a high state of efficiency, as is proven by the operating costs.

These costs, calculated on the basis of crude ore for breaking, producing, milling, and delivery of the resulting concentrates to the railway, were $2.7523 per ton (1925 cost was $3.5633, 1926 was $3.8212). This is remarkable when it is understood that included in this is the cost of development. This reduction in operating costs is of the utmost importance because it has made it possible to include in the ore reserves low grade material that could not previously be worked at a profit.

J. R. WALKER, *President.*

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Manager's Report

Spring Garden, California, March 31, 1928.

Mr. J. R. Walker, President,
Walker Mining Company,
Salt Lake City, Utah.

Dear Sir: I beg to submit annual report of the Walker Mining Company, covering the period of twelve months beginning January 1, 1927, and ending December 31, 1927.

MINING DEPARTMENT

The tonnage of ore mined during the year was as follows:

Ore broken	385,819 tons
Ore produced and trammed	347,566 tons

Central Ore Body

A three-compartment winze was sunk 262 feet to a total depth of 414.5 feet on the incline below the sublevel which is about 30 feet above the main haulage level. A station was cut on the eighth level and 510.5 feet of drifts and crosscuts were driven on this level. A station was cut on the ninth level and 253.5 feet of drifts and crosscuts were driven on this level.

The total footage of drifts, crosscuts, raises, and winzes in this ore body amounted to 2,696.0 feet. 34,273 tons of ore assaying 2.37% copper or approximately 9.9% of the total tonnage produced came from this ore body.

North Ore Body

On the fourth level 963.3 feet of drifts, crosscuts, and raises were driven, materially increasing the ore reserves in this area. On the seventh level 284.5 feet of main haulage level were driven for the purpose of stoping. A total of 5,446.3 feet of drifts, crosscuts, and raises were driven in this ore body, mostly for stope purposes. The greater part of the stoping for the year was done in this ore body. 259,944 tons of ore averaging 1.37% copper, or approximately 74.8% of the total tonnage produced, came from this area.

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South Ore Body

A three-compartment winze was sunk 302.0 feet to a total depth of 495.0 feet on the incline below the seventh level, and a station was cut on the ninth level. A station was also cut on the seventh level for a double drum hoist which is on hand, and a suitable electric substation was cut adjacent to the hoist station.

316.5 feet of main haulage drifts were driven in this ore body. 809.5 feet of drifts, crosscuts, and raises were driven on the 8th level for stope purposes and for blocking new ore.

A total of 2,852.5 feet of drifts, crosscuts, raises, and winzes were driven in this ore body. 36,761 tons of ore averaging 1.73% copper, or approximately 10.6% of total tonnage produced, came from this ore body.

Main Haulage

The main haulage level was driven north 1,478.0 feet for the development of the Piute Ore Body, and 222.5 feet of large crosscuts were also driven. Of this drift footage 235.0 feet were driven in the 712 ore body and 140 feet of large crosscuts were also driven in this ore body. Besides this 1,208.5 feet of small drifts, crosscuts, and raises, including 91.0 feet of main two-compartment development raise were driven in developing 705 stope, and 770 stope in the 712 ore body, and 29 feet of raises in the Piute Ore Body.

14,413 tons of ore averaging .95% copper or approximately 4.1% of total tonnage produced was produced from this ore body.

Development

The advances in underground openings for purposes of exploration and development were as follows:

Large size drifts	1,957.0 feet
Large size crosscuts	361.5 feet
Large size chute raises	89.5 feet
Small size drifts	2,059.3 feet
Small size crosscuts	1,494.5 feet
Small size stope drifts	174.0 feet
Small size stope crosscuts	33.0 feet
Small size chute raises	67.0 feet
Small size finger raises	77.5 feet
Small size manway raises	45.0 feet
Three-compartment winzes	564.0 feet
Two-compartment raises	236.0 feet
Total	7,158.3 feet

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Mining

The advances for purposes of mining were as follows:

Large size drifts	284.5 feet
Small size drifts	150.5 feet
Small size crosscuts	246.5 feet
Small size stope drifts	1,918.5 feet
Small size crosscuts	49.0 feet
Two-compartment raises	436.5 feet
Large size chute raises	410.5 feet
Small size chute raises	187.5 feet
Small size stope raises	445.0 feet
Small size finger raises	989.0 feet
Small size manway raises	162.0 feet
Small drifts under 480 stope	832.0 feet
Small crosscuts under 480 stope	394.5 feet
Small raises under 480 stope	91.0 feet
Small winzes under 480 stope	8.0 feet
Small drifts under 680 stope	92.0 feet
Small crosscuts under 680 stope	77.5 feet
Total	6,774.5 feet
Grand Total	13,932.8 feet

Breakage and Grade

There were 385,819 wet tons broken with an average grade of 1.5878% Cu, according to ore bodies, as follows:

	Wet Tons	*% Copper*
Central Ore Body	21,157	2.24
North Ore Body	303,450	1.51
South Ore Body	39,833	2.08
Main Haulage	21,379	1.13

Concentration Department

The mill has operated satisfactorily during the year and 942.26 tons of ore per day were milled for 361 days.

The mill statistics for the year were as follows:

Ore delivered to mill, dry tons	340,156.0000
Average grade of ore milled, per cent copper	1.4903
Average tails, per cent copper	.1154
Average recovery, percentage	92.6960
Average grade of concentrates, per cent copper	24.3880
Average grade of ore milled, ounces silver	0.6300
Average grade of ore milled, ounces gold	0.0550
Tonnage of concentrates produced	19,268.4138

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During the year there was recovered and delivered to the smelter in form of concentrates:

Copper, pounds	9,363,351.000
Silver, ounces	190,474.030
Gold, ounces	12,410.828

NOTE.—Of the above 2719 pounds copper and .418 ounces gold were recovered from precipitating from mine water on iron scrap, and 368 pounds copper, 499.38 ounces silver and 663.372 ounces gold from lime scale recovered from flotation cells.

After deductions on smelting contract had been made, copper paid for by the smelter amounted to 8,701,138 pounds. Cost of producing this copper, after crediting gold and silver contents and including refining charges, was 13.2791 cents per pound. This cost includes development in the amount of $66,760.35 written off during 1927, but does not include depletion, depreciation, or interest.

TRAMWAY

Concentrates handled during the year, dry tons	19,293.8842
Precipitates trammed, dry tons	15.2090
Back freight delivered to the mine, tons	2,294.9295

COSTS

The costs for the year were as follows:

Breaking ore including development	$1.6353*
Producing ore	.4818
Mill operating	.7339
Tramway (per ton concentrates $1.3117)	.0743
Total operating cost per ton crude ore and concentrates delivered to Spring Garden	$2.9253

*In this cost is included development cost of $0.1730 per ton that was written off during the calendar year of 1927.

A material reduction in freight rate on concentrates was also obtained, effective January 1, 1928.

CONSTRUCTION AND EQUIPMENT

Mine Equipment	$11,634.41
Mill Camp Buildings	2,400.34
Livestock and Stable Equipment	1,900.00
Mill and Shop Equipment	392.54
	$16,327.29

Very truly yours,

WALKER MINING COMPANY,

By H. A. GEISENDORFER, *Manager.*

MIN 000001670

Walker Mining Company

BALANCE SHEET — 31st DECEMBER, 1927

Assets

FIXED:		
Mine, Mining Claims and Development	$1,511,383.54	
Plant and Equipment	1,084,355.63	$2,595,739.17
CURRENT:		
Supplies on Hand and Expenses Prepaid	135,935.95	
Ore and Concentrates on Hand—at Cost	263,369.85	
Accounts Receivable	601.73	
Cash	60,040.59	459,948.12
		$3,055,687.29

Liabilities

CAPITAL STOCK:		
Authorized — 1,750,000 shares of $1.00 each		
Outstanding—1,749,308 shares		$1,749,308.00
RESERVE FOR DEPRECIATION		608,455.11
NOTES PAYABLE		835,633.24
CURRENT:		
Interest and Taxes Accrued	$ 1,042.50	
Accounts and Wages Payable	136,490.21	137,532.71
SURPLUS ACCOUNT:		
Deficit 31st December, 1926	119,792.47	
Net Loss for the year ending 31st December, 1927	155,449.30	275,241.77
		$3,055,687.29

We hereby certify that this Balance Sheet shows the financial condition of Walker Mining Company at 31st December, 1927, and that the accompanying Income Account for the year ending that date is correct as stated.

Pogson, Peloubet & Co.,
Certified Public Accountants.

New York, 25th February, 1928.

Note.—In order to comply with the Government Income Tax requirements for the purpose of computing depletion additional entries respecting the valuation of the mining property have been recorded upon the books of the Company; but being made for tax purposes only the result of such entries is omitted from the current statements.

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Walker Mining Company

INCOME ACCOUNT

YEAR ENDING 31ST DECEMBER, 1927

Sales of Ore and Concentrates		$1,196,683.67
Mining and Milling	$1,072,922.09	
Transportation	124,242.10	
Inventory at beginning of year	296,147.54	
	$1,493,311.73	
Less, Inventory at end of year	263,369.85	1,229,941.88
Operating Loss		$ 33,258.21
Depreciation		71,827.89
Interest		50,363.20
Net Loss for the year ending 31st December, 1927		$ 155,449.30

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F. 192-8-15-27-500

International Smelting Company

J. O. ELTON,
MANAGER

ACKNOWLEDGED

SALT LAKE CITY, UTAH. April 12, 1928

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

Dear Mr. Thayer:

WALKER ORE CONTRACT

I am inclosing three copies of the contract for copper ores and copper concentrates between the Walker Mining Company and the International Smelting Company for a period of six years, beginning with January 1, 1928.

This contract is in effect an extension of the present contract which expired on January 1, 1928, except that it was continued because of the indebtedness clause.

For some little time Mr. Walker, President of the Walker Mining Company, has been endeavoring to get the minority directors to petition for a five-year's extension of the Walker Mining Company's notes held by the International Smelting Company. These notes will expire on January 1, 1929. While all the directors wanted the notes extended, Messrs Baglin and Storey, two of the minority directors objected to a renewal of the contract, saying that they considered the contract was not fair. After considerable investigation carried on independently by George Baglin, he found that it was impossible to get rates on copper ores from the other smelters that were materially lower than the International Smelting Company rates. As you know, about two years ago we reduced the treatment rates on Walker concentrates $1.50 per ton, however, reserving the right to discontinue the reduction at any time.

At the last directors' meeting both Baglin and Storey said that they were in favor of requesting a renewal of both contracts and notes, all to expire on January 1, 1934, providing the rates as now in effect are continued.

When Mr. Laist was here last week, Mr. Sackett and I discussed this whole matter with him. We are all of the opinion that it is good business to do as requested by the minority directors, that is, to extend the notes and write a new contract the same as the old one except that the rates incorporated therein shall be the same as those used in present settlements. Please refer to page 17 of the contract, the paragraph headed RELEASE.- You will see after reading

F 192-8-19-27-500

International Smelting Company

J. O. ELTON,
MANAGER

SALT LAKE CITY, UTAH.

Mr. B. B. Thayer -2.

this paragraph that the International Smelting Company is fully protected from loss in case conditions change. The wording of this contract is substantially the same as that used in the old contract except that changes were made in the figures so as to bring the rates up to date. While the basic rate in the old contract was $3.00 per ton, it is given as $1.15½ in the new contract. On the face of it, it looks as though a reduction of $1.84½ was given. This difference is made up of $1.50 given two years ago, and a credit for lower priced coal and an increase for labor.

The rates as contained in the contract are in line with other contract rates being offered at this time in this district.

Since I am a director and vice-president of the Walker Mining Company, I did not think it would be right for me to sign this contract for the International Smelting Company. I am therefore sending it on to you with the recommendation that it be signed by the proper officials of the International Smelting Company. One copy is for the New York file and two copies are to be returned to the Salt Lake office. This contract has been signed on behalf of the Walker Mining Company by J. R. Walker and by J. B. Whitehill, as attestor.

I am sending copy of this letter, together with unsigned copy of the contract to Mr. Laist for his file.

I thought it best to address this letter to you instead of to Mr. Kelley, with the full explanation of the matter, so that in case you approve of going ahead with this contract and the extension of the notes, you can take the matter up with Mr. Kelley.

Thanking you for attending to this matter, I am

Very truly yours,

JOE:H
Inc.
CC:FL/

J. O. Elton,
Vice-President.

INTER-DEPARTMENTAL CORRESPONDENCE

ANACONDA COPPER MINING COMPANY

PURCHASING DEPARTMENT

P. O. BOX 1361 BUTTE, MONTANA

June 27, 1928.

SUBJECT:

Mr. Geo.C.Jackson,Chief Clerk,
Anaconda Copper Mining Co.,
General Office,
Anaconda, Montana.

Dear Sir:

Please ship to the (via cheapest way, if by freight VIA W.P.RR)

WALKER MINING COMPANY,

SPRING GARDEN, CALIFORNIA,

Charge direct to the account of Walker Mining Co: Three Copies of Invoice with original bill of lading to be mailed to 818 Kearns Bldg., Salt Lake City, Utah; one copy with duplicate bill of lading to be mailed Chief Clerk, Walker Mine, Spring Garden, California.

Mark all packages, invoices, etc. #67930-5771:

100- Cans (10-lb.Each) Anaconda Wood Preservative.

Note: In placing this requisition with us, the following comment is made by Mr. Whitehill:

"Dr.Gardiner informed the Walker Mine on June 13th that the Pacific States Electric Co. had exclusive agency for the distribution of this product and that they stocked it in San Francisco. We are sending the order to you as we are of the opinion that you may be able to obtain a better price than we could."

Please use care in packing as the above preservative will be transported from R.R. to Mine a distance of nine miles, via Aerial Tram.

We are sending Dr.Gardiner a copy of this letter order.

Yours truly,

MOS-IN.

CC-Dr.H.C.Gardiner.
" Mr.J.B.Whitehill.

ANACONDA COPPER MINING COMPANY
ANACONDA REDUCTION WORKS
JUN 28 1928
ANACONDA, MONT.

MIN 000016894

December 20, 1928

Mr. Wm. B. Daly
Hennessy Building
Butte, Montana

Dear Sir:

We are sending you today, under separate cover, the following maps of the Walker Mine:

1- Composite assay plan map of Piute Ore Body
1- Assay plan map south end of 7th level- Piute Ore Body
1- Assay Plan map Sub level above 7th level - Piute Ore body
1- Assay plan Sub level above 7th level -712 Ore Body
1- Assay plan 10th level - South Ore Body
1- Long Section of North Ore Body
1- Long Section of South and Central Ore bodies.

Very truly yours,

Tom Lyon

Anaconda Geological Documents Collection, American Heritage Center, University of Wyoming. This material may be protected by copyright law (Title 17 U.S. Code). For our full copyright policy, please contact the AHC by mail or email.

PROPERTY OF
INTERNATIONAL SMELTING COMPANY

~~Anaconda Copper Mining Company~~

Walker Mining Company

Note A25

Dated August 2, 1923. $333,133.24

6% August 2nd and February 2nd

Due January 1st 1929

MIN 000001436

SUPT. OF MINES DEPT.

Report of the

Walker Mining Company

SUPT. OF MINES DEPT.

For the Year Ending December 31, 1928

Walker Mining Company

PLUMAS COUNTY, CALIFORNIA

P. O. AND SHIPPING POINT
SPRING GARDEN, CALIFORNIA

OPERATING OFFICE
KEARNS BUILDING, SALT LAKE CITY, UTAH

(Incorporated under the Laws of the State of Arizona)

CAPITAL STOCK

COMMON—Authorized	- - -	1,750,000 shares at $1.00 per share
Issued	- - - -	1,749,308 shares at $1.00 per share

Directors

J. R. WALKER W. R. WALKER J. O. ELTON J. B. WHITEHILL
B. R. HOWELL WM. STORY, JR. ROBERT E. DWYER

Officers

J. R. WALKER, *President*
ROBERT E. DWYER, *Vice-President*
J. O. ELTON, *Vice-President*
J. B. WHITEHILL, *Secretary-Treasurer*

Transfer Agents

J. W. ALLEN, Transfer Agent, 25 Broadway, New York City, N. Y.
COLUMBIA TRUST CO., Transfer Agent, Salt Lake City, Utah

President's Report

Salt Lake City, Utah, March 26, 1929.

To the Stockholders of the Walker Mining Company:

The following report covering the operations of your Company for the year ending December 31, 1928, is submitted.

Referring to the income account, there is shown an operating profit of $304,770.35. The corresponding amount for the year 1927 was an operating loss of $33,258.22.

The better showing in operating profit for 1928 over that of the previous year was due to a decrease in the per ton costs and to an increase in the price of copper.

The average price of copper for the year 1928 was 14.57 cents per pound and the price for 1927 was 12.92 cents per pound.

Mining costs were the lowest in the history of the operation of the property. These costs for 1928, based on a ton of crude ore for breaking, producing, milling and delivery of concentrates to the railway, were $2.3385 per ton. (The costs for 1925, 1926, and 1927 were respectively $3.5633, $3.8213 and $2.7523.)

The Company's indebtedness to the International Smelting Company was reduced during the year in the amount of $55,633.24, and the balance at December 31, 1928, amounted to $780,000.00.

For mining and development operations please refer to the Manager's report.

There were 391,275 tons of ore milled which produced 22,654 tons of concentrates, having a metal content as follows:

Copper, pounds	10,356,742.
Silver, ounces	212,961.690
Gold, ounces	13,011.201

The vigorous campaign of development that was maintained in 1927 was continued during the year 1928, and has resulted in materially increasing our ore reserves, thus adding many years to the life of the mine.

The Piute Ore Body, which was discovered late in 1927, has been proven on the 700 level for a distance of 1320 feet along the strike and

has a width of 40 feet. A raise has been driven to the surface along the dip and indicates a large tonnage of good mill ore.

Developments on the 9th and 10th levels below the Central and South Ore Bodies are encouraging, and prove the persistence of ore at these depths.

As a result of diamond drilling, two parallel veins have been discovered. The first of these veins, named the 712 Ore Body, lies approximately 1000 feet north of the northern extremity of the North Ore Body and has been opened up and proven to be an important discovery.

The second vein lies about 350 feet to the westward and parallel to the 712 Ore Body. There has not been sufficient development work done on this second vein to prove or disprove its importance.

Neither the Piute vein nor the 712 vein has any connection with the ore bodies to the south and are important in that they are entirely new discoveries.

J. R. WALKER, *President.*

Manager's Report

Spring Garden, California, March 26, 1929.

Mr. J. R. Walker, President,
Walker Mining Company,
Salt Lake City, Utah.

Dear Sir: I beg to submit annual report of the Walker Mining Company covering the period of twelve months beginning January 1, 1928, and ending December 31, 1928.

MINING DEPARTMENT

The tonnage of ore mined during the year was as follows:

Ore broken	486,156 tons
Ore produced	399,040 tons

Central Ore Body

The ninth level was continued and opened for a length of 800 feet and stopes were opened both north and south of the winze.

The total footage of drifts, crosscuts and raises in this ore body amounted to 3,663.5 feet. 94,006 tons of ore averaging 1.83% copper were produced, or approximately 23.56% of the total tonnage produced came from this ore body.

North Ore Body

A total of 3,139.5 feet of drifts, crosscuts and raises were driven in this ore body, mostly for stope preparation. Values have materially increased above the third level. A large part of the breakage for the year occurred in this ore body. 233,881 tons of ore averaging 1.43% copper were produced, or approximately 58.61% of the total tonnage produced came from this ore body.

South Ore Body

A three-compartment winze was sunk 50 feet to a total depth of 545 feet. A station was cut on the tenth level and ore pockets put in below the tenth level. A 60,000-gallon sump was cut, and two 500-

gallon per minute centrifugal pumps were installed. A double drum hoist, and sub-station were installed, a head frame was put in extending into the stope above, and a concrete block put in over the head frame.

The tenth level is being driven large for a main haulage. It was cut for a total length of 300 feet. On the seventh level 184 feet of main haulage drifts were driven, connecting 784 with the main haulage on the north. The eighth level was continued and 810 stope was opened.

A total of 2059 feet of drifts, crosscuts, raises and winzes were driven in this ore body largely in development. 31,883 tons of ore averaging 1.54% copper were produced, or approximately 7.99% of the total tonnage produced came from this ore body.

712 Ore Body

634.5 feet of drifts, crosscuts and raises were driven in this ore body mostly in development. 4,506 tons of ore averaging 1.21% copper were produced, or approximately 1.13% of the total tonnage produced came from this ore body.

Two veins were indicated by diamond drilling. The one in the hanging wall about 50 feet east of and parallel with the 712 vein has been opened up for a distance of 200 feet, averaging 2.03% for a width of four to eight feet.

Piute Ore Body

This ore body was discovered at the close of 1927 and has been developing during the year. It has now been opened for a distance of 1,320 feet along the strike, indicating a large tonnage of good mill ore. 4,728.5 feet of drifts, crosscuts, and raises were driven in this ore body, including 1,564 feet of large main level drifts, 796 feet of large crosscuts, and 541 feet of two-compartment main working raise to the surface. 32,496 tons of ore averaging 1.42% copper and 4,936 tons of waste were broken and produced. 8.14% of the total tonnage produced came from this ore body. The No. 8 2300-volt cable taken out from portal to main ore body, was installed in conduit from the Central Ore Body to the Piute Ore Body, a sub-station put in, a hoist reconditioned and installed, and a power house, compressor and other equipment installed at the top of the winze.

Clean-up: 2,298 tons of ore averaging 1.39% copper were recovered from tunnel clean-up. 0.57% of the total tonnage produced came from this source.

Development

The advances in underground openings for the purpose of exploration and development were as follows:

Large size drifts	2,253.0 feet
Large size crosscuts	981.0 feet
Large size chute raises	84.5 feet
Two-compartment pilot raises	363.0 feet
Two-compartment timbered working raise	541.0 feet
Three-compartment working winzes	50.0 feet
Small size drifts	2,194.0 feet
Small size crosscuts	1,017.5 feet
Small size stope drifts	111.5 feet
Small size crosscuts	20.0 feet
Small size winzes	19.5 feet
Total Development	7,635.0 feet

Mining

The advances for the purpose of mining were as follows:

Large size drifts	305.5 feet
Large size crosscuts	29.0 feet
Small size drifts	1,112.0 feet
Small size crosscuts	356.5 feet
Small size stope drifts	1,781.5 feet
Small size winzes	40.0 feet
Two-compartment raises	78.0 feet
Large size chute raises	397.0 feet
Small size chute raises	355.0 feet
Small size stope raises	552.0 feet
Small size finger raises	1,016.5 feet
Small size manway raises	211.5 feet
Total Mining	6,234.5 feet
Total Mining and Development	13,869.5 feet

Mining

Diamond Drilling: A diamond drilling campaign was undertaken and nine holes were drilled totaling 6,211.5 feet.

Breakage and Grade: There were 486,156 wet tons, 2% moisture, of ore broken with an average grade of 1.64% copper, according to ore bodies as follows:

	Wet Tons	*% Copper*
Central Ore Body	124,164	1.80
North Ore Body	283,542	1.61
South Ore Body	34,091	1.68
712 Ore Body	11,863	1.22
Piute Ore Body	32,496	1.42

Concentration Department

The mill has operated satisfactorily during the year, crushing a total of 391,275 tons dry, or 1,089.9 tons of ore per day for the 359 days the mill was in operation.

Mill statistics for the year were as follows:

Ore delivered to mill, dry tons	391,275.0000
Average grade of ore milled, per cent copper	1.4431
Average tails, per cent copper	0.1334
Average recovery, percentage	91.2944
Average grade of concentrates, per cent copper	22.7552
Average grade of ore milled, ounces silver	0.5900
Average grade of ore milled, ounces gold	0.0600
Tonnage of concentrates produced	22,653.6954

During the year there were recovered and delivered to the smelter in the form of concentrates:

Copper, pounds	10,356,742.
Silver, ounces	212,961.690
Gold, ounces	13,011.201

Note.—Of the above 144 pounds of copper, 164.89 ounces of silver, and 353.706 ounces of gold were recovered from lime scale that was taken from flotation cells.

After deductions on smelter contract had been made, copper paid for by the smelter amounted to 9,613,856 pounds. Cost of producing this copper after credited gold and silver content, and including refining charges was 11.388 cents per pound. This cost includes development in previous years in the amount of $73,763.27 written off during 1928, but does not include depletion, depreciation or interest.

Tramway

Concentrates handled during the year:

Dry tons	22,504.4699
Lime scale, dry tons	3.7080
Back freight delivered to the mine, tons	3,016.7540

Costs

The costs for the year were as follows:

Breaking Ore (including development $0.3816)	$1.1457
Producing Ore	0.4344
Mill Operating	0.6574
Tramway (per ton of concentrates $1.7553)	0.1016
Total operating cost per ton of crude ore and concentrates delivered at Spring Garden	$2.3391

Construction and Equipment

Live Stock and Stable Equipment	$ 250.00
Mine Equipment	28,024.73
Mine, Mill and Shop Buildings	10,009.87
Mill and Shop Equipment	3,996.67
Mill Camp Buildings	21,565.24
Piute Mine Equipment	19,578.69
Piute Mine Buildings	7,655.96
Mine and Mining Claims	2,697.43
Tailings Dam—By-pass	5,559.32
Diamond Drilling	18,098.75
	$117,436.66

Yours very truly,

WALKER MINING COMPANY,

By H. A. Geisendorfer, *Manager.*

Walker Mining Company

BALANCE SHEET—31st DECEMBER, 1928

Assets

FIXED:		
Mine, Mining Claims and Development	$1,458,416.45	
Plant and Equipment	1,180,409.92	$2,638,826.37
CURRENT:		
Supplies on Hand and Expenses Prepaid	145,223.17	
Ores and Concentrates on Hand—at Cost	309,443.86	
Accounts Receivable	51,975.48	
Cash	54,380.98	561,023.49
		$3,199,849.86

Liabilities

CAPITAL STOCK:		
Authorized—1,750,000 shares of $1.00 each		
Outstanding—1,749,308 shares		$1,749,308.00
RESERVE FOR DEPRECIATION		684,960.83
NOTES PAYABLE		780,000.00
CURRENT:		
Interest and Taxes Accrued	$ 5,779.93	
Accounts and Wages Payable	78,922.06	84,701.99
SURPLUS ACCOUNT:		
Deficit 31st December, 1927	275,241.77	
Net Income of the year ended 31st December, 1928	176,120.81	99,120.96
		$3,199,849.86

We hereby certify that this Balance Sheet shows the financial condition of Walker Mining Company at 31st December, 1928, and that the accompanying Income Account for the year ended that date is correct as stated.

Pogson, Peloubet & Co.,
Certified Public Accountants.

New York, 23rd February, 1929.

Note.—In order to comply with the Government Income Tax requirements for the purpose of computing depletion additional entries respecting the valuation of the mining property have been recorded upon the books of the Company; but being made for tax purposes only the result of such entries is omitted from the current statements.

Walker Mining Company

INCOME ACCOUNT

YEAR ENDED 31st DECEMBER, 1928

Sales of Ore and Concentrates		$1,476,788.93
Mining and Milling	$1,094,411.27	
Transportation	123,681.32	
Inventory at beginning of year	263,369.85	
	1,481,462.44	
Less, Inventory at end of year	309,443.86	1,172,018.58
Operating Profit		304,770.35
Depreciation	79,362.38	
Interest	49,287.16	128,649.54
Net Income of the year ended 31st December, 1928		$ 176,120.81

WORK REPORT

WALKER MINING COMPANY

Spring Garden, Calif.,
September 19th, 1929.

91601
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Mr. J. R. Walker, Pres.,
Walker Mining Company,
Kearns Building,
Salt Lake City, Utah.

Dear Sir:

Enclosed please find Mine Progress Report and Report on Concentration Operations for the second period of September, i. e. the seven days, September 9th to 15th inclusive:

SOUTH ORE BODY 23.5 ft. of stope drifts were driven along the footwall opening up 790 Stope, in lowgrade vein. In all 23.5 ft. of drifts were driven in this orebody, 55 tons of ore averaging 0.65% copper and 30 tons of waste were broken, and 567 tons of ore averaging 1.98% copper and 30 tons of waste were produced.

NORTH ORE BODY There was no development in this orebody.
210 Stope broke 1126 tons of ore averaging 2.19% copper.
230 Stope broke 1435 tons of ore averaging 3.70% copper.
310 Stope broke 1380 tons of ore averaging 2.18% copper.
440 Stope broke 1496 tons of ore averaging 1.00% copper.
640 A St. broke 1532 tons of ore averaging 1.41% copper.
In all 6969 tons of ore averaging 2.07% copper were broken and 4572 tons of ore averaging 1.56% copper produced.

CENTRAL ORE BODY 1017 Drift North advanced 39 ft. along the footwall of the vein, breaking 142 tons of ore averaging 1.07% copper and 57 tons of waste. The drift now is back in the vein proper, in very good ore.

1026 Raise, from 1017 DN, two compartment pilot raise to the 9th Level, advanced 20 ft. to 60 ft. breaking 98 tons of ore averaging 1.46% copper . This raise is also breaking some footwall to keep away from the fault which lies on the hanging.
680 Stope broke 237 tons of ore averaging 9.03% copper.
980 B St. broke 1348 tons of ore averaging 2.04% copper.
In all 59 ft. of drifts and raises were driven breaking 1825 tons of ore averaging 2.78% copper and 57 tons of waste, and producing 1648 tons of ore averaging 2.72% copper and 57 tons of waste.

12 ORE BODY 357 B Crosscut West, surface drift at 3rd Level elevations, driving south, advanced 15 ft. in waste.

645 C's Drift South, sublevel drift to connect with 68 B Raise, advanced 18 ft. through ore averaging 2.62% copper.

662 C's Raise, manway raise into 705 Stope, advanced ft. along the footwall averaging 1.12% copper.

763 B Raise, three compartment working raise for this orebody, advanced 41 ft. in vein averaging 0.89% copper.
605 Stope broke 415 tons of ore averaging 7.11% copper.
705 Stope broke 1253 tons of ore averaging 2.11% copper.
In all 65 ft. of drifts, crosscuts and raises were driven breaking 220 tons of ore averaging 2.79% copper and 4 tons of waste, and producing 3596 tons of ore averaging 3.37% copper and 4 tons of waste.

OUTER ORE BODY 575 A Crosscut East, 5th Level, advanced 11.5 ft. to 83.5 ft. through mineralized quartz and schist averaging 0.88%. The last portion of this crosscut was in the hanging.

691 B s Drift South, sublevel drift in the south end of this orebody, advanced 19.5 ft. along the vein, averaging 1.81% copper.

790 B Raises, Large size chute raise under 783 A Raise, for pocket, preparatory to sinking 783 A Raise, advanced [illegible] ft. to 27.5 ft. in waste.

715 Stope broke 1183 tons of ore averaging 1.49% copper.

725 Stope broke 276 tons of ore averaging 1.44% copper.

In all 38 ft. of drifts, crosscuts and raises were driven, breaking 1751 tons of ore averaging 1.52% copper and 49 tons of waste, and producing 1356 tons of ore averaging 1.85% copper and 49 tons of waste.

G E N E R A L

THE MINE Advance in mine headings of all description amounted to 185.5 ft., including 39 ft. of large drifts, 41 ft. of three compartment working raises, 20 ft. of two compartment pilot raises, 7 ft. of large size chute raises, besides 193 tons of ore averaging 1.86% copper and 26 tons of waste sidesweiped on levels. Mine breakage amounted to 12820 tons of ore averaging 2.22% copper and 140 tons of waste. Mine Production amounted to 11739 tons of ore averaging 2.33% copper and 140 tons of waste.

Mill heads for the period averaged 2.30% copper.

THE MILL operated satisfactorily for the period, crushing an average of 1681.86 tons dry per day or 11773 tons dry for the seven days, a detailed resume of which will be found on the attached metallurgical sheet. A total of 17.56 Ball Mill Hours were lost as follows: #1 Ball Mill down 0.17 hours broken rod No.1 Classifier, 0.25 hours new lip on scoop, 0.25 hours making connection on new water line, and .08 hours power off. #2 Ball Mill down 1.00 hours account low voltage, 6.33 hours for new motor bearings, 0.25 hours to make connection on new water line, and .08 hours power off. #3 Ball Mill down 2.58 hours broken oil ring, pinion bearing, reduction gear, 4.42 hours for new bearings, reduction gear, 1.00 hours for new stud bolt, reduction gear, 0.25 hours for connection on new water line, and .08 hours power off. #4 Ball Mill down 0.50 hours changing oil in reduction gear case, 0.25 hours for connection on new water line and .08 hours power off. Other repairs were as follows: new swing jaw plate, new side liners, turned stationary jaw plate, changed grizzly bars, Primary Crusher - turned swing jaw plate, new toggle, No. 1 Secondary Crusher - New stationary jaw plate, new toggle and seat, No. 2 Secondary Crusher - new filter canvas, and worked on pipe line from storage tank to mill.

THE TRAMWAY operated satisfactorily for the period, handling 2741 buckets of concentrates outbound amounting to 1037.622 tons dry, and 152.9470 tons of back freight. Repairs were as follows: distributed lumber and framed #36 and #37 tower, and stub tower, and put same in line, put in new foundation for 104 Tower, painted No. 3 Station and Towers 36, 93, 94, 95, 96, greased [illegible] and dust [illegible] powder.

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AT THE MACHINE SHOP: Two tunnel cars were repaired, #23 with new bed plank and one new wheel and #29 with new bed plank and draw bar, and riveted door. One new car was finished, #42, and two more are on the floor in process of construction.

AT THE MILL EXTENSION, a new concrete sump for middlings has been built, 4 feet wide, 20 feet long and 10 feet deep, and two new pumps are being added, as the present pump equipment is inadequate to handle the four sections operating at once. This sump is located between the flotation building and the filter building.

THE SAWMILL operated satisfactorily for the period, 226,409 board feet having been cut for the period, tot a total of 1,496,241 board feet for the season. Wood and mine poles are now coming in.

WORK OF RAISING THE TAILING DAM is progressing satisfactorily. The spillway on the north end of the dam is now being cut.

NEW HOUSES are completed and some of them occupied. Work has been started on 10 - two room cabins for baching, and on six new two room houses.

HOSPITAL Improvements are completed, and X-Ray room and sun porch, and office are now being painted.

New Lathe, Planer and Hammer have arrived and are now being set up, and double drum hoist for Flute is on the way up from Portola. The timber framer is in Portola, and car of rails also car of drill steel, have arrived at Portola.

Application has been made to the Forest Service to reserve the timber for mine use, on Sections 16, 17, 18, 19, 20 and 21, and on the north half of Sections 28, 29 and 30, all in Township 24 N., R. 12 E.

WATER continues adequate for all purposes by using considerable mine water in the mill.

WEATHER has been clear with hot days and cool to cold nights. At this writing, Sept. 19th, it is clouding for an equinoxial storm.

HEALTH of the camp is nearly back to normal, except for colds. The Typhoid case has run no temperature for the past ten days and the Doctor is only waiting the results of the second test, which, if negative, will terminate the case.

TAILING was turned through the new tailing flume on the 17th, and it is working nicely.

DAILY EMPLOYEES:

Average number of shifts per day	362.8714
Average wage per day	5.1675
MONTHLY EMPLOYEES: Average number per day	30.

91601

Yours very truly,

H. A. Gersendorfer

Manager

HAG/VA

MIN 000011839

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ARTICLES OF INCORPORATION
of the
WALKER MINING COMPANY

AS AMENDED TO February 3, 1930.

Company Walker
Document Miscellaneous
File 1

Know All Men by These Presents:

That we, whose hands are hereunto affixed, do hereby associate ourselves together for the purpose of forming a corporation under the laws of the State of Arizona, and to that end do adopt the following Articles of Incorporation:

ARTICLE I.

The name of the corporators and their postoffice addresses are

J. A. Waler, Salt Lake City, Utah.
G. L. Bemis, Salt Lake City, Utah
J. F. Cowan, Salt Lake City, Utah

and the name of the corporation shall be

WALKER MINING COMPANY.

The principal place in which the business of said corporation, within the State of Arizona, is to be transacted is Phoenix, Maricopa County, Arizona, and the principal place of business of said corporation, outside the State of Arizona, shall be the City of Salt Lake City, in the State of Utah, at which place meetings of Stockholders may be held and the corporation may have such other offices, either within or without the State of Arizona, as may be established by the Board of Directors.

ARTICLE II.

The general nature of the business proposed to be transacted by the corporation is as follows, to-wit:

To carry on a general mining and smelting business

5

MIN 000013248

including the exploration of mines.

To own and operate steam or electric railways for the transportation of ores, timbers, &.

To make contracts; to purchase, lease, bond, option, locate, or otherwise acquire, own, exchange, sell or otherwise dispose of; pledge, mortgage, hypothecate and deal in mines and mining claims and all kinds of ores, metals and minerals, oils, gas and coal, mineral lands, coal lands, oil lands, timber lands, water and water rights, and all other property both real and personal, and to work, explore, operate, mine and develop the same; and to deal in the products and by-products thereof; to purchase, lease or otherwise acquire, erect, own, operate, and dispose of, smelting and ore reduction works, oil refineries, saw mills and power plants; to do a general manufacturing and mercantile business, to own, handle and control letters patent, inventions and franchises; to purchase, own, hold, cancel and reissue share of its own capital stock, and to own shares of the capital stock of other corporations; to issue bonds, notes, debentures, and other evidences of indebtedness, and to secure the payment of the same by mortgage, deed of trust or otherwise and to exercise in respect thereto and to all shares of capital stock and privileges of a natural person; to act as agent, trustee, broker, or in any other fiduciary capacity; to borrow and loan money, and in general to do all things necessary or convenient to the proper conduct of the business of the corporation in any part of the world.

ARTICLE III.

The authorized amount of capital stock of the corporation

MIN 000013249

is One Million Two Hundred and Fifty Thousand Dollars ($1,250,000.00) divided into One Million Two Hundred and Fifty Thousand shares of the par value of One Dollar ($1.00) each, which shall be paid in at such times and such manner as the Board of Directors may designate, in cash, real or personal property, services, option to purchase, or any other valuable right or thing, for the uses and purposes of the corporation, and all shares of capital stock, when issued in exchange therefore, shall thereupon and thereby be and become full paid, the same as though paid for in cash, at par, and shall be and become forever non-assessable for any purpose whatsoever, and the judgement of the Board of Directors as to the value of any such property, services, right or thing required in exchange for Capital Stock, shall be conclusive.

The above article amended by appropriate action September 30, 1915, by adding at the end thereof the following:

"In addition to the hereinbefore authorized amount of capital stock, which is hereby denominated common stock, there is hereby created an additional authorized amount of capital stock of the corporation, to-wit, $100,000.00 divided into 100,000 preferred shares of the par value of $1.00 each share, upon which this corporation shall pay interest at the rate of 7% per annum, payable annually, which said interest, if not so paid, shall be cumulative, and each and all or any part of said preferred shares may be retired at any time, at the option of the Corporation, at par with accrued and unpaid interest, and shall be retired at par with a crued and unpaid interest out of the first net profits of the corporation or out of the proceeds of any sale of its property, which said preferred shares shall have no voting power with the said common stock of the corporation. Said preferred shares are placed in the treasury of the corporation and are subject to issuance, sale or other disposition by the Board of Directors of the Corporation at the par value thereof, but it shall not be lawful for any of said preferred shares to be sold or otherwise disposed of within the State of Arizona. All said preferred stock shall be registered with a Registry Agent or Agents to be appointed by this corporation, and all payments thereupon shall be made to the registered owners thereof."

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The above article amended by appropriate action May 1st, 1923 to read as follows:

"The authorized amount of capital stock of the corporation is One Million Seven Hundred and Fifty Thousand Dollars ($1,750,000.00) divided into One Million Seven Hundred and Fifty Thousand (1,750,000) shares of the par value of One Dollar ($1.00) each which shall be paid in at such times and such manner as the Board of Directors may designate, in cash, real, or personal property, services, option to purchase, or any other valuable right or thing, for the uses and purposes of the corporation, and all shares of capital stock, when issued in exchange therefore, shall thereupon and thereby be and become full paid, the same as though paid for in cash, at par, and shall be and become forever non-assessable for any purpose whatsoever, and the judgement of the Board of Directors as to the value of any such property, services, right or thing acquired in exchange for capital stock, shall be conclusive."

ARTICLE IV.

The time of the commencement of the corporation shall be the day these Articles of Incorporation are filed in accordance with law, and the termination thereof shall be twenty-five years thereafter, with privilege of renewal for like periods, as provided by laws.

ARTICLE V.

The affairs of the corporation shall be conducted by a Board of Directors of such number as the By-laws may provide. The Board of Directors shall be elected from among and by the stockholders on the first Tuesday in October in each year and until the first annual meeting, and until their successors are duly elected and have qualified, the following named persons shall constitute the Board of Directors:

J. R. Walker, G. L. Bemis, J. F. Cowan

M. S. Browning, W. H. Wattis.

The Board of Directors shall adopt By-laws for the government of the Corporation.

MIN 000013251

The above article amended by appropriate action October 6, 1925 toread as follows:

The affairs of the corporation shall be conducted by a Board of Directors of such number as the By-laws may provide. The Board of Directors shall be elected from among and by the stockholders on the first Tuesday in May in each year. Directors elected in October 1925 shall hold office until their successors are elected in May, 1926 and have qualified. The Board of Directors shall adopt By-laws for the government of the corporation.

ARTICLE VI.

The highest amount of indebtedness or liability, direct or contingent to which the corporation is at any time subject, shall be Five Hundred Thousand Dollars ($500,000.00) which amount does not exceed two-thirds the amount of capital stock.

The above article amended by appropriate action October 24, 1916, so that it will be as follows:

"The highest amount of indebtedness or liability direct or contingent, to which the corporation is at any time subject, shall be Eight Hundred, Thirty-Three Thousand, Three Hundred and Thirty-Three Dollars ($833,333.00) which amount does not exceed two-thirds the amount of capital stock."

The above article amended by appropriate action May 1, 1923, to read as follows:

"The highest amount of indebtedness or liability direct or contingent, to which the corporation is at any time subject, shall be one Million One Hundred Sixty-Six Thousand Six Hundred Sixty-Six Dollars ($1,166,666.00) which amount does not exceed two-third the amount of capital stock."

ARTICLE VII.

The private property of the stockholders of the corporation shall be forever exempt from its debts and obligations.

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ARTICLE VIII.

At any meeting of the stockholders of the corporation, any shares of its capital stock entitled to vote at such meeting, may be voted by proxy, in such manner as the By-laws may provide.

The following article was added by appropriate action September 30, 1915, to read as follows:

ARTICLE IX.

It shall require the vote of two-thirds of the issued and outstanding shares of common capital stock of this corporation to authorize a sale of the mining claims of this corporation, and also to authorize an increase in the present outstanding indebtedness of this corporation."

The above article amended by appropriate action October 24, 1918, so that it will be as follows:

"It shall require the vote of two-thirds of the issued and outstanding shares of common capital stock of this corporation to authorize a sale of the mining claims of this corporation."

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 18th day of October 1913.

J. R. Walker (Seal)

J. F. Cowan (Seal)

G. L. Bemis (Seal)

STATE OF UTAH)
COUNTY OF SALT LAKE) ss

Before me, a Notary Public in and for the state and county aforesaid, on this day personally appeared, J. R. Walker, J. F. Cowan and G. L. Bemis known to me to be the persons whose names are subscribed to the forgoing instrument, and acknowledged to me that they executed the same for the

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purposesand considerations therein expressed.

Given under my hand and seal of office this 18th day of October A.D. 1913.

Mildred Lange
Notary Public

My commission expires Nov. 3rd.
(Notary be sure and fill in blank showing when commission expires.)

Filed with Arizona Corporation Commission on Oct. 23, 1913 at 10:00 a.m.

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BY-LAWS OF THE WALKER MINING COMPANY
AS AMENDED TO FEBRUARY 3, 1930.

- - - - - - - - - - -

ARTICLE I.- STOCKHOLDERS.

Section 1. The annual meeting of the stockholders shall be held at 3 p.m. at the office of the Company in Phoenix, Arizona, on the first Tuesday in May of each year for the election of directors and the transaction of all legal business. At least ten days previous notice shall be given of the meeting in writing to the stockholders and by publication in a newspaper published in Phoenix, Arizona. At such meeting a full statement of the condition of the Company shall be presented. Special meetings of the stockholders may be called as often as the Board of Directors may decide by giving the above notice. Stockholders holding one-third of the capital stock may call a meeting of stockholders by giving the above notice in case the President, Vice-President and Secretary refuse so to do. Any lawful business may be transacted at stockholders' meetings.

ARTICLE II. - QUORUM-PROXIES.

Section 1. A majority of the issued and outstanding stock of this corporation when represented at any stockholders meeting either by the stockholder in person or by their duly appointed proxies, shall constitute a Quorum for the transaction of business.

Section 2. A stockholder may at any time nominate and appoint any person, who may or may not be a stockholder, his attorney and agent, in his name, place and stead, to vote as his proxy at any meeting of the stockholders, and such person named as proxy shall have all the powers and privileges that the stockholder would have if present in person. Such appointment of proxy shall be in writing and shall be presented to the meeting for which such proxy is appointed.

ARTICLE III. - DIRECTORS

Section 1. The Board of Directors of the corporation shall consist of seven stockholders who shall be elected annually. Directors need not take an oath of office nor give a bond. Directors shall serve until their successors are duly elected.

Section 2. After the directors are elected they shall meet and elect a President and two Vice-Presidents from their number.

Section 3. Meetings of directors may be called at any time by the President or Secretary or any three directors. Three days previous notice of a directors meeting shall be given except no notice need be given if all the directors are present or if absent directors waive notice. A quorum shall consist of four members. Meetings of directors may be held in Phoenix, Arizona or Salt Lake City, Utah.

Section 4. Adopted at meeting of Board of Directors held February 25, 1930:

"Whenever any vacancy occurs in the Board of Directors by reason of the death, removal or resignation of a director, or otherwise, such vacancy may be filled by a majority vote of the remaining members of the Board. The person or persons so chosen shall hold office until his or their successor or successors are elected and have qualified."

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ARTICLE IV. - OFFICERS.

Section 1. The officers of the corporation shall consist of a president, two vice presidents, a secretary and a treasurer, and such other officers and clerks as may from time to time be appointed, each of whom, except the president and vice-presidents, shall hold their office during the pleasure of the board of directors. The president and vice-presidents shall respectively hold their offices from the time of their election until their successors shall be elected, except in case of removal or disqualification. Bonds may be required by the board of directors in such amounts as shall be fixed from time to time, from subordinate officers and servants of the corporation.

Section 2. It shall be the duty of the president to preside at all meetings of the stockholders and of the directors, and to attend meetings of any committee when requested by the chairman; to sign all certificates of stock, contracts and instruments, and to case the seal of the corporation to be attached thereto when required. The President may from time to time call special meetings of the board of directors whenever he shall deem proper to do so; and shall do so whenever any three members of the board of directors shall request him in writing so to do. He shall exercise a general supervision and direction over the affairs of the corporation, in the event that a manager shall not have been appointed by the board.

Section 3. The vice-presidents shall perform such duties as shall be assigned to them by the board of directors. In case of the death, absence or inability of the president to act, his powers shall be exercised and hisduties discharged by the vice-presidents; and in case of the death, absence or inability of the vice-presidents, the duties and powers of the president shall devolve upon one of the directors to be elected by the board.

Section 4. A manager shall be appointed by the board of directors, who may or may not be a member of the board. The manager shall at all times exercise a general supervision and direction over the affairs of the corporation. He shall have power to appoint all subordinate officers, agents and clerks, as he may find necessary to transact the business of the corporation. Such nominations and appointments shall be subject to confirmation by the board of directors. The manager will hold his position and office at the pleasure of the board of directors.

Section 5. In all cases where the duties of the subordinate officers and agents of the corporation are not specially prescribed by the by-laws or resolutions of the board, such officers and agents shall obey the orders and instructions of the manager. The manager may suspend or remove any clerk or servant of the company.

Section 6. The secretary shall have possession of the corporate seal and keep a record in due form of the preceedings of all meetings of the stockholders and directors, and also of all other committees of the board. He shall also prepare and keep proper books of accounts of the business of the corporation, subject to the direction of the board of directors. All books, papers, and correspondence shall be kept in the office of the corporation; and all such except as the same are specially placed in the custody of the treasurer, shall be in charge of the secretary, and shall be open at all times to the inspection of

any of the directors. The secretary shall sign all documents requiring the signature of the president, checks, drafts, certificates of stock, certificates or vouchers for money, and shall perform the duties usually appertaining to the office of secretary. In case of the death, absence orinability to act of the secretary, his duties and powers shall be exercised by a secretary pro tempore, to be appointed by the board of directors. He shall also keep a record of all moneys received and paid out and of all vouchers and receipts given therefor. He shall examine all checks for the payment of money before they are presented to the treasurer for his signature, and no voucher or certificate of any kind shall be issued from the office unless his inspection or approval be certified thereon.

Section 7. The treasurer shall have charge of all books and papers belonging to the corporation not specially put under the control of the secretary. He shall examine all vouchers for money paid out, and all vouchers and bills shall have his approval before they are paid. The office of secretary and treasurer may be held by the same person. He shall sign all checks and perform such other duties as may be required by the board of directors. He may be required by the board of directors to give a bond.

The treasurer may appoint in writing as many assistant treasurers as he deems best, and may at any time revoke their appointment. The treasurer may delegate in writing such part as he desires of his own duties to an assistant treasurer. The treasurer shall be responsible for the acts of assistant treasurer.

ARTICLE V. - FUNDS.

Section 1. All moneys of the corporation, or under its charge, deposited in any bank or other place of deposit, shall be deposited to the credit of the corporation by its corporate name.

ARTICLE VI. - CERTIFICATES OF STOCK.

Section 1. Certificate of the capitol stock of the corporation shall be numbered and registered as they are issued. They shall exhibit the holders' name and the number of shares, and shall be signed by the President or a Vice-President and countersigned by the Secretary or an Assistant Secretary, and shall bear the corporate seal. Transfers of the stock shall only be made on the books of the corporation, in the presence of the secretary or other authorized officer or agent of the corporation by the holder in person or by attorney; and the possession of a certificate of stock, as between the holder and the corporation, shall not be regarded as vesting any ownership of the same in any person other than the registered owner, until transfer thereof is duly made on the books of the corporation.

Section 2. Any person or persons applying for a certificate of stock in lieu of one alleged to have been lost or destroyed shall present to the Secretary of the Company or the Assistant Secretary in New York, a written statement duly sworn to before some officer authorized to administer oaths, proving to the satisfaction of the Secretary or the Assistant Secretary in New York that any certificate or certificates of stock has or have been lost or destroyed and that the stockholder has not assigned such stock or any interest therein to any other person, is still

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the owner thereof, and that such stock is free from any liens or encumbrances, and shall at the same time give this Company his bond approved as to form by the Counsel for the Company, with some approved surety company as surety theron, which bond shall run to this Company, and the Transfer Agents and Registrars of the Company's stock, and be for an amount not less than twice the market price of the stock at the time of the execution therof, and shall also be in form, amount and surety satisfactory to and approved by the President, a Vice-President and the Secretary or the Assistant Secretary in New York of this Company or any two of them, then and in every such case, the officers of this Company may, if they think it advisable, have issued, properly registered and delivered to such stockholder a duplicate certificate or certificates in place of such lost or destroyed certificate or certificates, and the Transfer Agents and the Registrars of the stock of this Company shall issue and register any such certificate or certificates upon being requested so to do by the Secretary or Assistant Secretary in New York, and upon being advised by him that such stockholder has complied with all and singular the requirements of this Article.

ARTICLE VII. - STOCK BOCKS.

Section 1. The stock books of this corporation shall close for five days previous to any regular or special meeting of the stockholders and the list of stockholders as shown by the books of the corporation at the time of the closing of the books as aforsaid, shall determine who shall be entitled to vote at such regular or special stockholders' meeting. Upon the declaration of any dividend it shall not be necessary for the Board of Directors to order the stock books closed for the purpose of determining the stockholders entitled to such dividend, but in the resolution declaring such dividend the Board of Directors shall order that such dividend be paid to the stockholders of record as shown by the books of the Company at the close of business on a future date to be designated in said resolution.

ARTICLE VIII.- SEAL.

Section 1. The seal of the corporation shall be the usual corporate circular seal, with the name of the company around the boarder, with the name of the state in which the company was incorporated, Arizona, and the words "Corporate Seal" in the center.

ARTICLE IX. - AMENDMENTS.

Section 1. These by-laws may be altered or amended at any meeting of the board of directors.

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EXHIBIT "A"

COPY OF ARTICLES OF INCORPORATION

EXHIBIT "A"

ARTICLES OF INCORPORATION
OF THE
WALKER MINING COMPANY, AS AMENDED TO FEBRUARY 3, 1930

- - - - - - - -

Know All Men by These Presents:

That we, whose hands are hereunto affixed, do hereby associate ourselves together for the purpose of forming a corporation under the laws of the State of Arizona, and to that end do adopt the following Articles of Incorporation:

ARTICLE I.

The name of the corporators and their postoffice address are:

J. R. Walker, Salt Lake City, Utah
G. L. Bemis, Salt Lake City, Utah
J. F. Cowan, Salt Lake City, Utah

and the name of the corporation shall be

WALKER MINING COMPANY

The principal place in which the business of said corporation, within the State of Arizona, is to be transacted is Phoenix, Maricopa County, Arizona, and the principal place of business of said corporation, outside the State of Arizona, shall be the City of Salt Lake City, in the State of Utah, at which place meetings of Stockholders may be held and the corporation may have such other offices, either within or without the State of Arizona, as may be established by the Board of Directors.

ARTICLE II.

The general nature of the business proposed to be transacted by the corporation is as follows, to-wit:

To carry on a general mining and smelting business including the exploration of mines.

To own and operate steam or electric railways for the transportation of ores, timbers, etc.

To make contracts; to purchase, lease, bond, option, locate, or otherwise acquire, own, exchange, sell or otherwise dispose of; pledge, mortgage, hypothecate and deal in mines and mining claims and all kinds of ores, metals and minerals, oils, gas and coal, mineral lands, coal lands,

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oil lands, timber lands, water and water rights, and all other property both real and personal, and to work, explore, operate, mine and develop the same; and to deal in the products and by-products thereof; to purchase, lease or otherwise acquire, erect, own, operate, and dispose of, smelting and ore reduction works, oil refineries, saw mills and power plants; to do a general manufacturing and mercantile business, to own, handle and control letters patent, inventions and franchises; to purchase, own, hold, cancel and reissue share of its own capital stock, and to own shares of the capital stock of other corporations; to issue bonds, notes, debentures, and other evidences of indebtedness, and to secure the payment of the same by mortgage, deed of trust or otherwise and to exercise in respect thereto and to all shares of capital stock and privileges of a natural person; to act as agent, trustee, broker, or in any other fiduciary capacity; to borrow and loan money, and in general to do all things necessary or convenient to the proper conduct of the business of the corporation in any part of the world.

ARTICLE III.

The authorized amount of capital stock of the corporation is One Million Two Hundred and Fifty Thousand Dollars ($1,250,000.00) divided into One Million Two Hundred and Fifty Thousand (1,250,000) shares of the par value of One Dollar ($1.00) each, which shall be paid in at such times and such manner as the Board of Directors may designate, in cash, real or personal property, services, option to purchase, or any other valuable right or thing, for the uses and purposes of the corporation, and all shares of capital stock, when issued in exchange therefore, shall thereupon and thereby be and become full paid, the same as though paid for in cash, at par, and shall be and become forever non-assessable for any purpose whatsoever, and the judgement of the Board of Directors as to the value of any such property, services, right or thing required in exchange for Capital Stock, shall be conclusive.

The above article amended by appropriate action September 30, 1915, by adding at the end thereof the following:

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"In addition to the hereinbefore authorized amount of capital stock, which is hereby denominated common stock, there is hereby created an additional authorized amount of capital stock of the corporation, to-wit: $100,000.00 divided into 100,000 preferred shares of the par value of $1.00 each share, upon which this corporation shall pay interest at the rate of 7% per annum, payable annually, which said interest, if not so paid, shall be cumulative, and each and all or any part of said preferred shares may be retired at any time, at the option of the corporation, at par with accrued and unpaid interest, and shall be retired at par with accrued and unpaid interest out of the first net profits of the corporation or out of the proceeds of any sale of its property, which said preferred shares shall have no voting power with the said common stock of the corporation. Said preferred shares are placed in the treasury of the corporation and are subject to issuance, sale or other disposition by the Board of Directors of the corporation at the par value thereof, but it shall not be lawful for any of said preferred shares to be sold or otherwise disposed of within the State of Arizona. All said preferred stock shall be registered with a Registry Agent or Agents to be appointed by this corporation, and all payments thereupon shall be made to the registered owners thereof."

The above article amended by appropriate action May 1st, 1923 to read as follows:

"The authorized amount of capital stock of the corporation is One Million Seven Hundred and Fifty Thousand Dollars ($1,750,000.00) divided into One Million Seven Hundred and Fifty Thousand (1,750,000) shares of the par value of One Dollar ($1.00) each which shall be paid in at such times and such manner as the Board of Directors may designate, in cash, real, or personal property, services, option to purchase, or any other valuable right or thing, for the uses and purposes of the corporation, and all shares of capital stock, when issued in exchange therefore, shall thereupon and thereby be and become full paid, the same as though paid for in cash, at par, and shall be and become forever non-assessable for any purpose whatsoever, and the judgment of the Board of Directors as to the value of any such property, services, right or thing acquired in exchange for capital stock, shall be conclusive."

ARTICLE IV.

The time of the commencement of the corporation shall be the day these Articles of Incorporation are filed in accordance with law, and the termination thereof shall be twenty-five years thereafter, with privilege of renewal for like periods, as provided by laws.

ARTICLE V.

The affairs of the corporation shall be conducted by a Board of Directors of such number as the By-laws may provide. The Board of Directors shall be elected from among and by the stockholders on the

MIN 000013263

first Tuesday in October in each year and until the first annual meeting, and until their successors are duly elected and have qualified, the following named persons shall constitute the Board of Directors:

J. R. Walker G. L. Bemis, J. F. Cowan
M. S. Browning W. H. Wattis

The Board of Directors shall adopt By-laws for the government of the Corporation.

The above article amended by appropriate action October 6, 1925 to read as follows:

The affairs of the corporation shall be conducted by a Board of Directors of such number as the By-laws may provide. The Board of Directors shall be elected from among and by the stockholders on the first Tuesday in May in each year. Directors elected in October 1925 shall hold office until their successors are elected in May, 1926 and have qualified. The Board of Directors shall adopt By-laws for the government of the corporation.

ARTICLE VI.

The highest amount of indebtedness or liability, direct or contingent to which the corporation is at any time subject, shall be Five Hundred Thousand Dollars ($500,000.00) which amount does not exceed two-thirds the amount of capital stock.

The above article amended by appropriate action October 24, 1918, so that it will be as follows:

"The highest amount of indebtedness or liability, direct or contingent, to which the corporation is at any time subject, shall be Eight Hundred Thirty Three Thousand Three Hundred and Thirty-Three Dollars ($833,333.00) which amount does not exceed two-thirds the amount of capital stock."

The above article amended by appropriate action May 1,1923, to read as follows:

"The highest amount of indebtedness or liability,direct or contingent, to which the corporation is at any time subject, shall be One Million One Hundred Sixty-Six Thousand Six Hundred Sixty-Six Dollars ($1,166,666.00) which amount does not exceed two-thirds the amount of capital stock".

ARTICLE VII.

The private property of the stockholders of the corporation shall be forever exempt from its debts and obligations.

MIN 000013264

ARTICLE VIII.

At any meeting of the stockholders of the corporation, any shares of its capital stock entitled to vote at such meeting, may be voted by proxy, in such manner as the By-Laws may provide.

The following article was added by appropriate action Sept. 30, 1915, to read as follows:

ARTICLE IX.

It shall require the vote of two-thirds of the issued and outstanding share of common capital stock of this corporation to authorize a sale of the mining claims of this corporation, and also to authorize an increase in the present outstanding indebtedness of this corporation.

The above article amended by appropriate action October 24, 1918, so that it will be as follows:

> "It shall require the vote of two-thirds of the issued and outstanding shares of common capital stock of this corporation to authorize a sale of the mining claims of this corporation."

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 18th day of October, 1913.

J. R. WALKER (Seal)

J. F. COWAN (Seal)

G. L. BEMIS (Seal)

STATE OF UTAH)
COUNTY OF SALT LAKE)

Before me, a Notary Public, in and for the state and county aforesaid, on this day personally appeared, J. R. Walker, J. F. Cowan and G. L. Bemis, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and considerations therein expressed.

Given under my hand and seal of office this 18th day of October, A.D. 1913.

Mildred Lange
Notary Public

My commission expires Nov. 3d.
(Notary be sure and fill in blank showing when commission expires.)

Filed with Arizona Corporation Commission on Oct. 23, 1913 at 10:00 a.m.

MIN 000013265

Report of the

Walker Mining Company

For the Year Ending December 31, 1929

MIN 000001653

Walker Mining Company

PLUMAS COUNTY, CALIFORNIA

P. O. AND SHIPPING POINT
SPRING GARDEN, CALIFORNIA

OPERATING OFFICE
KEARNS BUILDING, SALT LAKE CITY, UTAH

(Incorporated under the Laws of the State of Arizona)

CAPITAL STOCK

COMMON—Authorized	-	1,750,000 shares at $1.00 per share
Issued	- -	1,749,308 shares at $1.00 per share

Directors

J. R. WALKER W. R. WALKER J. O. ELTON J. B. WHITEHILL
B. R. HOWELL H. A. GEISENDORFER ROBERT E. DWYER

Officers

J. R. WALKER, *President*
ROBERT E. DWYER, *Vice-President*
J. O. ELTON, *Vice-President*
J. B. WHITEHILL, *Secretary-Treasurer*

Transfer Agents

J. W. ALLEN, Transfer Agent, 25 Broadway, New York City, N. Y.
ROM WARBURTON, Transfer Agent, 820 Kearns Bldg., Salt Lake City, Utah

MIN 000001654

President's Report

Salt Lake City, Utah, March 15, 1930.

TO THE STOCKHOLDERS OF THE WALKER MINING COMPANY:

The following report covering operations of your Company for the year ended December 31, 1929, is submitted:

Referring to the income account, there is shown an operating profit of $1,015,758.84. The corresponding amount for the year 1928 was an operating profit of $304,770.35.

The better showing in operating profit for 1929 over that of the previous year was due to an increase in the price of copper and to a larger production.

The average price received during the year 1929 was 18.0765 cents per pound and the price for 1928 was 14.558 cents per pound.

The mining costs for 1929, based on a ton of crude ore for breaking, producing, milling and delivery of concentrates to the railway were $2.5578. (The costs for 1925, 1926, 1927 and 1928 were respectively $3.5631, $3.8213, $2.7523 and $2.3391.)

The Company's indebtedness in the form of notes amounting to $780,000.00 at the beginning of the year was completely wiped out and the balance sheet as of December 31, 1929 shows an excess of current assets over current liabilities amounting to $578,263.70.

For mining and development operations please refer to the Manager's report.

There were 457,637 tons of ore milled which produced 32,375 tons of concentrates. During the year there were delivered 32,266 tons of concentrates to the smelter having a metal content as follows:

Copper, pounds	15,031,978.
Silver, ounces	294,561.86
Gold, ounces	15,400.359

A development program was carried on continuously with results that were satisfactory, placing the mine with more tons of ore in sight at the end of the year than at the beginning.

MIN 000001655

The development of the Piute Ore Body above the 700 level was continued and a three-compartment winze has been started for explorations below the 7th level. The winze had reached a depth of 56.5 feet at the end of the year.

On the 8th, 9th and 10th levels below the South and Central Ore Bodies, the work has largely been that of exploration and stope preparation, exposing substantial tonnage of commercial ore.

712 Ore Body has been opened on the 6th level for a distance of 775 feet, and is proving to be a valuable ore body.

During the year the mill capacity was increased 40% by the addition of a flotation unit and another ball mill. The new addition has been in operation since September 1.

J. R. WALKER, *President*.

MIN 000001656

Manager's Report

Spring Garden, California, March 13, 1930.

Mr. J. R. Walker, Pres.,
Walker Mining Company,
Salt Lake City, Utah.

Dear Sir:—

I beg to submit annual report of the Walker Mining Company covering the period of twelve months beginning January 1, 1929, and ending December 31, 1929.

MINING DEPARTMENT

The tonnage of ore mined during the year was as follows:

Ore broken	513,526 tons
Ore produced	466,856 tons

CENTRAL ORE BODY

Mining was continued above the ninth level, and above the seventh level, cutting pillars by square set method.

A total of 2102 feet of drifts, crosscuts, and raises were driven and 69,223 tons of ore averaging 2.65% copper were produced. Approximately 14.83% of the total tonnage produced came from this ore body.

NORTH ORE BODY

The main supply raise was extended 28 feet and a two compartment raise for ventilation and exit was driven 322 feet to the surface.

A total of 3728 feet of drifts, crosscuts, and raises were driven, and 233,421 tons of ore averaging 1.55% copper were produced. Approximately 50% of the total tonnage produced came from this ore body.

SOUTH ORE BODY

The tenth level was continued north for a distance of 1604.5 feet and a raise 228.5 feet long connected with the ninth level of the central ore body. The northern 252 feet of this level is under the central ore body. This level followed the vein for 1000 feet exposing commercial ore for this distance. This level has been enlarged for motor haulage for a distance of 1000 feet, and electric locomotive and four cars are operating.

MIN 000001657

A total of 2488 feet of drifts, crosscuts, and raises were driven, and 36,823 tons of ore averaging 1.30% copper were produced. Approximately 7.89% of the total production came from this ore body.

712 ORE BODY

The main level was opened along the vein for a distance of 621.5 feet; a two compartment timbered supply raise was put up for a distance of 233.5 feet, and skip and electric hoist installed; and the sixth level was opened for a distance of 775 feet, with commercial ore nearly the entire length.

A total of 3660 feet of drifts, crosscuts, and raises were driven, and 75,788 tons of ore averaging 2.73% copper were produced. Approximately 16.23% of the total tonnage produced came from this ore body.

PIUTE ORE BODY

Development continued in this ore body, and three stopes were opened. A large hoist room was cut in the foot wall under the main working raise at sub level elevation, a double drum electric hoist installed. A cable raise 50 feet long was connected with the raise and sinking of a three compartment winze below the seventh level reached a depth of 56.5 feet. An electric hoist was installed in the compressor building on the surface, for operation above the seventh level.

A total of 5972 feet of drifts, crosscuts, and raises were driven, including, the above winze, 788.5 feet of large size drifts and crosscuts and 491.5 feet of two compartment raises. 51,601 tons of ore averaging 1.36% copper were produced. Approximately 11.05% of the total production came from this ore body.

HAULAGE

All cars were overhauled, some rebuilt, and new cars built in your shops to a total of 49, all equipped with Timken bearings. One new locomotive was purchased and three equipped with Timken bearings on main journals and ball bearings on motor.

DEVELOPMENT AND MINING

For the purpose of development, advances in underground openings amounted to	8483 feet
Advances for the purposes of mining were	9467 feet
Total footage for development and mining	17950 feet

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BREAKAGE AND GRADE

There were 513,526 wet tons of ore broken, 2% moisture, with an average grade of 2.09% copper.

	Wet Tons	*% Cu.*
South Ore Body	32,521	1.22
Central Ore Body	86,011	2.57
North Ore Body	262,499	1.94
712 Ore Body	68,119	3.07
Piute Ore Body	64,376	1.46

CONCENTRATION DEPARTMENT

The Mill has operated satisfactorily during the year, crushing a total of 457,637 tons of dry ore, or 1,266.53 tons of ore per day for the 361.33 days that the mill was in operation. Four ball mills were in operation after September 1.

Mill statistics for the year were as follows:

Ore delivered to mill, dry tons	457,637.0000
Average grade of ore milled, % copper	1.8096
Average tails, % copper	0.1539
Average recovery, percentage	92.1000
Average grade of concentrates, % copper	23.5587
Average grade of ore milled, ozs. silver	0.7900
Average grade of ore milled, ozs. gold	0.0550
Tons of concentrates produced	32,374.6669

During the year there were delivered to the smelter 32,266 tons of concentrates having a metal content as follows:

Copper, pounds	15,031,978.
Silver, ounces	294,561.860
Gold, ounces	15,400.359

NOTE—In addition to the above, 260 pounds of copper, 195.15 ozs. silver and 367.607 ozs. of gold were recovered from lime scale that was taken from flotation cells. Also in addition to the above, 2,145 pounds of scrap copper were shipped to the smelter.

A total of the copper, gold and silver shipped is as follows:

Copper, pounds	15,034,383.
Silver, ounces	294,757.010
Gold, ounces	15,767.966

After deductions on smelter contract had been made, copper paid for by the smelter from concentrates and lime scale amounted to 13,957,968 pound. Cost of producing this copper after crediting gold, and silver content, and including refining charges was

MIN 000001659

10.799c per pound. This cost includes development in previous years in the amount of $107,093.90 written off during 1929, but does not include depletion, depreciation, or interest.

TRAMWAY

The tramway handled the following tonnage during the year:

Concentrates, dry tons	32,372.8529
Lime Scale, dry tons	4.0530
Scrap copper, tons	1.0975
Back freight, tons	3,680.8390

COSTS

The operating costs per ton of crude ore for breaking and producing ore and delivery of concentrates at Spring Garden during the year were as follows:

Breaking ore, including all development	$1.2450
Producing ore, including development	0.5367
Mill operating	0.7115
Tramway (per ton of concentrates $0.9055)	0.0646
Total	$2.5578

CAPITAL EXPENDITURES

Capital expenditures during the year were as follows:

Mine Department	$33,927.60
Mill Department	99,043.88
Camp Buildings & Misc. Equipment	38,265.86
Total Construction & Equipment	$171,237.34

Yours very truly,

WALKER MINING COMPANY,
By H. A. GEISENDORFER, *Manager*.

MIN 000001660

Walker Mining Company

BALANCE SHEET—31st DECEMBER, 1929

ASSETS

FIXED:		
Mine, Mining Claims and Development	$1,357,694.60	
Plant and Equipment	1,345,275.21	$2,702,969.81
CURRENT:		
Supplies on hand and Expenses prepaid	177,008.14	
Ores and Concentrates on hand—at cost	384,917.41	
Accounts Receivable	119,133.83	
Cash	15,460.16	696,519.54
		$3,399,489.35

LIABILITIES

CAPITAL STOCK:		
Authorized—1,750,000 shares of $1.00 each		
Outstanding—1,749,308 shares		$1,749,308.00
RESERVE FOR DEPRECIATION		800,183.86
CURRENT:		
Interest and Taxes accrued	$ 45,590.99	
Accounts and Wages payable	72,664.85	118,255.84
SURPLUS ACCOUNT:		
Deficit 31st December, 1928	99,120.96	
Net income of the year ended 31st December, 1929	830,862.61	731,741.65
		$3,399,489.35

We hereby certify that this Balance Sheet shows the financial condition of Walker Mining Company at 31st December, 1929, and that the accompanying Income Account for the year ended that date is correct as stated.

POGSON, PELOUBET & Co.,
Certified Public Accountants.

New York, 10th March, 1930.

NOTE—In order to comply with the Government Income Tax requirements for the purpose of computing depletion additional entries respecting the valuation of the mining property have been recorded upon the books of the Company; but being made for tax purposes only, the result of such entries is omitted from the current statements.

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Walker Mining Company

INCOME ACCOUNT

YEAR ENDED 31st DECEMBER, 1929

Sale of Ore and Concentrates		$2,551,109.79
Mining and Milling	$1,353,954.38	
Transportation	256,870.12	
Inventory at beginning of year	309,443.86	
	1,920,268.36	
Less, Inventory at end of year	384,917.41	1,535,350.95
Operating Profit		1,015,758.84
Depreciation	115,223.03	
Interest	25,939.73	
Federal Income Tax	43,733.47	184,896.23
Net income of the year ended 31st December, 1929		$ 830,862.61

MIN 000001662

WORK REPORT

WALKER MINING COMPANY

Walkermine, Calif.,
Dec. 30, 1930

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Mr. J. R. Walker, Pres.,
Walker Mining Company,
Salt Lake City, Utah.

Dear Sir:

Attached hereto is progress report and report on Concentration Operations for the third period of December, i.e., December 16th to 23rd, inclusive. This was an eight day period in which one day was lost on account of lay-off.

SOUTH OREBODY Production from 990 Stope was continued and amounted to 806 tons of ore averaging 2.09% copper.

In 1090 Stope, preparation work continued in 1095 Drift South, a sublevel drift, advancing 6 ft. in ore averaging 1.09% copper. 1098 Raise, north finger raise over 1089 Chute raise, advanced 13 ft. in ore averaging 0.51% copper. Sidesweiping in 1095 Drift South continued, breaking 167 tons of ore averaging 0.63% copper.

In 1010 Stope, breakage amounted to 504 tons of ore averaging 1.95% copper.

In 1010-A Stope breakage amounted to 483 tons of ore averaging 1.27% copper.

Total advance in headings amounted to 19 ft.; total breakage was 1,214 tons of ore averaging 1.44% copper and production amounted to 1,536 tons of ore averaging 1.79% copper.

CENTRAL OREBODY In 580B Stope, breakage continued with one machine operating, breaking 276 tons of ore averaging 1.62% copper.

639 B Drift North, exploratory sublevel drift toward the North Orebody, continued for a distance of 28.5 ft. along the vein in mineralized quartz, breaking 91 tons of ore averaging 0.55% copper.

In 680 Stope, 113 tons of ore averaging 3.50% copper were produced. This material was sorted, broken ore from the fill of the old stope.

In 780 Stope, 49 tons of ore averaging 2.10% copper were produced. This material was also sorted ore from the old fill.

Production from 980 and 980-B stopes amounted to 516 tons of ore averaging 1.39% copper.

In 1083 Raise, timbering was continued. There now remains two sets of timbers to be placed to complete this work.

Total advance in headings amounted to 28.5 ft.; total breakage amounted to 367 tons of ore averaging 1.35% copper and total production amounted to 773 tons of ore averaging 1.64% copper.

NORTH OREBODY In 210 A Stope, the work of enlarging the drift to make room for square set timbers broke 205 tons of high grade ore carrying 7.08% copper.

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370 B Crosscut West toward the footwall of the vein, connected with 442 C Raise from 440 A Stope advancing 11 ft. across the vein in slightly mineralized schist, breaking 35 tons averaging 0.28% copper. Sideswiping in 370 B Crosscut West over 442 C Raise broke 68 tons averaging 0.20% copper.

440 A Stope breakage amounted to 1,373 tons of ore averaging 0.86% copper. This breakage was along the hanging wall of the vein.

In 630 A Stope, breakage totaled 844 tons of ore averaging 1.06% copper.

904 Drift North toward the North Orebody advanced 16.5 ft. in mineralized quartz and schist, partly in the hanging wall, breaking 53 tons averaging 0.24% copper. 990 A Crosscut East, exploratory crosscut toward the hanging wall of the vein, advanced 6 ft. in mineralized quartz and schist breaking 19 tons of ore averaging 0.58% copper.

Total advance in headings amounted to 33.5 ft.; total breakage amounted to 2,441 tons of ore averaging 1.45% copper and 156 tons of waste. Production amounted to 3,775 tons of ore averaging 1.27% copper.

712 OREBODY Sideswiping in ore along 590 A Drift North continued, breaking 5 tons of ore averaging 0.70% copper.

Breakage in 505 No. 2 Stope amounted to 375 tons of high grade ore averaging 5.79% copper.

Breakage continued in 605 No. 1, 605 No. 2 and 605 No. 3 Stopes as shown in detail on the progress report.

613 D Raise toward the 5th level advanced 12 ft. along the footwall of the vein in mineralized quartz and schist breaking 38 tons of ore averaging 1.80% copper.

Breakage in 705 B Stope amounted to 302 tons of ore averaging 0.71% copper.

Total advance in headings amounted to 12 ft.; breakage amounted to 1,327 tons of ore averaging 4.77% copper and production amounted to 1,056 tons of ore averaging 3.61% copper.

FLUTE OREBODY 601 D Raise for exploration and ore transfer toward the 5th level, advanced 25.5 ft. along the vein in mineralized schist and quartz breaking 222 tons of ore averaging 0.69% copper.

There was no breakage in 745 Stope. Production from this stope amounted to 932 tons of ore averaging 1.76% copper.

In 755 Stope, preparation work continued in the south end with the driving of two stope drifts from 651 D s Raise: 700 D Drift South advanced 6 ft. along the footwall of the vein breaking 19 tons of ore averaging 0.59% copper and 701 D Drift North advanced 21 ft. along the footwall of the vein breaking 67 tons of ore averaging 1.06% copper. A new chute raise, 702 D Raise, from the hanging wall drift on the 7th level, 50 ft. north of 771A Chute Raise, advanced 18 ft. toward the sublevel in mineralized quartz breaking 114 tons of ore averaging 2.26% copper. Loading platform room at this raise was cut, breaking 18 tons of ore averaging 2.26% copper. Stope breakage amounted to 2,194 tons of ore averaging 1.42% copper.

Stope breakage in 715 Stope amounted to 1,162 tons of ore averaging 2.55% copper.

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The work in 1008 Crosscut East consisted of sideswiping, about 35 ft. in from the station, preparatory to cutting a sump for pump station. This work broke 88 tons carrying 0.30% copper.

Total advance in headings amounted to 70.5 ft.; total breakage amounted to 3,796 tons of ore averaging 1.74% copper and 88 tons of waste. Production amounted to 3,435 tons of ore averaging 1.50% copper.

G E N E R A L

Advance in mine headings of all descriptions amounted to 163.5 ft. including 25.5 ft. of 2-compartment raises. Breakage amounted to 9,145 tons of ore averaging 2.05% copper. Total production amounted to 10,575 tons of ore averaging 1.69% copper.

THE MILL operated satisfactorily during the period crushing an average of 1,516 tons dry for the seven working days or a total of 10,610 tons dry for the period, a detailed resume of which will be found on the attached metallurgical sheet. Mill heads for the period averaged 1.71% copper.

A total of 129.58 ball mill hours were lost as follows: No. 1 Ball Mill lost 25.50 hrs. on account of lay-off and 1.50 hrs. preparing for holiday lay-off; No. 2 Ball Mill lost .33 hr. on account of classifier sticking, 1.42 hrs. inspecting liners, 2.50 hrs. installing new oil ring in reduction gear, 25.50 hrs. on account of lay-off and 1.50 hrs. preparing for holiday lay-off; No. 3 Ball Mill lost .50 hr. tightening cam rod on classifier, 7.17 hrs. installing new shell liners, 25.50 hrs. on account of lay-off, 7.50 hrs. installing new pull rod on classifier and 1.50 hrs. preparing for holiday lay-off; No. 4 Ball Mill lost 2.16 hrs. on account of electrical trouble, 25.50 hrs. on account of lay-off and 1.50 hrs. preparing for holiday lay-off.

Other repairs were as follows; turned stationary jaw plate on No. 2 Secondary crusher, installed new set of fine rolls, relined chute from fine screens to fine rolls, put in new grizzly at primary crusher, turned stationary and swinging jaw plate in primary crusher, installed new pulley on primary crusher feeder and lagged pulley on motor.

THE TRAMWAY operated satisfactorily during the period, handling 1,875 buckets of concentrates outbound amounting to 649.163 tons dry and 92.182 tons of back freight.

Repairs were as follows: put in 1,000 ft. of cable in traction rope, 80 ft. of 1-1/8" L.C. cable over 68 and 69 towers and repaired buckets; cut trees in No. 3 span and sent in powder from magazine.

MACHINE SHOP: Three tunnel cars were repaired as follows: No. 13 with two new wheels, two hinges on channel iron and one new locking arm, No. 37 with two new hinges, new spools and cotters, No. 49 with one new arm.

Three new tram buckets were completed during the period.

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WORK REPORT

WALKER MINING COMPANY

Walkermine, Calif.,
Jan. 6, 1951

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Mr. J. H. Walker, Pres.,
Walker Mining Company,
Salt Lake City, Utah.

Dear Sir:

Attached hereto is progress report and report on concentration operations for the fourth period of December, i.e., December 24th to 31st, inclusive. This was an eight day period in which two days were lost on account of Christmas holiday and one day on account of Sunday lay-off.

SOUTH OREBODY Production from 990 Stope continued, amounting to 622 tons of ore averaging 2.32% copper.

In 1090 Stope preparation work progressed. 1090 A Raise, a chute raise from the 10th level to connect with 1095 Drift South, was started and advanced 12 ft., breaking 69 tons of silicified schist averaging 0.62% copper. 1095 Drift South advanced 3 ft. breaking 10 tons of ore averaging 1.58% copper. Sideswiping in this drift, preparatory to stoping, broke 120 tons of ore averaging 1.89% copper. 1098 Raise, north finger raise over 1089 Raise, advanced 8 ft. breaking 10 tons of waste. Sideswiping in 1096 Drift North, preparatory to stoping, broke 119 tons of ore averaging 1.82% copper.

1010 Stope broke 478 tons of ore averaging 2.17% copper.

In 1010-A Stope breakage amounted to 435 tons of ore averaging 1.35% copper.

Total advance in headings amounted to 18 ft. breaking 1,237 tons of ore averaging 1.68% copper and 10 tons of waste; production amounted to 830 tons of ore averaging 2.04% copper.

CENTRAL OREBODY Breakage in 560 B Stope, working one machine, amounted to 190 tons of ore averaging 1.95% copper.

Timbering in 1083 Raise was completed and a crosscut, 1099 Crosscut West, was started therefrom. This is 31 ft. above the 10th level and is being driven toward the vein cut by the raise. The advance was 13 ft. breaking 41 tons of waste.

In 680 Stope, 53 tons of ore averaging 6.13% copper were produced from old fill.

Production from 980 and 980-B Stopes amounted to 125 tons of ore averaging 1.20% copper.

Total advance in headings in this orebody amounted to 13 ft.; breakage totaled 190 tons of ore averaging 1.95% copper and 41 tons of waste. Total production amounted to 859 tons of ore averaging 2.12% copper.

NORTH OREBODY In 210-A Stope, the work of enlarging along the drift preparatory to square-setting was continued breaking 201 tons of ore averaging 4.10% copper.

In 370 B Crosscut West, sideswiping for grizzly station over 442 C Raise broke 265 tons of mineralized schist carrying 0.51% copper.

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Breakage in 440-A Stope amounted to 1,511 tons of ore averaging 1.16% copper.

In 630 Stope, breakage amounted to 1,272 tons of ore averaging 1.22% copper.

639 S Drift North advanced 13 ft. in mineralized quartz breaking 41 tons carrying 0.60% copper.

990 A Crosscut East, driven from 904 Drift North towards the hanging wall, advanced 11 ft. breaking 35 tons averaging 0.51% copper. 991 A Crosscut West, opposite the above and towards the footwall, advanced 8 ft. breaking 25 tons carrying 0.71% copper. Both of these crosscuts are in mineralized schist.

Total advance in headings amounted to 52 ft.; total breakage amounted to 3,350 tons of ore averaging 1.30% copper and production amounted to 2,418 tons of ore averaging 1.61% copper.

712 OREBODY 590 A Drift North advanced 6 ft. along the vein breaking 22 tons carrying 0.59% copper.

613 D Raise, to connect the north end of stope No. 3 with the 5th level, advanced 11 ft., breaking 39 tons of ore carrying 2.99% copper.

616 D Drift South was driven to connect No. 1 and No. 2 Stopes. It advanced 4 ft. breaking 14 tons of ore carrying 11.25% copper.

Breakage continued in 505 No. 2, 605 No. 2, 605 No. 3 and 705-B Stopes with a total breakage of 674 tons of ore averaging 4.53% copper, details of which are shown on the accompanying progress report.

Total advance in headings amounted to 21 ft.; total breakage amounted to 715 tons of ore averaging 4.42% copper and total production amounted to 1,493 tons of ore averaging 2.81% copper.

SIXTH OREBODY 605 D Raise, two-compartment transfer raise to the 5th level, advanced 11 ft. along the vein to a total distance of 159.5 ft. breaking 65 tons of ore averaging 0.84% copper. The face of the raise is now approaching the 5th level.

In 745 Stope, production continued. 595 tons of ore averaging 2.18% copper being withdrawn.

Stope preparation work in 755 Stope continued. 655 D S Raise, a manway raise in the south end of the stope, advanced 16 ft. breaking 87 tons averaging 0.77% copper. 602 D Raise, chute raise in the hanging wall from the main level to the sublevel, advanced 12 ft. to a total distance of 30 ft. breaking 131 tons carrying 2.51% copper. 703 D Raise, also a chute raise to the sublevel, advanced 4 ft. breaking 36 tons of ore averaging 2.05% copper. Stope breakage amounted to 1,358 tons of ore averaging 1.77% copper.

Sideswiping 629 C Drift North over 758 C Raise, broke 40 tons of ore averaging 0.60% copper. Sideswiping in 618 C S Crosscut West, enlarging under 715 Stope, broke 9 tons of ore averaging 1.20% copper.

Breakage in 715 Stope amounted to 359 tons of ore averaging [illegible] copper.

Sideswiping 1088 Crosscut East, enlarging for a pump sump, broke 152 tons of waste.

Total advance in headings amounted to 43 ft.; breakage amounted to 2,085 tons carrying 1.78% copper and 152 tons of waste. Total production from this orebody was 2,195 tons of ore averaging 1.71% copper and 357 tons of waste.

MIN 000011845

Mr. J. R. Walker, Pres - #3. 1/6/31

G E N E R A L

Advance in mine headings of all descriptions amounted to 127 ft.; breakage amounted to 7,601 tons of ore averaging 1.81% copper and 203 tons of waste. Total production for the period was 7,295 tons of ore averaging 1.96% copper.

THE MILL operated satisfactorily during the period crushing an average of 1,391 tons dry for the five working days or a total of 6,953 tons dry for the period, a detailed resume of which will be found on the attached metallurgical sheet. Mill heads for the period averaged 2.23% copper.

A total of 292.25 ball mill hours were lost as follows: No. 1 Ball Mill lost 48.00 hrs. on account of holiday lay-off and 24.50 hrs. on account of Sunday lay-off; No. 2 Ball Mill lost 24.50 hrs. on account of Sunday lay-off and 48.00 hrs. on account of holiday lay-off; No. 3 Ball Mill lost 24.50 hrs. on account of Sunday lay-off and 48.00 hrs. on account of holiday lay-off; No. 4 Ball Mill lost 24.58 hrs. on account of Sunday lay-off, 2.00 hrs. installing new roller bearing on classifier, .17 hr. on account of classifier being overloaded and 48.00 hrs. on account of holiday lay-off.

Other repairs were as follows: put in one section of coarse screens, put in one section of fine screens, rebabbitted bearings on coarse conveyor pulley, spliced belt on fine rolls, changed toggle on secondary crusher No. 1 and rebabbitted bearing cap on coarse elevator pulley.

THE TRAMWAY operated satisfactorily during the period, handling 1,867 buckets of concentrates outbound amounting to 564.812 tons dry and 13.048 tons of back freight.

Repairs were as follows: greased saddles and idlers, repaired buckets and worked on gas engine; moved rigging from 69 tower to mine terminal, sent in powder from magazine, cut trees in No. 3 span and rolled up 3/4" cable at No. 8 station and 300 ft. of 1-1/8" cable at 78 tower.

MACHINE SHOP: Two tunnel cars were repaired during the period: Aligned wheels on No. 28; Installed four new wheels and two new door hinges on No. 51.

One new tram bucket was completed during the period.

THE HEALTH of the camp was normal during the period.

THE WEATHER was mostly clear and cold the first four days of the period. The 29th and 30th were partly cloudy and cool and about 14" of snow fell on the 31st.

WATER continues adequate for all purposes by using, in the mill, mine water from the 10th level.

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Mr. J. R. Walker, Pres. - #4 1/6/31

DAILY EMPLOYEES:	Average number of shifts per day	538.4000
	Average wage per day	$ 4.1969
MONTHLY EMPLOYEES:	Average number per day	60

Yours very truly,

H. A. Geisendorfer, Mgr.,

By J. H. Cooper
Ass't to Manager.

JHC:G

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FORM 39F 7-23-29 2M

Calif 23

WALKER MINING COMPANY

SPRING GARDEN

PLUMAS COUNTY, CALIFORNIA

Jan. 10, 1931

H. A. GEISENDORFER, MANAGER

OUTLINE OF OPERATIONS

PIUTE OREBODY

Drive south under footwall in 1088 Crosscut East while cutting sump. When sump is completed, use the other outfit to drive north. Crosscut east every 100 feet.

5th Level Piute - run crosscut east at 19-400, then drive south as indicated.

On 7th Level Piute, start raise 260 (?) feet south of Chute Raise, No. 758-A, in 712 Drift North. This is to be done Saturdays and Sundays while on five-day basis. Object - to tap 600 for transfer of ore at flat portion of vein.

712 OREBODY

Continue 5th Level north and start 6th Level south as soon as south end of 705 Stope is cleaned down ready for fill.

NORTH OREBODY

In 712 Drift North, put up two chute raises to sub-level - as indicated - this to be done Saturdays and Sundays while on five-day week schedule.

CENTRAL OREBODY

Drive face of 585 A Drift North 25 ft. to footwall, more or less, and drive 579 A Drift North ahead as indicated by Geological Department.

Continue 1099 s Crosscut West to a total of 50 feet. If no vein is found, drive north on best looking stringer as indicated by Geological Department.

Drive 1024 Crosscut East 75 to 100 feet and drive a crosscut west opposite for a distance of 100 feet. This work to wait till waste can be handled through 706 A Winze.

706 Winze. When 1099 s Crosscut West is finished proceed to put up a raise to sublevel for dumping, cut sump and pocket and cut hoist room in hanging opposite winze as outlined, so that sinking and driving 1017 Drift North can proceed.

South Ore Body

Drive raise to 9th level on 1007 Drift North near bulk head as indicated.

Outline of Operations - #2. 1/10/51

In 712 Drift North, cut out on hanging wall vein just north of 706 Crossout East and in 706 Crossout East cut pocket on hanging wall vein. This is to be done Saturdays and Sundays while five-day program is on.

Also continue 784 Drift North across 712 Drift North on vein. This to be done Saturday and Sundays.

GENERAL

Only one of these Saturday and Sunday workings to be driven at one time.

The above has been written up with the cooperation and O. K. of Mr. MacLellan.

H. A. Geissinger Jr.
Manager.

1/10/51
HAG:G
CC-JHC
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TL
JOE
JW

Mr Ed. Shea

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APR 21 1931
ACCOUNTING DEPT
NEW YORK

Report of the

Walker Mining Company

For the Year Ending December 31, 1930

MIN 000001643

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Walker Mining Company

PLUMAS COUNTY, CALIFORNIA

P. O. WALKERMINE, CALIFORNIA
SHIPPING POINT SPRING GARDEN, CALIFORNIA

OPERATING OFFICE
KEARNS BUILDING, SALT LAKE CITY, UTAH

(Incorporated under the Laws of the State of Arizona)

CAPITAL STOCK

COMMON—Authorized	- - -	1,750,000 shares at $1.00 per share
Issued	- - - -	1,749,308 shares at $1.00 per share

Directors

J. R. WALKER R. MAY J. O. ELTON J. B. WHITEHILL
B. R. HOWELL H. A. GEISENDORFER ROBERT E. DWYER

Officers

J. R. WALKER, *President*
ROBERT E. DWYER, *Vice-President*
J. O. ELTON, *Vice-President*
J. B. WHITEHILL, *Secretary-Treasurer*

Transfer Agents

J. W. ALLEN, Transfer Agent, 25 Broadway, New York City, N. Y.
ROM WARBURTON, Transfer Agent, 820 Kearns Bldg., Salt Lake City, Utah

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President's Report

Salt Lake City, Utah, March 15, 1931.

To the Stockholders of the Walker Mining Company:

The following report covering operations of your Company for the year ended December 31, 1930, is submitted.

Referring to the income account there is shown an operating profit of $356,110.35. The corresponding amount for the year 1929 was an operating profit of $1,015,758.84. The lower operating profit for 1930 as compared to that of the previous year was due to a decrease in the price of copper.

The average price received during the year 1930 was 12.971 cents per pound and the price for 1929 was 18.0765 cents per pound.

The mining costs for 1930 based on a ton of crude ore for breaking, producing, milling and delivery of concentrates to the railway were $2.5066. (The costs for 1927, 1928 and 1929 were respectively $2.7523, $2.3391 and $2.5578.)

The Company is entirely out of debt and the balance sheet as of December 31, 1930, shows an excess of current assets over current liabilities amounting to $742,071.41.

For mining and development operations please refer to the Manager's Report.

There were 518,509 tons of ore milled which produced 33,445 tons of concentrates. During the year there were delivered 33,256 tons of concentrates to the smelter having a metal content as follows:

Copper, pounds	15,776,171
Silver, ounces	377,993.61
Gold, ounces	16,898.969

A development program was planned and carried on so that a ton of ore was placed in the reserve for each ton extracted. 8442 feet of new development work was done during the year for the purpose of opening up ore bodies in addition to 6932 feet of advances made in the course of the mining operations—at a total cost of $187,248.58.

The development of the Piute Ore Body above the 700 level was continued and the three-compartment winze below the 7th level was extended 681.5 feet to a total depth on the incline of 738 feet. Crosscuts

MIN 000001645

to the vein on the 8th and 9th levels were driven and exploration on the 10th level began near the end of the year.

Stope preparation continued on the 8th, 9th and 10th levels in the South and Central Ore Bodies. The 9th level was extended north and should reach the south end of the North Ore Body early in the year 1931.

The mill was not run at capacity all year as it was considered good business to conserve ore for better metal prices.

J. R. WALKER, *President.*

MIN 000001646

Manager's Report

Walkermine, California, March 13, 1931.

Mr. J. R. Walker, President,
Walker Mining Company,
Salt Lake City, Utah.

Dear Sir: I beg to submit annual report of the Walker Mining Company covering the period of twelve months beginning January 1, 1930, and ending December 31, 1930.

MINING DEPARTMENT

Tons of ore mined during the year were as follows:

Ore broken	495,108 tons
Ore produced	530,529 tons
Waste	23,876 tons

Central Ore Body

Mining continued above the seventh level, removing pillars of the old stopes by the square set method. Also 580 B stope was opened and mined north of the faulted area. Drifts were also extended north and south on the eighth and ninth levels, and north on the tenth level, and 706 A three compartment winze was extended to the tenth level. The tenth level was equipped with motor haulage.

A total of 2,286 feet of drifts, crosscuts and raises was driven, and 65,869 tons of ore averaging 2% copper were produced. Approximately 12.42% of the tonnage produced came from this ore body.

North Ore Body

The second level was extended south 240 feet in high grade ore, and the third level was extended north. The main stopes of this ore body above the seventh level are nearly exhausted. The ninth level is now driving into this ore body.

A total of 2,065 feet of drifts, crosscuts, and raises was driven, and 202,235 tons of ore averaging 1.36% copper were produced. Approximately 38.12% of the production came from this ore body.

MIN 000001647

South Ore Body

Stopes were opened on the ninth and tenth levels, and the tenth level was equipped for motor haulage. A total of 3,263.5 feet of drifts, crosscuts, and raises was driven, and 59,484 tons of ore averaging 1.51% copper were produced. Approximately 11.21% of the production came from this ore body.

712 Ore Body

The two compartment working raise was extended 131 feet, from the sixth to the fifth level, the sixth level was extended north, and the fifth level cut. Stopes were opened on the sixth and fifth levels.

A total of 2,038.5 feet of drifts, crosscuts and raises was driven, and 61,918 tons of ore averaging 3.70% copper were produced. Approximately 11.67% of the production came from this ore body.

Piute Ore Body

Development continued in this ore body. The sixth level was extended 951 feet south and 111.5 feet north, and a transfer raise driven to the sixth level. A two compartment timbered working raise was put up in the south end of the ore body for a distance of 230.5 feet. 356 feet of main haulage level were driven in the footwall, beneath the ore for mining purposes. 734 C winze, three compartment timbered winze, downward continuation of 783 A raise to the surface, was extended 681.5 feet to a total depth of 738 feet on forty-five degree slope below the seventh level. Stations were cut on the eighth, ninth and tenth levels, and crosscuts extended to the vein, with gratifying results on the eighth and ninth levels, and more prospecting to be done on the tenth. Water was encountered on the tenth level, and a sump is being cut and pump installed.

A total of 5,730.5 feet of drifts, crosscuts and raises was driven and 141,023 tons of ore averaging 1.33% copper were produced. Approximately 26.58% of the total production came from this ore body.

Ventilation

A 30,000 foot multiple blade fan was installed on the surface at the top of the Piute raise. By a system of doors, it can be used either for blowing or exhausting.

Power

A 2,200 volt—310—lead covered steel armored cable was installed in the Piute raise, and three 100 H. P. 2,200—440—volt transformers installed on the seventh level near the Piute winze.

MIN 000001648

Development and Mining

For the purpose of development advances in underground openings amounted to ..... 8,442.0 feet
Advances for the purpose of mining were ..... 6,932.5 feet
Total footage for development and mining ..... 15,374.5 feet

Breakage and Grade

There were 495,108 wet tons of ore broken, 2% moisture, with an average grade of 1.883% copper.

	Wet tons	*% Cu*
South Ore Body	75,724	1.61
Central Ore Body	34,861	2.32
North Ore Body	174,698	1.36
712 Ore Body	72,701	4.05
Piute Ore Body	137,124	1.44

Concentration Department

The mill operated satisfactorily during the year, crushing a total of 518,509 tons of dry ore, or an average of 1,554 tons per day for the 333.67 days that the mill was in operation.

Mill statistics for the year were as follows:

Ore milled, dry tons	518,509
Average grade of ore milled, % copper	1.6713
Average grade of tails, % copper	0.1596
Average recovery, percentage	91.0600
Average grade of concentrates, % copper	23.7720
Average grade of ore milled, ozs. silver	0.8560
Average grade of ore milled, ozs. gold	0.0532
Tons of concentrates produced	33,266.323

During the year there were delivered to the smelter 33,251.245 dry tons of concentrates having a metal content as follows:

Copper, pounds	15,775,669
Silver, ounces	377,765.560
Gold, ounces	16,462.046

Note—In addition to the above 502 lbs. of copper, 228.05 ozs. silver, and 436.923 ozs. gold were recovered from lime scale that was taken from flotation cells and launders.

A total of the copper, silver and gold shipped is as follows:

Copper, pounds	15,776,171
Silver, ounces	377,993.610
Gold, ounces	16,898.969

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After deduction of smelter contract had been made, copper paid for by the smelter from concentrates and lime scale amounted to 14,654,-793 pounds. Cost of producing this copper, after crediting gold and silver content, and including refining charges was 10.542c per pound. This cost includes development in previous years in the amount of $46,009.78 written off during 1930 to complete this item, but does not include depletion or depreciation.

Tramway

The tramway handled the following tonnage during the year:

Concentrates, dry tons	33,100.162
Lime Scale, dry tons	5.160
Back freight, tons	3,437.042

Costs

The operating costs per ton of crude ore for breaking, producing, milling, and delivery of concentrates at Spring Garden, for the year were as follows:

Breaking ore, including shaft sinking and current development	$1.2667
Producing ore, including current development and waste	0.5530
Mill operating	0.6366
Tramway (per ton of concentrates 0.7837)	0.0503
Total	$2.5066

Capital Expenditures

Capital expenditures during the year were as follows:

Mine Department	$20,371.26
Mill Department	24,730.40
Camp Buildings and Misc. Equipment	53,777.15
Total construction and equipment	$98,878.81

Yours very truly,

WALKER MINING COMPANY,

By H. A. Geisendorfer, *Manager.*

MIN 000001650

Walker Mining Company

BALANCE SHEET—31st DECEMBER, 1930

Assets

FIXED:		
Mine, Mining Claims and Development	$1,318,882.98	
Plant and Equipment	1,436,955.86	$2,755,838.84
CURRENT:		
Supplies on hand and Expenses prepaid	187,122.97	
Ores and Concentrates on hand—at cost	351,939.93	
Accounts Receivable	29,103.22	
Cash	238,760.17	806,926.29
		$3,562,765.13

Liabilities

CAPITAL STOCK:		
Authorized—1,750,000 shares of $1.00 each		
Outstanding—1,749,308 shares		$1,749,308.00
RESERVE FOR DEPRECIATION		871,826.81
CURRENT:		
Interest and Taxes accrued	$ 18,389.95	
Accounts and Wages payable	46,464.93	64,854.88
SURPLUS ACCOUNT:		
Surplus 31st December, 1929	731,741.65	
Net Income of the year ended 31st December, 1930	276,231.89	
	$1,007,973.54	
Dividend No. 1 declared 7th March, 1930	131,198.10	876,775.44
		$3,562,765.13

We hereby certify that this Balance Sheet shows the financial condition of Walker Mining Company at 31st December, 1930, and that the accompanying Income Account for the year ended that date is correct as stated.

Pogson, Peloubet & Co.,
Certified Public Accountants.

New York, 16th February, 1931.

Note—In order to comply with the Government Income Tax requirements for the purpose of computing depletion additional entries respecting the valuation of the mining property have been recorded upon the books of the Company; but being made for tax purposes only, the result of such entries is omitted from the current statements.

MIN 000001651

Walker Mining Company

INCOME ACCOUNT

YEAR ENDED 31st DECEMBER, 1930

Sales of Ore and Concentrates		$1,921,355.43
Mining and Milling	$1,313,607.77	
Transportation	218,659.83	
Inventory at beginning of year	384,917.41	
	$1,917,185.01	
Less, Inventory at end of year	351,939.93	1,565,245.08
Operating Profit		$ 356,110.35
Depreciation	$ 92,398.46	
Federal Income Tax	16,306.03	108,704.49
		$ 247,405.86
Interest received	$ 4,027.69	
Adjustments due to revision of prior years—Income Taxes	24,798.34	28,826.03
Net Income of the year ended 31st December, 1930		$ 276,231.89

MIN 000001652

Walker Mining Company

BALANCE SHEET—AS AT SEPTEMBER 30, 1931

ASSETS

'ne, Mining Claims & Development		$1,319,131.96
Plant and Equipment		1,452,650.85
Supplies on Hand & Expenses Prepaid		172,631.67
Ores and Concentrates on Hand (at Cost)		324,082.14
Accounts Receivable:		
International Smelting Company	$ 6,056.02	
Others	5,152.80	11,208.82
sh		282,259.37
		$3,561,964.81

LIABILITIES

Capital Stock:		
1,749,308 shares @ $1.00		$1,749,308.00
Reserve for Depreciation		909,921.87
Taxes Accrued		25,620.49
Accounts Payable:		
International Smelting Company	$ 3,278.13	
Others	47,162.41	50,440.54
Surplus:		
Balance, June 30, 1931	868,706.18	
Net Income for Third Quarter, Year 1931	42,032.27	826,673.91
		$3,561,964.81

NOTE:—In order to comply with the Government Income Tax requirements for the purpose of computing depletion, additional entries respecting the valuation of the mining property have been recorded upon the books of the Company, but being made for tax purposes only, the result of such entries is omitted from the current statements.

MIN 000001698

Walker Mining Company

» » « «

INCOME ACCOUNT—THIRD QUARTER OF YEAR 1931

Sales of Ore and Concentrates	$213,797.98	
Concentrates Lost in Transit	775.55	$214,573.53
Mining and Milling	$214,353.79	
Transportation	30,649.44	
Inventory at Beginning of Period	325,975.21	
	$570,978.44	
Less Inventory at End of Period	324,082.14	246,896.30
Operating Profit		**$ 32,322.77**
Add:		
Interest		2,446.04
		29,876.73
Less:		
Depreciation		12,155.54
Net Income for Quarter		**$ 42,032.27**

» » « «

Dry tons settled for and amounts received for each month of the quarter are as follows:

	Dry Tons	Amount	Average Price Per Lb. Copper Paid For
July	2,089.5045	$78,176.64	7.8606c
August	1,948.9615	68,682.97	7.2990c
September	1,988.816	66,938.37	7.1657c
	6,027.2820	$213,797.98	

Walker Mining Company

Plumas County, California

» » « «

Post Office
Walkermine, California

» » « «

Shipping Point
Spring Garden, California

» » « «

Operating Office
Kearns Building, Salt Lake City, Utah

» » « «

(Incorporated under the laws of the State of Arizona)

» » « «

CAPITAL STOCK

Common, Authorized, 1,750,000 shares at $1.00 per share
Issued, 1,749,308 shares at $1.00 per share

» » « «

DIRECTORS

J. R. Walker
B. R. Howell
J. B. Whitehill
Reuben May
J. O. Elton
Robert E. Dwyer
H. A. Geisendorfer

» » « «

OFFICERS

J. R. Walker.....President
Robert E. Dwyer.....Vice-President
J. O. Elton.....Vice-President
J. B. Whitehill.....Secretary-Treasurer
D. B. Hennessy.....Assistant Secretary
E. O. Sowerwine.....Assistant Secretary
J. H. Collins.....Assistant Secretary

» » « «

TRANSFER AGENTS

J. W. ALLEN
25 Broadway, New York City, New York

ROM WARBURTON
820 Kearns Building, Salt Lake City, Utah

MIN 000001699

Development: by 3 shafts, including the Gold Bar to a depth of 250' with 2,900' of drifts and crosscuts; and the Baldwin to a depth of 300'. About 25,000 tons of milling ore were said to be available. Company plans to run a crosscut on the 250' level of the Gold Bar, to the Baldwin shaft.

Equipment: includes electric power supplied by Diesel engines and generator, compressor and drills. A 50-ton flotation mill was being designed in December, 1929.

Comment: company seems to be on the road toward successful operation. Development is actively proceeding, and further shipments were anticipated in early-1930.

VANDERLIP MINES, INC. **CALIFORNIA**

Address: Washington B. Vanderlip, pres., Mills Bldg., San Francisco, Calif.

Property: the Slap Jack mines on the Mother Lode, Tuolumne county, and 7 claims on the Fort Wine channel comprising the Clipper Ship placer mine in Sierra county. The mine is developed by a shaft, drained at the 900' level by the Hetch Hetchy tunnel. Equipped with hoist, 300-cu. ft. compressor and air drills. The placer is developed by 1,350' bedrock tunnel. Active in 1927; no news since.

VICTORIA MINING CORP. **CALIFORNIA**

Address: Latham Square Bldg., Oakland, Calif.

Officers: Edw. S. Belt, pres.; Dr. J. B. Carroll, v. p.; Grace McCurdy, sec.

Inc. in Nevada.

Property: owns the Pennsylvania group in Mono county and has a lease on the adjoining Chemung mine and mill of the **Masonic Mines Assoc.**, which see.

VICTOR LAND & MINERAL CO. **CALIFORNIA**

Address: 512 Commercial Bldg., St. Louis, Mo.

Officers: E. H. Ehrler, pres.; J. A. Montreeville, v. p.

Inc. 1914, in California. **Cap.** $1,000,000; par $1; issued 150,276 shares.

Property: the Victor mine, sold March 10, 1927, to **Calaveras Central Mng. Corp.**, which see.

VICTORY GOLD MINES CO. **CALIFORNIA**

Address: 1201 Pacific Finance Bldg., Los Angeles, Calif.

Officers: A. M. Buley, pres.; E. J. Miley, v. p.; John Nefroney, supt.

Inc. Aug. 20, 1914, in California. Apparently this company was consolidated with the **Oak Bottom Placer Syn.** in mid-1924. **Cap.** $500,000.

Property: hydraulic mine on Russian creek, Salmon River district, Siskiyou county, 18 miles SW of Etna Mills. New construction work was under way in mid-1923 and hydraulic operations were begun by September, but were apparently not continued.

Company controls also the Advance quartz mine, 100 acres, in Liberty district, 13½ miles SE of Etna Mills, formerly operated by **Advance Mng. Co.** Shows short gold-bearing ore shoots in schist and limestone. Ore is in general low grade and is free milling. Mine was being developed in 1924-25.

Equipment: includes 400-h.p. hydro-electric plant, hoist, compressors, locomotive and a 20-stamp mill. Entire equipment purchased in 1924 from the Mountain King Mining Co.

VONTRIGGER COPPER CO. **CALIFORNIA**

Address: Lionel Brooke, Goffs, Calif.

History: is an unincorporated company. Took over in the fall of 1926 the Vontrigger mine, operated 1904-14 by the probably now defunct **California Gold & Copper Co.**

Property: 9 patented claims (180 acres) in the Signal district, San Bernardino county, 9 miles N of Goffs. Ore occurs as chalcopyrite with small values in gold and silver in fissure veins, in porphyry and granite cut by diorite dikes. Ore shipments in 1926 reported to have averaged 6% copper. Production in early-1927, about 20 tons per day. No news since.

Development: by 2 shafts, 300' and 110'. **Equipment:** includes a small 12-h. p. hoist. Presumably inactive.

WALDO CONSOLIDATED MINES CO. **CALIFORNIA**

Address: H. P. Kervin, Golconda, Nevada. **Mine address:** Masonic, Calif.

Officers: H. P. Kervin, pres.; M. P. Armstrong, treas., and S. I. Kervin, directors.

Inc. Feb. 6, 1924, in Nevada. **Cap.** 1,000,000 shares; par 25c. 796,000 shares outstanding in early-1927. Company took over the **Thor Mining Co.** in mid-1926. Property was leased in March, 1928, to E. I. Meyer and associates of Los Angeles, for a period of 3 years with option to purchase for $20,000.

Property: Waldo mine, adjoins the Sarita mine and covers the extension of the Sarita vein, in the Masonic district, about 12 miles NE of Bridgeport, Mono county. Values are in gold and are said to range from $3 to $40 per ton in the Sarita. Lessees propose to drive a 620' crosscut to cut the vein at a depth of 220'.

WALKER BROS. CONSOLIDATED COPPER CO. **CALIFORNIA**

Address: 338 S. Main St., Salt Lake City, Utah.

Officers: J. R. Walker, pres.; W. R. Walker, v. p.; J. R. Walker, Jr., sec.; G. R. Walker, treas.; with Chas. A. Walker, Walter C. Lewis, and Geo. Baglin, directors. J. R. Walker is also president of Walker Mining Co.

Inc. 1916, in Utah. **Cap.** $250,000; made up of 1,500,000 shares common at 10c. par, and 100,000 shares preferred at $1 par, of which 1,085,000 common shares, and 50,000 preferred shares are issued.

Property: 220 acres (patented) paralleling the Walker mine of the Walker Mng. Co., about 9 miles northeasterly from Spring Garden on the Western Pacific R. R. in Plumas county. Also holds on location other claims, making a total of approximately 2 square miles of a mineralized zone at the contact of granodiorite, with highly silicified and metamorphosed Carboniferous sedimentaries, near an augite-andesite dike. Orebodies occur in the schist at a distance from the contact, and are said to be from 20 to 30' with 8 to 10' of high grade running 6 to 9% copper. Surface samples run from less than 1% to 5% copper.

Development: by the Highland Boy and the 900' McGill adits, the latter of which was being cleaned out in mid-1929 preparatory to an extensive program of development either by shafts or diamond drilling.

The property had lain idle for 10 years prior to 1929 due, it was said, to the low price of copper, when company proposed to open it up and place it on a productive basis. Being somewhat similar to the Walker mine in its geologic features it was thought to hold excellent possibilities.

WALKER MINING CO. **CALIFORNIA**

Address: 818 Kearns Bldg., Salt Lake City, Utah. **Mine address:** H. A. Geisendorfer, mgr., Spring Garden, Plumas county, California.

Officers: J. R. Walker, pres.; Robt. E. Dwyer, v. p.; J. O. Elton, v. p.; J. B. Whitehill, sec.-treas.; with W. R. Walker, B. R. Howell and H. A. Geisendorfer, directors. **Operating staff:** John Wallblom, mine supt.; M. R. McKenzie, mill supt.; C. D. Arietta, chief engr.

History: incorporated Nov. 15, 1913, in Arizona, to take over and operate the Walker mine. Company began work in 1916, previous to which little had been done. Property was thoroughly prospected before it was acquired. The **Anaconda Copper Mng. Co.** through its subsidiary, the **International Smelting Co.**, controls company by a 51% stock ownership.

Capitalization: $1,750,000 common, increased May 22, 1923, from $1,250,000; par $1; 1,749,308 shares outstanding Dec. 31, 1929. Outstanding preferred stock amounting to 100,000 shares was retired July 10, 1925. Transfer agents: J. W. Allen, 25 Broadway, New York City; Rom Warburton, 820 Kearns Bldg., Salt Lake City, Utah. Annual meeting, 1st Tuesday in May.

Market for securities: stock listed on the New York Curb and Salt Lake Stock Exchange; PRICE RANGE: 1923, $3-$3½; 1924, $2½-$3¼; 1925, $1½-$3⅝; 1926, 50c.-$1⅛; 1927, 89c.-95c.; 1928, 75c.-$3½; 1929, $2-$7.

Financial statement: as of Dec. 31,

ASSETS

Year	Property	Plant & Equip.	Current	Deferred Charges	Total
1926.....	$1,582,167	$1,068,029	$345,466	$141,518	$3,137,180
1927.....	1,511,383	1,084,356	459,948	.....	3,055,687
1928.....	1,458,416	1,180,410	561,024	.....	3,199,850
1929.....	1,357,695	1,345,275	696,519	.....	3,399,489

LIABILITIES

Year	Capital	Reserves	Notes	Current	Surplus	Total
1926.....	$1,749,308	$536,627	$845,633	$125,404	$119,794*	$3,137,180
1927.....	1,749,308	608,455	855,633	137,533	275,242*	3,055,682
1928.....	1,749,308	684,961	780,000	84,702	99,121*	3,199,854
1929.....	1,749,308	800,184	.....	118,256	731,741	3,399,489

* Deficit.

Indebtedness to the International Smelting Co. which amounted to $780,000 in 1928 was wiped out in 1929, leaving an excess of current assets over current liabilities of $578,263, Dec. 31, 1929.

INCOME ACCOUNT

Year	Sales, Ore and Conc.	Oper. Expense	Net Earnings	Reserves Depr.	Deduct. Int. Tax	Net Income
1925....	$1,589,586	$1,086,866	$ 502,720	$179,080	$64,905	$258,735
1926....	1,109,091	1,137,624	28,533	113,801	51,474	193,808
1927....	1,196,684	1,229,942	33,258	71,828	50,363	155,449
1928....	1,476,789	1,172,019	304,770	79,362	49,287	176,121
1929....	2,551,110	1,535,351	1,015,759	115,223	69,673	830,863

Property: 50 claims (10 patented, the remaining claims in process of patent), 1,049 acres, about 9 miles NE of Spring Garden on the Western Pacific R. R., with which it is connected by aerial tramway, and 22 miles by mountain road NW of Portola, Plumas county. Deposits are in a mineralized zone at the contact between the plutonic core of the Sierra Nevada and Carboniferous rocks. The commercial orebodies are not found in the plutonic rock but in a black schist at some distance from the contact, in an altered zone impregnated with copper sulphides containing silver and gold. The main orebody has a maximum width of 120' with an average of 30', strikes N 20° to 30° W, and dips 55 to 75° E. Five orebodies have been mined and developed up to the end of 1929 from 200' to 1,000' in length.

Development: by the 7th level main haulage adit 10,000' long, which cuts the vein at an angle of 30° with the strike, at 3,000' from the portal, from whence it follows the vein cutting the South, Central, North, 712 and Piute, orebodies at distances from the portal of 3,000', 3,550', 4,850', 8,000' and 10,000', respectively. The South orebody is developed by a 545' 3-compartment inclined winze from the adit level to the 10th level, which has been driven 1,600' along the vein for use as a main haulage level. The Central has a 175' raise to the 5th level, and a 414' inclined winze to the 9th level, which is connected to the 10th by a raise, from which has been put up to the surface a 322' ventilation and exit raise; stoping has been carried on up to the 4th level. The 712 and Piute orebodies are recent discoveries, and are developed by a 233' supply raise in the former, and a 541' 2-compartment main raise to the surface in the latter, with a 3-compartment winze sunk 56' to the end of 1929. All orebodies have been opened by drifts, raises, crosscuts, and winzes aggregating from 12,000 to 18,000' each year. Principal production has been from the first three orebodies with the 712 and Piute undergoing development.

Reserves: in mid-1929 there were estimated to be 250,000 tons broken in the stopes with probable ore placed at 7,000,000 tons. Development work each year has to date built up reserves far in excess of production.

Equipment: includes electric power (pur); 2 double-drum electric hoists at the winzes, and 3 single-drum electric hoists at the raises; two 5-ton and three 3-ton electric locomotives on the No. 7 and No. 10 haulage levels; 6 compressors furnishing 4,500 cu. ft. air through 8,000' of 6" pipe line; Jeffrey fan. Concentrate is hauled to Spring Garden on an 8.2 mile aerial tramway by 104 buckets of 700 lb. capacity each. Concentrate is shipped to the International at Tooele, Utah. Men employed, 250.

Mill: 1,600 ton, built for 750 tons in 1924 replacing an old 250-ton mill, and increased to 1,600 tons September, 1929; includes 3 Blake crushers, 2 rolls, 4 Marcy ball mills each in closed circuit with a Dorr classifier, 4 sets Calow flotation cells, two 25' Dorr thickeners, and an Oliver filter.

Production:

Year	Ore Milled tons	Grade % cu.	Conc.† Prod. tons	Copper Shipped lb.	Gold Shipped oz.	Silver Shipped oz.	Costs* Product ¢/lb. cu.
1926	290,082	1.87	17,823	8,818,172	7,479	162,080	14.166
1927	340,156	1.49	19,208	9,363,351	12,411	190,474	13.279
1928	391,275	1.44	22,653	10,356,742	13,011	212,962	11.388
1929	457,637	1.81	32,374	15,031,978	15,400	294,562	10.799

* Calculated after smelter deductions, gold and silver credits, and refining charges have been taken into account.

† Recovery has been consistently between 91.1% and 92.7%, with about a 24% concentrate.

Comment: next to Engels the Walker Mining Co. has in the past been the largest copper producer in California. In 1929, however, Walker forged ahead of Engels and seems likely to hold the lead in the future. Management is good and the mining methods are efficient. Reserves of the mine have been greatly increased by the opening up of the large 712 and Piute orebodies and the outlook for the company is bright for several years to come. Walker Mining with a fair price for copper should return substantial dividends. With the drop in the copper market in early 1930 the outlook is less rosy, but a small margin of profit can still be made.

WAR GENERALS PLACER MINING CO. **CALIFORNIA**

Address: c/o Frank H. Gray, Greeg Bldg., Burbank, Calif.

Inc. 1928, in California. Acquired in 1929 a group of 19 placer claims in the Salmon River section above Yreka, Siskiyou county. Ample water and timber are said to be available and several claims have produced. **Cap.** 2,500 shares; no par.

WASHINGTON GOLD MINING CO. **CALIFORNIA**

Address: Dr. G. A. Grotefend, Redding, Calif. **Mine address:** C. C. Fox, French Gulch, Calif.

Property: the Washington mine, located in 1852 and operated on and off for over 60 years, 82 acres, patented, between the forks of French Gulch, has a reported production of $2,000,000. Ore occurs as free gold with a small amount of sulphides in two vein systems in slate and meta-andesite.

Development: by 6 tunnels, 300' to 2,400', and several thousand feet of workings. A 300' adit was being driven in 1926. Equipped with a 5-stamp mill.

WATERMAN GOLD MINING & MILLING CO. **CALIFORNIA**

Address: Henry L. Kuns, 2449 Magnolia Ave., La Verne, Calif. **Mine address:** Angels Camp, Calif.

Officers: Henry L. Kuns, pres.; Charles H. Elder, v. p.; Mrs. M. M. Kuns, sec.; H. M. Williams, treas., with Henry A. Kuns, directors.

Inc. 1910, in Arizona. **Cap.** $1,000,000; $1 par; 675,190 shares outstanding. Bonds authorized, $100,000; $60,000 outstanding. Annual meeting, first Monday in June.

Property: 2 patented claims, 28 acres, formerly known as the Fairfax and Centennial claims, one mile W of Angels, in Calaveras county. Ore occurs as free-milling gold and sulphides in a fissure vein through diorite.

Development: by 2 shafts to depths of 30' and 250'. Estimated ore reserves, from diamond drilling, said to be 400,000 tons of $4 ore.

January 30, 1932.

Mr. J. H. Cooper,
Assistant to Manager,
Spring Garden, California.

Dear Cooper:

The reports for third period have just been received, and I note in the last sentence in the first page, that 202 tons 2.67% copper for the ten-hundred, which according to the detailed report, should be 203 tons of 0.67. Will you please correct this on your sheets?

I understand that certain of the monthly men out there think, due to the cut, that they can lay off more than heretofore, but since the cut was only a 15% cut and not a part time arrangement, I wish you would please post a notice to this effect at the office, as I understand some of the office men are taking the cut as a part time arrangement, which is not the case. You might tell Mr. Peterson that it is a straight cut, and not a part time arrangement.

As to the sampling, please leave that in the status in which it formally was with the engineering department, but tell Standberg that if one sampler cannot handle it, we will expect help from his engineering department.

Regarding the boardinghouse, I wish you would get coils installed in the furnace, and the extra hot water tank in the basement for heating water for dishwater, as soon as possible, so that the boarding house can cut their rang down to one burner, and thereby save about 40% of the present oil consumption, and with the use of practically no more wood. Will you please get some action on this?

It has been snowing here now for practically a week and has been snowing all day. The roads around North Lily

are blocked temporarily, so you can see the conditions here. I am wondering how much snow you are having there.

Hoping this finds you all O.K. and with best wishes.

Sincerely,

H. A. Geisendorfer,
Manager.

HAG:H

STATEMENT 1931

Walker Mining Company

PLUMAS COUNTY, CALIFORNIA

P. O. WALKERMINE, CALIFORNIA

SHIPPING POINT SPRING GARDEN, CALIFORNIA

OPERATING OFFICE
KEARNS BUILDING, SALT LAKE CITY, UTAH

(Incorporated under the Laws of the State of Arizona)

CAPITAL STOCK

COMMON—Authorized	- - -	1,750,000 shares at $1.00 per share
Issued	- - - -	1,749,308 shares at $1.00 per share

Directors

J. R. WALKER R. MAY J. O. ELTON J. B. WHITEHILL
B. R. HOWELL H. A. GEISENDORFER ROBERT E. DWYER

Officers

J. R. WALKER, *President*
ROBERT E. DWYER, *Vice-President*
J. O. ELTON, *Vice-President*
J. B. WHITEHILL, *Secretary-Treasurer*

Transfer Agents

J. W. ALLEN, Transfer Agent, 25 Broadway, New York City, N. Y.
ROM WARBURTON, Transfer Agent, 820 Kearns Bldg., Salt Lake City, Utah

MIN 000001639

To the Stockholders of the
Walker Mining Company

The financial statement of your Company at the close of business December 31, 1931, and an income account for the year 1931 are herewith submitted for your information.

The depressed state of general business during the year and the resultant decreased demand for and consumption of basic commodities have been only too evident. Your Company as a producer of metals used in industry has had its income and scale of operations seriously affected by these conditions. The production of your Company is copper concentrates whose value depends upon the metal content in the form of copper, gold and silver and the prices at which these metals are sold. In order that you may have a concrete picture of present conditions and those prior to 1931, I submit below some comparative figures for the 5-year period prior to 1931 and the year 1931.

	Average Price of Silver Per Ounce	Average Price of Copper Per Pound	Net Average Value of Walker Concentrates Per Ton
1926—1930	50.78c	14.65c	$58.98
1931	28.69c	8.21c	$33.33

A ton of average concentrates in 1931 was worth only 57% of what it was worth on the average in the previous 5-year period.

The mine was operated at a reduced capacity during the entire year. There were milled 432,294 tons of ore which produced 25,342.10 tons of concentrates. There were delivered and sold to the smelter 25,532.462 tons (including a small amount of lime scale and screenings) with a total metal content of:

Copper, pounds	12,850,281
Silver, ounces	322,429.39
Gold, ounces	13,614.215

Development has been kept up and 6,997 feet of advances were driven for purposes of development at a total cost of $90,988.04 and as a result of this work an increased tonnage of ore has been put in sight. In spite of reductions in per ton cost production, the mine suffered an operating loss of $73,829.30 for the year. This amount does not include depreciation but does include all charges for exploratory work and development.

It was the policy of your directors to continue operations so long as the monthly loss did not exceed the shutdown expense. Early in December it was realized that due to the extremely low price of copper and the general business outlook that some drastic action was necessary. It was decided to limit production and rotate employment giving underground and surface men three days per week, so as to furnish them a living for the remainder of the winter. It was realized that a continued low price for copper would sooner or later compel a cessation of production by the mine.

The physical conditions of the mine and the surface plant including the mill, shops and plant facilities are in as good condition as at any time in the history of the mine, and ore reserves are ample. When metal prices justify full capacity operation, low costs with resulting profits can again be expected.

Respectfully,

J. R. WALKER, President.

Salt Lake City, Utah,
March 15, 1932.

MIN 000001640

Walker Mining Company

BALANCE SHEET—31ST DECEMBER, 1931

ASSETS

FIXED:		
Mine, Mining Claims and Development	$1,319,131.96	
Plant and Equipment	1,455,438.07	$2,774,570.03
CURRENT:		
Supplies on hand and Expenses prepaid	$ 160,295.61	
Ores and Concentrates on hand—at cost	276,067.71	
Accounts Receivable	13,997.18	
Cash	251,487.77	701,848.27
		$3,476,418.30

LIABILITIES

CAPITAL STOCK:		
Authorized—1,750,000 shares of $1.00 each.		
Outstanding—1,749,308 shares		$1,749,308.00
RESERVE FOR DEPRECIATION		922,222.39
CURRENT:		
Interest and Taxes accrued	$ 5,957.22	
Accounts and Wages payable	38,227.45	44,184.67
SURPLUS ACCOUNT:		
Surplus 31st December, 1930	$ 876,775.44	
Net Loss of the year ended 31st December, 1931	116,072.20	760,703.24
		$3,476,418.30

We hereby certify that this Balance Sheet shows the financial condition of Walker Mining Company at 31st December, 1931, and that the accompanying Income Account for the year ended that date is correct as stated.

POGSON, PELOUBET & COMPANY,
Certified Public Accountants.

New York, 27th February, 1932.

NOTE—In order to comply with the Government Income Tax requirements for the purpose of computing depletion additional entries respecting the valuation of the mining property have been recorded upon the books of the Company; but being made for tax purposes only, the result of such entries is omitted from the current statements.

MIN 000001641

Walker Mining Company

INCOME ACCOUNT—YEAR ENDED 31ST DECEMBER, 1931

Sales of Ore and Concentrates		$ 982,090.49
Mining and Milling	$ 848,332.55	
Transportation	131,715.02	
Inventory at beginning of year	351,939.93	
	$1,331,987.50	
Less, Inventory at end of year	276,067.71	$1,055,919.79
Operating Loss		$ 73,829.30
Depreciation	$ 50,395.58	
Federal Income Tax	48.86	50,444.44
		$ 124,273.74
Interest Received		8,201.54
*Net Loss of the year ended 31st December, 1931		$ 116,072.20

*NOTE—Net loss for the year as shown includes depreciation for the year in the amount of $50,395.58.

MIN 000001642

ETB

STATEMENT 1932

Walker Mining Company

PLUMAS COUNTY, CALIFORNIA

P. O. WALKERMINE, CALIFORNIA
SHIPPING POINT SPRING GARDEN, CALIFORNIA

OPERATING OFFICE
KEARNS BUILDING, SALT LAKE CITY, UTAH

(Incorporated under the Laws of the State of Arizona)

CAPITAL STOCK

COMMON—Authorized - - - 1,750,000 shares at $1.00 per share
Issued - - - - - 1,749,308 shares at $1.00 per share

Directors

J. R. WALKER R. MAY J. O. ELTON J. B. WHITEHILL
B. R. HOWELL H. A. GEISENDORFER ROBERT E. DWYER

Officers

J. R. WALKER, *President*
ROBERT E. DWYER, *Vice-President*
J. O. ELTON, *Vice-President*
J. B. WHITEHILL, *Secretary-Treasurer*

Transfer Agents

J. W. ALLEN, Transfer Agent, 25 Broadway, New York City, N. Y.
ROM WARBURTON, Transfer Agent, 820 Kearns Bldg., Salt Lake City, Utah

MIN 000001635

To the Stockholders of the
Walker Mining Company:

The financial statement of your Company at the close of business December 31, 1932, and an income account for the year 1932 are herewith submitted for your information.

During January and February operations were carried on under a greatly curtailed basis.

There were broken 30,774 tons of ore and 35,866 tons were produced. The mill crushed 34,741 tons, which produced 1770.8465 tons of concentrates. There were also produced 60 tons of copper precipitates averaging 60% to 63% copper.

There were delivered and sold to the smelter 2114.1485 tons of concentrates (includes 5.823 tons ball mill cleanings and 2.094 tons lime scale) with a metal content of:

Copper, pounds	1,070,057
Silver, ounces	28,674.17
Gold, ounces	1,543.706

All mining and milling operations were suspended February 29th, 1932, and the mine and surface plant were immediately put in condition for a complete shutdown. Watchmen services as required by the underwriters were maintained and for these services key men were retained who were also used to make repairs and improvements.

Respectfully,

J. R. WALKER,
President.

Salt Lake City, Utah,
March 15, 1933.

MIN 000001636

Walker Mining Company

BALANCE SHEET—31ST DECEMBER, 1932

ASSETS

FIXED:		
Mines, Mining Claims and Development	$1,320,672.32	
Plant and Equipment	1,463,520.85	$2,784,193.17
CURRENT:		
Supplies on hand and Expenses prepaid	$ 147,507.22	
Ores and Concentrates on hand—at cost	267,585.03	
Accounts Receivable	9,397.92	
Cash	169,756.66	594,246.83
		$3,378,440.00

LIABILITIES

CAPITAL STOCK:		
Authorized—1,750,000 shares of $1.00 each. Outstanding—1,749,308 shares		$1,749,308.00
RESERVE FOR DEPRECIATION		926,492.72
CURRENT:		
Accounts and Wages payable		3,131.57
SURPLUS ACCOUNT:		
Surplus 31st December, 1931	$ 760,703.24	
Net Loss of the year ended 31st December, 1932	61,195.53	699,507.71
		$3,378,440.00

We hereby certify that this Balance Sheet shows the financial condition of Walker Mining Company at 31st December, 1932, and that the accompanying Income Account for the year ended that date is correct as stated.

POGSON, PELOUBET & COMPANY,
Certified Public Accountants.

New York, 20th February, 1933.

NOTE—In order to comply with the Government Income Tax requirements for the purpose of computing depletion additional entries respecting the valuation of the mining property have been recorded upon the books of the Company; but being made for tax purposes only, the result of such entries is omitted from the current statements.

MIN 000001637

Walker Mining Company

INCOME ACCOUNT—YEAR ENDED 31ST DECEMBER, 1932

Sales of Ore and Concentrates		$ 73,605.32
Mining and Milling	$ 88,426.09	
Transportation	11,103.77	
Inventory at beginning of year	276,067.71	
	$ 375,597.57	
Less, Inventory at end of year	267,585.03	$ 108,012.54
Operating Loss		$ 34,407.22
Depreciation	$ 4,270.33	
Expenses during suspension of operations	28,370.78	$ 32,641.11
		$ 67,048.33
Interest received		5,852.80
Net Loss of the year ended 31st December, 1932		$ 61,195.53

MIN 000001638

REPORT

of the

Anaconda Copper Mining Company

For the Year Ended December 31st, 1932

MIN 000005251

Anaconda Copper Mining Company

CAPITAL STOCK

December 31, 1932

Authorized,	12,000,000 shares, $50 each	$600,000,000
Issued,	8,919,086 shares, $50 each	445,954,300

OFFICERS

Chairman of the Board	JOHN D. RYAN*
President	CORNELIUS F. KELLEY
Vice-President	BENJAMIN B. THAYER†
Vice-President	JAMES R. HOBBINS
Vice-President and Treasurer	ROBERT E. DWYER
Secretary and Assistant Treasurer	DAVID B. HENNESSY
General Auditor	JAMES DICKSON
Assistant Secretary	KENNETH B. FRAZER

DIRECTORS

Percy A. Rockefeller
Benjamin B. Thayer†
Charles E. Mitchell
James R. Hobbins
John D. Ryan*
Cornelius F. Kelley
Charles T. Fisher
Andrew J. Miller
John A. Coe

Deceased
* February 11, 1933
† February 22, 1933

OFFICES

ANACONDA, MONTANA
25 BROADWAY, NEW YORK

MIN 000005252

IN MEMORIAM

JOHN D. RYAN

October 10, 1864
February 11, 1933

John D. Ryan, Chairman of the Board of Directors of this Company, died on the 11th day of February, 1933.

It is eminently fitting that there should be recorded in the Minutes of this Company a testimonial to his character as a man and his worth as an officer of this Company.

For many years the name of Anaconda and that of his own were regarded as practically synonymous.

Mr. Ryan was elected a Trustee of the Anaconda Copper Mining Company on June 28, 1904. He was elected President of the Company on June 9, 1905, serving in that capacity until June 10, 1909. From that date until 1915 he served as President of the Amalgamated Copper Company. Upon the dissolution of the latter Company, Mr. Ryan was re-elected President of this Company, on May 25, 1915. He served in that capacity until his appointment as Assistant Secretary of War, on September 3, 1918, necessitated his resignation. He returned after the Armistice and was elected Chairman of the Board on December 3, 1918.

This brief statement records chronologically the years of his service to the Company; but the result of that service is in a large part the history of the growth, development and progress of the Company under his leadership.

When Mr. Ryan assumed the direction of the Company it was a comparatively small enterprise. Under his direction it grew through the years to its present proportions.

It was not alone in the expansion of the Company that Mr. Ryan displayed his gifts for organization and finance, but also in the inspirational quality of his leadership. In the soundness and the future of the Company he had supreme confidence: a faith that was demonstrated throughout the past three difficult years, during all of which time and at his death he was by far its largest individual stockholder.

BE IT RESOLVED BY THE BOARD OF DIRECTORS:

That its late Chairman, John D. Ryan, served the Company faithfully and well; that in his death the Company has sustained an irreparable loss; and the Directors of this Board and his business associates have been deprived of a wise counsellor, a loyal friend, and a helpful associate.

BE IT FURTHER RESOLVED:

That the Board of Directors tender their sympathy to the bereaved family of the deceased; that this Testimonial and Resolution be ordered spread upon the Minutes of this Meeting, and that a copy thereof, suitably engrossed, be sent to the family of the deceased.

[*Adopted by the Board of Directors, March 23, 1933.*]

MIN 000005253

BENJAMIN BOWDITCH THAYER

October 20, 1862

February 22, 1933

Benjamin Bowditch Thayer, senior Vice-President of this Company, died on the 22nd day of February, 1933. The greater part of his active and useful life was spent in its service.

Mr. Thayer first entered the employ of the Company as a miner, in 1885, shortly after his graduation as a mining engineer. Later he left the employment of the Company, re-entering its service as a Director on June 10, 1909. On the same day he was elected President of the Company, a position which he filled until May 25, 1915, whereupon, the Amalgamated Copper Company having been dissolved, Mr. John D. Ryan was re-elected President of this Company, and Mr. Thayer was elected Vice-President, a position which he filled to the date of his death.

During his long and active connection with the mining industry, Mr. Thayer witnessed and participated in its growth and development. Keenly interested in every detail of the operation, his active mind, indefatigable industry and untiring effort were exerted toward the progressive improvement and perfection of the methods and processes of the Company in its manifold activities. Endowed with qualities that commanded respect, and a personality that evoked a warm and genial comradeship, Mr. Thayer was universally admired and esteemed by all with whom he came in contact.

BE IT RESOLVED BY THE BOARD OF DIRECTORS:

That in the death of Mr. Thayer this Company has lost a faithful, valued and loyal officer; that the members of the Board have been deprived of a helpful and esteemed associate.

BE IT FURTHER RESOLVED:

That the Board of Directors tender their sympathy to the bereaved family of the deceased, and that this Testimonial and Resolution be ordered spread upon the Minutes of this Meeting, and that a copy thereof, suitably engrossed, be sent to the family of the deceased.

[*Adopted by the Board of Directors, March 23, 1933.*]

MIN 000005254

IN MEMORIAM

ALBERT HUBBARD MELIN

July 6, 1857
September 28, 1932

Albert Hubbard Melin, Secretary and Treasurer of the Company, died September 28, 1932, after a continuous service of thirty-nine years with the Anaconda Copper Mining Company and some of its subsidiary companies. During that period he held the following positions:

From November 1, 1893, to June 5, 1894, Auditor of the Butte, Anaconda and Pacific Railway Company, subsequently elected Secretary and Treasurer. He was an Officer and Director of that Company at his death.

From December 21, 1899, to November 28, 1911, Assistant Secretary and from January 31, 1905, to November 28, 1911, Assistant Treasurer of this Company.

From November 28, 1911, to his death, Secretary and Treasurer.

In addition to which he held other offices of trust and responsibility in various subsidiaries of the parent organization.

During this long record of service the deceased brought to the faithful discharge of his duties a never-failing loyalty, an unimpeachable honesty and the highest integrity.

The Board of Directors of the Company, by the adoption of this Testimonial, records the high appreciation of the Company for the services rendered by the deceased during his long incumbency in office and the deep regret and sense of loss of his associates in this Company that has been occasioned by his death.

IT IS RESOLVED:

That this expression of the Board be spread upon the records of the Company, and that a copy be sent to the immediate relatives of the deceased.

[*Adopted by the Board of Directors, October 27, 1932.*]

MIN 000005255

To the Shareholders of
Anaconda Copper Mining Company:

In submitting the report of the operations and business of your Company for the calendar year 1932, it is pertinent to briefly review the general conditions which prevailed in the non-ferrous metal industry during the period.

Production of copper continued to exceed consumption during the first seven months. Subsequently stocks of copper have decreased about four thousand tons per month. World production was approximately 1,000,000 tons, of which the preliminary report of the U. S. Bureau of Mines credits 264,000 tons to the United States, leaving a balance of 736,000 tons from foreign sources.

World consumption of primary copper was about 950,000 tons. Using the formula of stocks plus production and imports minus exports, a consumption of approximately 250,000 tons is indicated for the domestic market, and 700,000 tons in foreign markets. As compared with previous years, world consumption was the lowest since 1921 (788,609 tons). It was 48.44% of the year 1929 (1,965,393 tons), and 70.78% of the average for the twenty years ended 1930 (1,342,165 tons). Domestic consumption during 1932 was the lowest since that of 1908 (222,255 tons); was 29.15% of 1929 (857,640 tons), and 44.01% of the average for the twenty years ended 1930 (568,094 tons). Foreign consumption was relatively well maintained at 63.19% of 1929 and 90.43% of the average for the twenty years 1911-1930. Domestic consumption per capita declined to 3.95 pounds compared with 5.02 pounds in 1908, 5.68 pounds in 1921, 14.18 pounds in 1929, and 10.61 pounds for the twenty years 1911-1930.

All non-ferrous metals established new low record prices. The price of copper, as reported by the Engineering and Mining Journal, was 7.025¢ on January 2, advanced to 7.275¢ on January 12, and declined to 4.775¢ on December 8, which level was maintained to the end of the year, averaging over the period 5.555¢. The price of lead was 3.75¢ at the

MIN 000005256

beginning of the year, declined to 2.65¢ on July 18, and closed at 3¢, with an average price of 3.18¢. Opening at 3.1¢ a pound, zinc declined to a low of 2.312¢ on May 17, advanced to 3.475¢ on September 8, closing at 3.125¢, with an average for the year of 2.876¢. Silver opened at 30.375¢ per ounce, advanced to 31¢ on February 23, declined to 24.25¢ on December 29, and closed at 24.375¢, with the year's average of 27.892¢.

During the year Congress, as part of the revenue legislation enacted, imposed a tax of 4¢ a pound on copper imported into the United States. Owing to the accumulation of stocks prior to the effective date, the tax has had no appreciable effect upon domestic price.

Financial

The gross sales and earnings of the Company upon a consolidated basis totalled $52,295,610.84. The cost of sales, including all operating expenses, current development, maintenance charges, repairs, selling and general expenses and taxes, amounted to $57,240,906.30, resulting in an operating loss of $4,945,295.46.

Other income amounted to $610,063.60. Deductions from income for depreciation and obsolescence, interest on current obligations, interest and discount on bonds, and the expense of carrying non-operating units, totalled $12,558,008.40, resulting in a loss for the year of $16,893,240.26.

The current liabilities totalled $79,731,792.22 as compared with $71,338,989.05 in the prior year. The increase of $8,392,803.17 was all in the item of Notes Payable. Of this amount $4,515,000 was advanced to the Inspiration Consolidated Copper Company on its promissory notes, secured by the First Mortgage 7% Gold Bonds of that Company of like principal amount. The balance, $3,877,803.17, represents the total additional amount of money borrowed for the requirements of the Company. No money was borrowed from July 1st to the close of the year, during which period the Company maintained itself upon a cash basis.

This Company owns approximately 28% of the shares of the issued stock of the Inspiration Consolidated Copper Company. The International Smelting Company, a wholly-owned subsidiary of Anaconda, owns the copper smelter at Miami at which all

MIN 000005257

sulphide concentrates from the Inspiration mine have been treated during the life of the property, and through another subsidiary, the Raritan Copper Works, provision for the refining of the Inspiration product has been made. Under conditions approaching normal, the Inspiration property itself is and will continue to be a large and valuable copper producer for many years.

There were retired during the year $1,614,000 of debentures of the Chile Copper Company and $105,000 of mortgage bonds of the Butte, Anaconda & Pacific Railway Company, a total of $1,719,000. Capital expenditures amounted to $2,148,985.35.

Inventory Adjustments

The low prices of metals at the close of the year again adversely affected the value of the inventory of metals on hand carried over from the prior year and, notwithstanding that such prices were at practically the low point of which there is any record, it was decided, for balance sheet purposes, to value unsold metals on hand at such prices. Metals sold on firm contracts were valued at sales prices. This adjustment necessitated an inventory write-down amounting to $9,914,440.23, which was charged to surplus.

Decline of Business and Reduction of Expenditures

The demand for copper depends upon the relative activity or depression of other lines of industry which utilize the metal and its products. The most important of these are electrical manufactures and equipment, telephone, telegraph, power and light lines, automobiles and building. The decline in these activities was of necessity reflected in the copper industry. The following table shows the extent to which gross sales and earnings of the Company have declined, upon a dollar basis, during the past three years and the extent to which the cost of sales has been reduced:

	Gross Sales and Earnings	% of 1929	Cost of Sales	% of 1929
Year 1929	$305,751,876.46	100.00	$223,972,464.43	100.00
Year 1930	179,332,797.51	58.65	150,903,305.39	67.37
Year 1931	96,387,705.50	31.52	89,978,278.14	40.17
Year 1932	52,295,610.84	17.10	57,240,906.30	25.56

MIN 000005258

As the decline in business from 1929 progressed, constant effort was made to adjust expenditures to diminished income. During the period of expansion the organization had been developed for a scale of maximum operations. Some of the largest units of the Company are located at remote outposts in foreign countries, where long-time contracts of necessity had been entered into with staff officials. Because of the distance from markets for supplies, accessories and spare parts, large stocks were carried and maintained, and while reductions had been made in expenditures; mines, plants, factories and equipment had been maintained with key organizations capable of resuming operations whenever conditions warranted so doing. This policy, justified at the time, proved in error as the depression continued and deepened, and in the Spring of 1932 was changed.

A further curtailment to the present scale of operations was effected in April. The organization was further reduced as rapidly as was consistent and equitable. A greater division of part-time labor was enforced. Additional drastic reductions in salaries and wages, particularly in the higher brackets, were made, and mines and plants for which there was no immediate operating prospect were put upon a complete shutdown basis.

The result was, that notwithstanding large items of fixed expense over which control cannot be exercised, the cash expenditures were brought within balance with the receipts of the Company during the last half of the year.

OPERATIONS

Copper

The production of Anaconda and its subsidiary companies from operations for the year 1932 was as follows:

	Copper lbs.	Silver ozs.	Gold ozs.
Anaconda Copper Mining Company	97,573,887	2,027,675.17	18,551.497
Andes Copper Mining Company	23,237,111	23,650.94	1,991.425
Chile Copper Company	81,370,608	.....	.....
Greene Cananea Copper Company	36,820,166	259,619.62	9,596.421
International Smelting Company	39,676,660	426,974.31	16,128.540
Total	278,678,432	2,737,920.04	46,267.883

Of the above, 40,042,332 pounds copper, 479,108.89 ounces silver and 29,331.396 ounces gold were produced from custom ores and ores treated on toll.

MIN 000005259

Zinc

Prior to suspension of operations on May 6, 1932, production of electrolytic zinc amounted to 33,904,565 pounds.

In addition, metals in residue produced amounted to 1,335,510 pounds lead, 295,433 pounds copper, 119,985.89 ounces silver, and 1,532.291 ounces gold. Of this amount 143,143 pounds copper, 5,497.00 ounces silver and 19.528 ounces gold were treated through operations of the Copper Plant.

Lead

The Lead Plant of the International Smelting Company, Tooele, Utah, produced from custom ores 45,738,773 pounds lead, 2,294,649.41 ounces silver, and 8,665.222 ounces gold.

Miscellaneous Products

Miscellaneous production consisted of:

27,784,851 feet	lumber.
11,523 tons	treble superphosphate and phosphoric acid.
6,548 "	arsenic.
38,786,286 pounds	zinc oxide.
8,607,787 "	white lead.
68,365 "	cadmium.
200,600 "	nickel sulphate.
1,313,673 "	copper sulphate.

Fabricating Plants

The output of manufactured products of the plants of The American Brass Company amounted to 191,263,427 pounds, and of the Anaconda Wire and Cable Company to 99,878,974 pounds, or a combined output of 291,142,401 pounds.

MIN 000005260

Silesian-American Corporation

The principal amount of bonds outstanding at the end of the year was reduced to $8,608,500.

The London price of zinc averaged 2.14¢ per pound, as compared with an average of 2.52¢ in 1931. At the end of the year the average price for spot and future was 2.22¢ per pound.

The sale of coal in export markets was adversely affected by England's going off the gold standard, the Polish zloty remaining practically at par throughout the year.

Principal production for the year was as follows:

Zinc	70,661,198 pounds
Lead	18,506,364 "
Coal	1,622,664 metric tons
Sulphuric Acid	35,027 " "
Superphosphate	13,532 " "

Employment and Relief

Many of the Company's operations are conducted in towns, cities and districts in which almost the entire population is dependent upon its activities for their maintenance and support. The increasing decline in the demand for the products of the Company limited output and employment. At the outset of the depression the policy of spreading work was adopted, and with further slackening in demand, has been extended throughout the entire organization. In co-operation with the Red Cross, Salvation Army and local charitable organizations, provision has been made for housing, food, fuel, clothing and necessary hospitalization and medical supplies. The relief extended by the Reconstruction Finance Corporation in the communities to which its services were extended, has been of material and necessary assistance in caring for the greatly increased requirements. As a result, there has been no real destitution. Everywhere the employees have recognized the fact that the present depression affects not only their locality and this Company, but the whole allied industry. The morale has been excellent.

MIN 000005261

Number of Stockholders

The number of registered stockholders appearing on the books at December 31, 1932, was 126,944.

There is attached hereto a Consolidated Balance Sheet showing the financial condition of the Company and its subsidiary companies at the close of business December 31, 1932, together with an Income Statement for the year, prepared and certified to by Messrs. Pogson, Peloubet & Company, Certified Public Accountants.

By Order of the Board of Directors.

CORNELIUS F. KELLEY,
President.

New York, N. Y., April 27, 1933.

MIN 000005262

ANACONDA COPPER MINING COMPANY

and Subsidiary Companies

Consolidated Balance Sheet—31st December, 1932

ASSETS

FIXED:		
Mines and Mining Claims, Coal Mines, Timber Lands, Phosphate Deposits, Water Rights and Lands for Metal Producing and Manufacturing Plants	$297,665,164.45	
Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks, Steamships and Railroads	264,069,346.93	
Investments in Sundry Companies	27,547,968.48	$589,282,479.86
DEFERRED CHARGES:		
Stripping and Development	$7,993,417.55	
Discount on bonds	3,788,444.17	11,781,861.72
CURRENT:		
Supplies on hand, advances on Ores and Expenses prepaid	$25,152,551.03	
Inventories:		
In process—at cost	10,016,444.94	
Metals and manufactured products—sold at sales price; unsold at market	37,513,241.65	
Notes Receivable of Inspiration Consolidated Copper Company—secured	4,515,000.00	
Accounts Receivable	7,287,338.23	
Marketable Securities—at cost (market value $941,998.32)	2,461,026.60	
Cash	6,070,759.07	93,016,361.52
		$694,080,703.10

We have examined into the affairs of Anaconda Copper Mining Company and of its Subsidiary Companies and have verified the Assets and Liabilities shown above and the relative Surplus and Income Accounts. The Net Loss is after deducting Development expenditure of the year, Depletion of Coal and Timber Lands and Depreciation of Plants and Equipment. We hereby certify that this Balance Sheet shows the financial condition at 31st December, 1932 of the companies as an aggregate whole and that the accompanying Surplus and Income Accounts for the year ended that date are correct as stated.

POGSON, PELOUBET & CO.,
Certified Public Accountants.

New York and Butte, 6th April, 1933.

MIN 000005263

ANACONDA COPPER MINING COMPANY
and Subsidiary Companies
Consolidated Balance Sheet—31st December, 1932

LIABILITIES

CAPITAL STOCK of Anaconda Copper Mining Company:		
Authorized, 12,000,000 shares of $50.00 each		
Issued, 8,919,086 shares		$445,954,300.00
Held through Subsidiaries, 246,416 shares		12,320,800.00
		$433,633,500.00
CAPITAL STOCK AND SURPLUS of Subsidiary Companies owned by Minority Interest		4,724,964.82
BONDS OUTSTANDING:		
Chile Copper Company Twenty Year 5% Gold Debentures, due 1947	$33,386,000.00	
Butte, Anaconda & Pacific Railway Company First Mortgage 5% Sinking Fund Gold Bonds, due 1944	1,929,000.00	35,315,000.00
RESERVES:		
For Depreciation	$96,972,742.15	
For Insurance, Renewals and Contingencies	1,641,157.54	98,613,899.69
CURRENT:		
Notes Payable	$70,500,000.00	
Taxes and Interest Accrued	2,164,604.28	
Accounts and Wages Payable	7,067,187.94	79,731,792.22
SURPLUS		42,061,546.37
		$694,080,703.10

NOTE—In order to comply with the Government Income Tax requirements for the purpose of computing depletion, additional valuations of the mining properties have been recorded upon the books of the companies; but, for the sake of uniformity, the result of those entries has been omitted from the current statements.

MIN 000005264

ANACONDA COPPER MINING COMPANY
and Subsidiary Companies

Consolidated Surplus Account—Year Ended 31st December, 1932

Surplus 31st December, 1931		$69,613,562.38
Add, Minority Interest:		
Balance 31st December, 1931	$179,117.71	
Less acquired during year and adjustments	160,372.47	18,745.24
		$69,632,307.62
Net Loss of the year 1932, per Income Account:		
Anaconda Copper Mining Company	$16,855,870.58	
Minority Interest	37,369.68	16,893,240.26
		$52,739,067.36
Deduct, dividends paid by Subsidiary Companies to Minority Interest		851.00
		$52,738,216.36
Inventory adjustment to reduce all unsold metals to market	$9,914,440.23	
Sundry adjustments applicable to prior years	785,489.94	10,699,930.17
		$42,038,286.19
Minority Interest (deficit)		23,260.18
Surplus 31st December, 1932, per Balance Sheet		$42,061,546.37

MIN 000005265

ANACONDA COPPER MINING COMPANY
and Subsidiary Companies

Consolidated Income Account—Year Ended 31st December, 1932

Gross Sales and Earnings		$52,295,610.84
Cost of Sales—operating expenses, development, maintenance and repairs, administrative, selling and general expenses and all taxes—after applying beginning and ending inventories at cost		57,240,906.30
Operating Loss		$4,945,295.46
Other Income—interest, dividends and miscellaneous income		610,063.60
		$4,335,231.86
Deductions from Income:		
Amount charged off this year for depreciation and obsolescence	$4,359,648.42	
Interest, including discount on bonds	5,571,708.89	
Expense pertaining to non-operating units	2,626,651.09	12,558,008.40
Net Loss, carried to Surplus Account		$16,893,240.26

MIN 000005266

To the Board of Directors,
ANACONDA COPPER MINING COMPANY,
25 BROADWAY, NEW YORK.

We have made a general audit of the books and records of ANACONDA COPPER MINING COMPANY and its forty-four subsidiary corporations (companies 75% or more owned and directly or indirectly operated under Anaconda Copper Mining Company management) for the calendar year 1932, and in accordance therewith submit herewith a Consolidated Balance Sheet, Surplus Account and Income Account, duly certified.

Mines and Mining Claims are valued at cost, no effect being given to increased valuations recorded for income tax purposes on the books, this cost in the case of property acquired for capital stock being the par value of such stock.

Buildings and Machinery are stated either at original cost or depreciated book value when acquired. Total original cost of existing plants is approximately $19,400,000 greater than the figure shown on the Balance Sheet. The company's policy is conservative in respect of capital expenditure and we are satisfied that the capital charges made represent distinct additions to the plant. The Reserve for Depreciation has increased by the amount charged Income less that portion of dismantlements and disposals which are chargeable to the reserve.

Investments in Sundry Companies are shown at cost less reductions made for known permanent losses.

Expenditure for Stripping and Development is stated at cost and the credits to that account are taken at rates fixed by the Government for income tax purposes, which credits determine the development expenditure of the year except in the case of the Butte mines where all development is charged off currently.

Operating Supplies, constituting the greater part of the item of $25,152,551.03, are taken at cost as are metals in process. Advances on ores, which are of considerable amount in the aforesaid figure, presumably will not be liquidated until volume of operation warrants. Finished metals and products are valued in the Balance Sheet on a market basis.

Accounts Receivable were examined in detail and those considered doubtful have been reserved for. Of those shown on the Balance Sheet as good and collectible some, due to present conditions, may be slower than usual.

Assets and liabilities have been verified by inspection, certificate or correspondence (investments, marketable securities, collateral, cash, notes receivable and payable, bonds and capital stock) and found in order and all known liabilities, contingent or other, are provided for in the Balance Sheet.

No significant or material change has been made in the companies' accounting methods and procedure from that of past years and consequently the Balance Sheets at the beginning and end of the year 1932 reflect as closely as may be determined the actual changes occurring during the year, including the drop in metal prices. The Income Account is stated as in previous years on a cost basis, the cost of metals sold representing the cost of those earliest produced. In the Income Account of the year no advantage has been taken of prior writing down of inventories made for Balance Sheet purposes.

The usual depreciation has been charged, that of metal producing plants being calculated on a unit of production basis. No proportion of general and administrative expense is included in the charge of $2,626,651.09 pertaining to non-operating units. No depletion on metals, either on a cost or on the Treasury Department valuation basis, has been charged in the Accounts.

We have also audited the books and records of your principal affiliated companies (Anaconda Wire and Cable Company, Silesian-American Corporation and Walker Mining Company—not consolidated in these Accounts) and all their Subsidiaries upon which we report separately.

Respectfully submitted,

POGSON, PELOUBET & CO.,
Certified Public Accountants.

New York, 6th April, 1933.

MIN 000005267

IN THE UNITED STATES LAND OFFICE, SACRAMENTO, CALIFORNIA.
SERIAL NO.

IN THE MATTER OF THE APPLICATION FOR PATENT OF THE RELIABLE EXTENSION, STANDARD, PACIFIC NO. 1, PACIFIC NO. 2, PACIFIC NO. 4, PACIFIC NO. 5, PACIFIC NO. 6, PACIFIC NO. 7, PACIFIC NO. 8, PANAMA NO. 1, PANAMA NO. 2, PANAMA NO. 3, PANAMA NO. 4, PANAMA NO. 5, DIGGER, PIUTE NO. 1, PIUTE NO. 2 AND PIUTE NO. 3 LODE MINING CLAIMS, MINERAL SURVEY NO. 5582A; AND SIOUX LODE MINING CLAIM, MINERAL SURVEY NO. 5953; CONSOLIDATED.	AFFIDAVIT AS TO MINERAL CHARACTER OF CLAIMS

STATE OF California)
COUNTY OF Plumas ,) SS.

H. A. GEISENDORFER, being first duly sworn, deposes and says:

That he is a citizen of the United States, over the age of twenty-one years, and resides in Berkeley, California; that he is a mining engineer by profession and has followed that occupation for many years; that he is now and since about the middle of the year 1926 has been Manager of the Walker Mining Company's mine in Plumas County, California, and in charge of the operation thereof; that prior to becoming such Manager he was employed by said mining company for several years as Mine Foreman and that he is well acquainted with the topographical, geological and mining conditions in the vicinity of said Walker mine where all of the above named mining claims are situated and that he is well acquainted with the mining claims named in the caption hereof and also hereinafter named, Mineral Surveys Nos. 5582A and 5953, all of which claims are located in Sec. 5, T. 22 N., R. 12 E. and Secs. 29, 30, 31 and 32, T. 25 N., R. 12 E., M.D.M., in an unorganized mining district, Plumas County, California.

All of said nineteen named mining claims are situated at an elevation of about 7000 feet on rocky slopes, and the land has

no value for agriculture. All of said land is mainly valuable for its mineral content.

The following is a statement as to the mineral character, the water courses and springs, if any, and the timber located on each of said claims.

RELIABLE EXTENSION: This claim is located on the Walker Mine Vein System and adjoins the Copper Center Extention Claim on its north end line, and the Standard Claim on its east side line, both Walker Mining Company Claims, the former a patented claim, Survey No. 4865. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district, and though the entire surface of the claim is covered by a recent lava flow, the mineralized Robinson Schist has been exposed in its northern portion by the mine workings.

The main adit tunnel of the Walker Mine connecting with the 7th level, bearing approximately N. 16° E., extends diagonally across the northern portion of the claim and penetrates a slightly mineralized granite before reaching the schist.

A small amount of ore from this claim carrying values in copper, gold and silver has been extracted and milled.

There are no springs or water courses on this claim.

This claim is poor timber land and has been cut over but contains some standing fir and cedar of poor quality.

STANDARD: This claim is located on the Walker Mine Vein System and adjoins the Bullion, a patented claim of the Walker Mining Company, Survey No. 4865, on its north end line. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district, and though the entire surface of this claim is covered by a recent lava flow, the mineralized Robinson Schist has been exposed by the underground workings of the Walker Mine in the northern end of this claim from a depth of 800 feet to a depth of 1300 feet vertically below the surface as exposed in 700 A

winze and its workings.

These workings have opened up wide veins of quartz in the mineralized Robinson Schist from which ore to the extent of many thousands of tons has been extracted and milled, carrying values in copper, gold and silver. Some drifts driving south from these workings have exposed a slightly mineralized granite.

There are no springs or water courses on this claim.

This claim is poor timber land and has been cut over but contains some standing timber, mostly fir of poor quality.

PACIFIC NO. 1: This claim is located on a belt of mineralized Robinson Schist paralleling the Walker Mine Vein System on the west. It adjoins the Copper Center, a patented claim of the Walker Mining Company, Survey No. 4865, on its east side line. The Robinson Schist, in which this vein system is located, is the mineral bearing rock of the district.

The entire surface of this claim is covered either with outcrops of the mineralized Robinson Schist, or with float of the same material, and quartz.

No ore has been extracted from this claim.

There are no springs or water courses on this claim.

There is considerable underbrush on this claim and some scattering fir and pine.

PACIFIC NO. 2: This claim is located on a belt of mineralized Robinson Schist paralleling the Walker Mine Vein System on the west. It adjoins the Copper Center Extention, a patented claim of the Walker Mining Company, Survey No. 4865, on its east side. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district.

South of Ward Creek this claim is covered by a recent lava flow, but north of Ward Creek the mineralized Robinson Schist is exposed as outcrops and float carrying considerable quartz.

No ore has been extracted from this claim.

There are no springs on this claim. Ward Creek flows across the claim but is often dry in late summer and fall.

The timber is not valuable. North of Ward Creek there is some scattering pine but to the south it is mostly fir of poor quality.

PACIFIC NO. 4: This claim is located on a belt of mineralized Robinson Schist paralleling the Walker Mine Vein System on the west. It adjoins the Pacific No. 1 Claim of the Walker Mining Company on its east side line. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district.

The entire surface of this claim is covered either with outcrops of the mineralized Robinson Schist, or with float of the same material, and quartz.

No ore has been extracted from this claim.

There are no springs or water courses on this claim.

There is considerable underbrush on this claim and some scattering fir and pine.

PACIFIC NO. 5: This claim is located on a belt of mineralized Robinson Schist paralleling the Walker Mine Vein System on the west. It adjoins the Valley View Extention, a patented claim of the Walker Mining Company, Survey No. 4865, on its east side line. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district.

The entire surface of this claim is covered either with outcrops of the mineralized Robinson Schist or with float of the same material and quartz.

No ore has been extracted from this claim.

There are nosprings or water courses on this claim.

There is considerable underbrush on this claim and some scattering fir and pine.

PACIFIC NO. 6: This claim is located on a belt of mineralized Robinson Schist paralleling the Walker Mine Vein System on the west. It adjoins the Pacific No. 5 Claim of the Walker Mining Company on its east side line. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district.

The entire surface of the claim is covered either with outcrops of the mineralized Robinson Schist or with float of the same material and quartz.

No ore has been extracted from this claim.

There are no springs or water courses on this claim.

There is considerable underbrush on this claim and some scattering fir and pine.

PACIFIC NO. 7: This claim is located on a belt of mineralized Robinson Schist paralleling the Walker Mine Vein System on the west. It adjoins the Valley View Claim, a patented claim of the Walker Mining Company, Survey No. 4865, on its east side line. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district.

The entire surface of this claim is covered either with outcrops of the mineralized Robinson Schist or with float of the same material and some quartz.

No ore has been extracted from this claim.

There are no springs or water courses on this claim.

There is considerable underbrush on this claim and some scattering fir and pine.

PACIFIC NO. 8: This claim is located on a belt of mineralized Robinson Schist paralleling the Walker Mine Vein System on the west. It adjoins the Pacific No. 7 Claim of the Walker Mining Company on its east side line. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district.

The entire surface of this claim is covered either with outcrops of the mineralized Robinson Schist, or with float of the same material, and some quartz.

No ore has been extracted from this claim.

There are no springs or water courses on this claim.

There is considerable underbrush on this claim and some scattering fir and pine.

PANAMA NO. 1: This claim is located on the Walker Mine Vein System and adjoins the Rob Extension, a patented claim of the Walker Mining Company, Survey No. 4865, on its west side line. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district and this schist is exposed over the greater portion of this claim.

The workings on the 10th level of the Walker Mine in Panama No. 2 Claim have penetrated to within 200 feet of the south end line of this claim and are in valuable veins carrying commercial values in copper, gold and silver. These veins are trending directly into this claim and will cross its south end line about 1400 feet beneath the surface and 200 feet east of the downward projection of its southwest corner. Also diamond drill holes Nos. 11 and 12, flat holes from the 6th level of the Walker Mine workings, the one 400 feet north of its south end line and nearly parallel with it, and the other 700 feet north of its south end line and nearly parallel with it, have penetrated this claim for a distance of 450 feet and 270 feet respectively, exposing the Robinson Schist with quartz and mineralization.

No ore has been extracted from this claim.

There are no springs or water courses on this claim.

Most of this claim is covered with a fair stand of a poor grade of fir.

PANAMA NO. 2: This claim is located on the Walker Mine

Vein System and adjoins the Rob, a patented claim of the Walker Mining Company, Survey No. 4865, on its west side line. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district. This schist is exposed on the northwestern portion of the claim, the remainder of the claim being covered by a recent lava flow.

The workings of the Walker Mine on the 9th and 10th levels have penetrated within the boundaries of this claim and have opened up wide veins of quartz in the Robinson Schist carrying commercial values in copper, gold and silver. Several thousand tons of ore from these workings has been extracted and milled.

There are no springs or water courses on this claim.

The timber on this claim is sparse. There is a little Tamarack pine and fir on each end of the claim, the central portion being open, flat, country.

PANAMA NO. 3: This claim is located on the Walker Mine Vein System and adjoins the Sioux Claim of the Walker Mining Company on its west side line. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district, and though the surface of this claim is covered with a recent lava flow, there is very good evidence that the Robinson Schist is the formation beneath the lava, for the following reasons. The schist is exposed on the northern portion of the Panama No. 2 Claim where it is not covered with lava, and this claim adjoins the Panama No. 3 on the north; though the Sioux Claim is entirely covered with lava, the underground workings of the mine have proved the schist to extend the full length of the Sioux Claim, which adjoins the Panama No. 3 on its west side line; also a diamond drill hole "D", starting from the face of 646 sublevel crosscut east, at a depth of 800 feet below the surface, extends N. 72° 30' E. horizontally, entirely across Panama No. 4 and Panama No. 5 Claims and exposes the mineralized schist below the lava, which covers the surface of

both of these claims. This drill hole crosses the center line of Panama No. 4 Claim approximately 150 feet south of the center of the south end line of the Sioux Claim, exposing mineralized schist, and crosses the center line of Panama No. 5 Claim approximately 335 feet south of the center of the south end line of Panama No. 3 Claim, exposing mineralized schist; so that with mineralized Robinson Schist exposed on three sides of Panama No. 3 Claim, it is evident that the mineralized Robinson Schist extends beneath the lava that covers this claim. It is possible the lava is but 100 to 200 feet deep, varying, however, with the contour of the old land surface on which it was outpoured.

No ore has been extracted from this claim.

There are no springs or water courses on this claim.

This claim is poor timber land and has been cut over but contains some standing timber, mostly fir of poor quality.

PANAMA NO. 4: This claim is located on the Walker Mine Vein System and adjoins the Standard Claim on its west side line and the Sioux Claim on its north end line, both Walker Mine claims. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district, and though the entire surface of the claim is covered by a recent lava flow, the mineralized Robinson Schist has been exposed for the entire width of the claim by diamond drill hole "D", except for certain dykes of granite.

Diamond drill hole "D" starts from the face of 646 sublevel crosscut east, at a vertical depth of 800 feet below the surface, extends N. 72° 30' E. horizontally across Panama No. 4 Claim and intersects the downward projection of its center line at a point approximately 150 feet south of the center of its north end line and about 800 feet deep. The schist carries quartz and values in copper, gold and silver.

No ore has been extracted from this claim.

There are no springs or water courses on this claim.

This claim is poor timber land and has been cut over but contains some standing timber, mostly fir of poor quality.

PANAMA NO. 5: This claim is located on the Walker Mine Vein System and adjoins the Panama No. 4 on its west side line and the Panama No. 3 on its north end line, both Walker Mine Claims. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district, and though the entire surface of the claim is covered by a recent lava flow, the mineralized Robinson Schist has been proved for the entire width of the claim by diamond drill hole "D".

Diamond drill hole "D" starts from the face of 646 sub-level crosscut east, at a depth of 800 feet below the surface, and extends N. 72° 30' E. horizontally across Panama No. 4 Claim and entirely across Panama No. 5 Claim, and pierces the downward projection of the center line of this claim approximately 335 feet south of its north center end and about 900 feet below the surface. The schist carries quartz and values in copper, gold and silver.

No ore has been extracted from this claim.

There are no springs or water courses on this claim.

This claim is poor timber land and has been cut over but contains some standing timber, mostly fir of poor quality.

DIGGER: This claim is located on the Walker Mine Vein System and adjoins the Rob Extension on its south end line and the Walker Extention on its west side line, both patented claims of the Walker Mining Company, Survey No. 4865. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district, and this schist is exposed over the entire surface of this claim, in which veins of quartz carrying values in copper, gold andsilver occur.

The workings of the Walker Mine have penetrated beneath

the boundaries of this claim and near its center ore to the extent of many thousand tons has been extracted and milled. The ore so far mined occurs from 400 feet to 800 feet vertically below the surface.

There are no springs or water courses on this claim.

A poor grade of fir timber covers most of the claim.

PIUTE NO. 1: This claim is located to the north on the Walker Mine vein system and adjoins the Digger, a Walker Mine claim, on its north end line. The Robinson Schist, in which this vein system is located, is the mineral bearing rock of the district.

The workings of the Walker Mine have penetrated beneath the boundaries of this claim, and a shaft, starting near the center of the claim, has connected with these workings. The 5th level from this shaft has been developed for a length of 1100 feet within the boundaries of this claim, showing a wide mineralized zone within the mineralized Robinson Schist, carrying commercial values in copper, gold and silver.

Commercial ore, to the extent of many thousand tons, has been extracted and milled.

On the surface the extreme north end of the claim is covered with a recent lava flow under which the veins extend. On the remainder of the claim the mineralized Robinson Schist is exposed.

There are several small springs on this claim near Piute Creek which crosses this claim. Both creek and springs go dry during the late summer and fall.

This claim is covered with a scattering growth of pine and fir.

PIUTE NO. 2: This claim is located to the north on the Walker Mine vein system and adjoins the Piute No. 1 Claim on its east side line and the Walker Extention Claim on its south end line, both Walker Mine claims, the latter a patented claim, Survey

No. 4865. The Robinson Schist, in which this vein system is located, is the mineral bearing rock of the district. The Walker Mining Company has blocked out many thousand tons of valuable ore in Piute No. 1 claim.

On the surface the Robinson Schist is exposed over the entire surface of the claim.

From the face of 601 sublevel crosscut west, 30 feet above the main seventh or adit level of the mine and at a point about 600 feet nearly vertically beneath Corner No. 4, Piute No. 1 Claim, drill hole No. 19 was driven west for a distance of 909 feet on a dip of plus 0° 31'. This hole penetrated to the center of Piute No. 2 Claim, exposing Robinson Schist the entire distance in which were zones carrying values in copper, gold and silver.

No ore has been extracted from this claim.

Piute Creek crosses this claim and there are several springs adjacent to the creek. Both creek and springs go dry during the late summer and fall.

This claim is covered with underbrush and a considerable growth of timber - a little pine but mostly fir of small dimensions.

PIUTE NO. 3: This claim is located to the north on the Walker Mine vein system, 900 feet westerly from an area on which the Walker Mining Company has developed a valuable deposit of commercial ore in the Robinson Schist. It adjoins the Valley View Claim, a patented claim of the Walker Mining Company, Survey No. 4865, on its south end line.

The mineralized Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district, and this schist is exposed over the entire surface of this claim, either as outcrops or as float with some quartz.

No ore has been extracted from this claim.

There are no springs or water courses on this claim.

This claim is covered with a thick growth of underbrush and considerable fir of small dimensions on its northern portion and with a scattering growth of pine and fir on its southern and higher portion. The ground slopes steeply to the north.

SIOUX: This claim is located on the Walker Mine Vein System and adjoins the Rob on its north end line and the Bullion on its west side line, both patented claims of the Walker Mining Company, Survey No. 4365. The Robinson Schist, in which this vein system occurs, is the mineral bearing rock of the district, and though the surface of the claim is covered with a recent flow of lava, the Robinson Schist is exposed for the whole length of the claim by the underground workings of the Walker Mine.

These underground workings down to the 10th level have opened up wide veins of quartz in the Robinson Schist from which ore to the extent of many thousands of tons has been extracted and milled.

There are no springs or water courses on this claim.

This claim is poor timber land and has been cut over but contains some standing timber, mostly fir of poor quality.

H. A. Geisendorfer

Subscribed and sworn to before me this 31st day of May, 1933.

My commission expires Feb. 5th 1935

Leon L. Clough

Notary Public residing at

Quincy California

(Seal)

STATEMENT 1933

Walker Mining Company

PLUMAS COUNTY, CALIFORNIA

P. O. WALKERMINE, CALIFORNIA

SHIPPING POINT SPRING GARDEN, CALIFORNIA

OPERATING OFFICE
KEARNS BUILDING, SALT LAKE CITY, UTAH

(Incorporated under the Laws of the State of Arizona)

CAPITAL STOCK

COMMON—Authorized - - - - - - - 1,750,000 shares at $1.00 per share
Issued - - - - - - - - 1,749,308 shares at $1.00 per share

Directors

J. R. WALKER R. MAY J. O. ELTON J. B. WHITEHILL
B. R. HOWELL H. A. GEISENDORFER ROBERT E. DWYER

Officers

J. R. WALKER, *President*
ROBERT E. DWYER, *Vice-President*
J. O. ELTON, *Vice-President*
J. B. WHITEHILL, *Secretary-Treasurer*

Transfer Agents

J. W. ALLEN, Transfer Agent, 25 Broadway, New York City, N. Y.
ROM WARBURTON, Transfer Agent, 820 Kearns Bldg., Salt Lake City, Utah

MIN 000001690

To the Stockholders of the
Walker Mining Company

All mining and milling operations were at a standstill throughout the year.

Watchmen services as required by the underwriters were maintained and for these services key men were retained who were also used to make repairs and improvements.

Thirty tons of 60% cement copper were precipitated from the mine water and stockpiled.

A shipment consisting of 5,367 pounds of lime scale having a gross metal content of 126 pounds copper, 100.83 ounces silver and 167.391 ounces gold was delivered to the smelter.

The financial statement of your Company at the close of business December 31, 1933, and an income account for the year 1933 are herewith submitted for your information.

Respectfully,

J. R. WALKER,
President.

Salt Lake City, Utah,
March 17, 1934.

MIN 000001691

Walker Mining Company

BALANCE SHEET—31st DECEMBER, 1933

ASSETS

FIXED:		
Mines, Mining Claims and Development—at cost..	$1,322,809.12	
Plant and Equipment—at cost.....	1,468,487.61	$2,791,296.73
CURRENT:		
Supplies on hand and Expenses prepaid—at cost..	$ 149,196.80	
Ores and Concentrates on hand—at cost.....	267,585.03	
Accounts Receivable	3,375.17	
Cash	131,090.12	551,247.12
		$3,342,543.85

LIABILITIES

CAPITAL STOCK:		
Authorized—1,750,000 shares of $1.00 each.		
Outstanding—1,749,308 shares		$1,749,308.00
RESERVE FOR DEPRECIATION		926,492.72
CURRENT:		
Accounts and Wages Payable		5,660.29
SURPLUS ACCOUNT:		
Surplus 31st December 1932	$ 699,507.71	
Net Loss of the year ended 31st December 1933...	38,424.87	661,082.84
		$3,342,543.85

We have made an audit of the books and records of Walker Mining Company for the year ended 31st December 1933 in the course of which we have visited the Salt Lake City and New York offices of the company and have satisfied ourselves that the Assets and Liabilities are correctly stated in accordance with the bases of valuation indicated in the Balance Sheet, and have made a survey of transactions sufficient to satisfy ourselves that the accompanying Income Account for the year ended 31st December 1933, is correct as stated.

In the course of our audit we have relied on statements furnished by the Mine Office to the Operating Office at Salt Lake City.

As all mining and milling operations were suspended during the year no depreciation or depletion has been written off on the books of the company for the year 1933.

We have examined the minutes of Stockholders' and Directors' Meetings and the Balance Sheet and Income Account presented herewith are in accord with these minutes.

POGSON, PELOUBET & COMPANY,
Certified Public Accountants.

New York, 2nd March, 1934.

NOTE—In order to comply with the Government Income Tax requirements for the purpose of computing depletion additional entries respecting the valuation of the mining property have been recorded upon the books of the company; but, being made for tax purposes only, the result of such entries is omitted from the current statements.

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Walker Mining Company

INCOME ACCOUNT—YEAR ENDED 31ST DECEMBER, 1933

Expenses during suspension of operations	$ 41,737.38
Federal Capital Stock Tax	481.00
	$ 42,218.38
Interest received	3,793.51
Net Loss of the year ended 31st December 1933	$38,424.87

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