A DESCRIPTION

And General Report
of the

Prosperity Mining Claims

Now Owned by Burn Brae Mines, Inc.
Located in the Egypt Mining District
Lincoln County, Washington

OFFICERS:

E. J. Whittaker, President
Seattle, Washington

Alonza E. Cable, Vice-Pres.
Yakima, Washington.

A. A. Minor, Sec'y-Treas.
Yakima, Washington.

Luke G. Bayley, Mine Supt. and Mgr.
Yakima, Washington

BOARD OF DIRECTORS.

E. J. Whittaker
Luke G. Bayley
Alonzo E. Cable
John Finley
E. C. Young

Main Office 18-20 Wilson Building
Yakima, Washington

LOCATION:

This property is situated in the extreme northern part of Lincoln County, State of Washington, in Section 32, Township 28 W, Range 37 East of Willamette meridian, and is approached by the state highway leading from the town of Davenport 16 miles distant to within one mile of the property. Davenport, a station on the main line of the Northern Pacific Railway, is the nearest shipping and supply point.

PROPERTY:

The property consists of 2 mineral lode claims each 1500 ft. in length and 600 ft. in width, comprising an area of 41 acres, and named Prosperity No. 1, and Prosperity No. 2 claims. Their locations are on record in the county auditor's office at Denver which is the county seat of Lincoln county. These claims cover a portion of a mountain ridge and north slope to the east of Piney Butte, and the Portal of the lower tunnel is only one-half mile distant from the state highway and the Spokane River which is the county line dividing Lincoln from Stevens and Ferry counties.

The elevation at the lower tunnel is about 4000 feet above sea level and about 1000 feet above the Spokane river.

TITLE:

Title is held by a possessory rights and compliance with the Federal mining laws of the United States and the mining laws of the State of Washington. At the present time there is sufficient work accomplished on these mining claims to entitle them to United States patent, and no doubt patent will be applied for in the near future. The mine is now exclusively owned by The Burn Brae Mines, Inc.

GEOLOGY:

Lincoln County lies practically altogether within the domain of the Columbia basalt, a formation in which metalliferous veins do not occur. Along the northern boundary, however, especially near the confluence of the Columbia and Spokane rivers, metamorphic rocks appear which were never covered up by the lava and in which veins occur rich in silver lead, gold and molybdenite.

The vein has at present been developed to a depth of about 250 ft. and shows considerable enrichment as depth on the vein is gained. It can be further developed to a depth of at least 800 feet by the driving of adit self-draining tunnels from the steeply inclined north slope of the mountain side above the Spokane river.

MINERALS:

The minerals contained in this vein in their economic occurrence are Molybdenite Gold, Silver, Graphite and Muscovite, or White Mica.

USE OF MOLYBDENUM:

Four companies produced molybdenum ore in the United States during 1932 and 1933; the Climax Molybdenum Co., Climax, Colorado; the Molybdenum Corporation of America, Sulphur Gulch, near Questa, New Mexico; the Southern Copper Co., at Helvesia, Arizona; and the Sahaurita Minerals & Metals Co., at Sahaurita, Arizona; and none at all in Canada according to data collected by the United States Bureau of Mines.

A study of the assay returns on the various tests made on the ore from this property shows that the average molybdenite content will run from .56 to 12.85 per cent. The largest producer in the United States and which formerly supplied about 80 per cent of the world's requirements, is the Climax Molybdenum Co. of Climax, Colorado, whose ore only runs one-half of one per cent in molybdenum content.

Molybdenum is consumed principally in the steel industry. Smaller quantities are used in the form of wire and sheet supporting filaments in incandescent lamps and radio tubes. Alloy steels containing molybdeum are used extensively in aircraft and automobiles. It also enters into alloy stleel guns, armour plate, razor blades and countless other products. Chromium-molybdenum steel tubing is finding increased use in the airplane industry for steel wing beams.

Gas engines, cylinders, clutch plates, pistons, gears, dyes, heavy machine bushings, machine tool tables, paper mill rolls, steel mill rolls, chilled car wheels are a few of the various types of castings and machine parts for which molybdenum iron is now being regularly used.

PRESENT OUTLOOK:

It would seem that for the immediate future, owners of molybdenite properties may look forward to rapidly advancing prices in the ore and its concentrates owing to its increased uses. The price of molybdenite has in the past been controlled by the price of other metals used for similar purpose in the manufacture of ferro-alloys. There are now many uses to which molybdenum is being applied which have proven its superiority over others of the rare metals, and the demand therefor constantly increasing.

A 1 per cent molybdenite ore is $10 ore with Molybdenite at 50 cents per pound. On a basis of 50 tons a day, or even as low as 25 tons a day, operating expenses should not exceed $6.00 per ton, on any fair-sized deposit.

Demand is strong for Molybdenum: May 8, 1934. Molybdenum production doubled in the United States last year, but the demand was so great the price made a heavy increase.

Concentrates shipped in 1933 contained 5,707,000 lbs. of metallic molybdenum, values at $4,267,000 compared with 2,373,000 pounds in 1932, valued at $1,186,000, says a report of the U. S. bureau of Mines.

GOLD AND SILVER:

The gold and silver contained in the ore on this property will be readily recovered in the process of flotation and tableing to which the ore will be subjected after crushing, and these values can be looked upon as a very valuable by-product.

Since this report was made assays have been taken with results as follows: Molybdenum 120 lbs. to the ton of ore at $9.50 a pound, equals $1140.00. Gold one-sixth of an ounce per ton $6.00. Silver? Graphite? White Mica?

PRESENT OUTLOOK:

Only four mines in the United States are now producing graphite, consequently 85 per cent of the graphite used in this country is imported from Madagascar and Ceylon. The average graphite content in the ores now being worked in the United States is only from 3 to 4 per cent.

The quality of American flake graphite has no superior for any purpose, its superiority for crucible use has been demonstrated beyond argument by the United States Bureau of Mines and by the fact that it was most successfully used during the war by the American crucible manufacturers when the supplies from Ceylon and Madagascar were cut off. As a lubricant it has been considered by American manufacturers to have no equal.

The same plant and flotation process used for the recovery of the molybdenite can also be used for the recovery of the graphite and the two worked in conjunction. Fine grinding seems to be essential to making a good recovery and high-grade product. The ease with which it can be recovered calls for no elaborate equipment.

So far as I have studied and looked into the matter the concentration of the Prosperity Mine ore should not present any serious problems from any standpoint and all of the metals of economic value will be recovered at low cost.

MICA:

There is an excellent demand for a good grade of mica, the large clear sheets commanding a handsome price. ($250.00 per ton mine run, F. O. B. plant).

With regard to the considerable amount of White Mica contained in the ore on the Prosperity property, I have no assays at this time showing the percentage contained in the ore therefore canot estimate its value, but there is no doubt about its being there in considerable quantity and high quality and adapted for use in several of the industries outlined above.

DEVELOPMENT OF PROPERTY:

The Burn Brae Mining property is developed by several opencuts and two tunnels, all of which are directly situated on the true fissure vein.

At the present face of the tunnel a cross fissure running diagonally across the face has developed showing a whole face of high-grade ore which has all of the earmarks of opening up quite an enlargement of the ore body at this point. Sufficient work has not yet fully determined its extent, but it has great potentialities and possibilities of proving to be a considerable and rich enlargement.

TIMBER:

There is ample timber on this property for mining purposes for several years, and no difficulty will be experienced in obtaining additional timber for buildings and other purposes from any of the adjoining lands which have not been proved mineral bearing.

MARKET:

VAR-LAC-OID Chemical Company, New York City.

PHILLIP BROTHERS, INC., New York City.

CHARLES HARDY, INC., New York City.

J. A. SAMUEL & CO., New York City.

POPE TRADING CORPORATION, New York City.

DANA & COMPANY, INC., New York City.

ASSOCIATED METALS & MINERALS CORPORATION, New York City.

FOOTE MINERAL COMPANY, Philadelphia, Penna.

All of the above firms are prepared to purchase up to 50 tons of molybdenite concentrates per month over a period of from one to three years. The material must test not less than 85 per cent of MoS2 and must be practically free from copper, bismuth and arsenic. Several of the above firms purchase for export to European countries.

In interviews the writer has had with the officials of the Mitsui Company, who are fiscal agents in the United States for the Japanese Imperial Government, it is learned that the Japanese Government are in the market for very large quantities of Molybdenite concentrates for their Imperial Iron & Steel works and its subsidiaries in that country. They have agents all over this country buying up all of the scrap iron, steel and discarded steamships that can be obtained from the Atlantic coast to the Pacific.

CONCLUSION:

Seeing that this property is located in a well known mineral and mining district called the Egypt Mining District which has the reputation of having produced silver and lead ores to the value of many millions of dollars, and taking into consideration the excellent showing of values in the ore so far developed in the two tunels, I consider that this property has considerable merit and value and has all of the earmarks of becoming a great producer of molybdenite, gold, silver, and graphite, together with the possibility of marketable mica, second to none in the State of Washington at this time developed. Owing to the general contour of the country no sinking of shafts will be required with their attendant cost of hoisting and pumping machinery, as all of the ore body can be worked from self-draining tunnels driven directly on the vein from which every foot of ground driven through will yield returns.

There should be no difficulty in raising sufficient capital to equip and further develop this valuable property, and when that is accomplished, its future success, is, in my mind, assured.

Respectfully submitted—

(Signed) W. B. HANCOCK.

A. R. S. M., London.

In a magazine called Time, dated March 16, 1936, it says, "the only U. S. corporation in which an investor could have made 116,900 per cent on his money in the last ten years is Climax Molybdenum Co., world's largest producer of that elemental metal. In 1926 Cimax stock could have been bought for 10 cents per share. Even at late as 1932 it changed hands at $1 per share—perhaps lower, for the stock has never been listed, was then unknown even to over-the-counter traders. Next year it sold as high as $15. By last October it was selling in the 80's, when the stockholders voted a three-for-one split. The new stock continued to climb, was selling last week at $39, equivalent to $117 for the old shares. Ten years ago a long-headed speculator could have bought 10,000 shares for $1000. Today if he had held on to his original investment, he would have held 30,000 shares worth $1,170,000.

Mr. Luke G. Bayley, resident of Yakima, an expert mining engineer will have engineering charge of this property. He has been in charge of mines for the past 25 years as a practical miner being employed by the federal mining and smelting company at the Standard Mine at Mace, Idaho. One to three years at the Interstate Callahan Mine, 2½ years at the National Copper Mine at Mullan, Idaho. A year with the late Wilber D. Greenough at the Pueblo mines at White Horse, Yukon Territory. Manager of the Columbia Silver mine, Ferry County, Washington. Manager of the West Point Mine, Clarks Fork, Idaho; also with the Gugheims Placer mining in Dawson City, Yukon Territory, also has done considerable prospecting and developing on properties he owns.

The following recommendation is from the ALLOIL LUBE CORPORATION, Los Angeles, California:

TO WHOM IT MAY CONCERN:

This is to certify that I have known Mr. Luke G. Bayley for twenty years. That he was for a number of years employed by me while I was managing the National Copper Mine at Mullan,, Idaho, and the Caledonia Mine at Kellogg, Idaho. Mr. Bayley is one of the best practical miners it has ever been my pleasure to have in my employ. He has had a wide experience in the different branchs of mining, has had considerable experience as a foreman handling men and has an excellent record as a manager.

In addition to having employed Mr. Bayley I have had numerous business dealings with him and always found him honest and fair in all his dealings. I would not hesitate to trust him to handle my money any time.

I take great pleasure in recommending Mr. Bayley to any one requiring his services.

Yours truly

(Signed) CHARLES McKINNIS.

The Burn Brae Mining Company is incorporated for $150,000.00 at 10 cents par. We are selling a few shares to drive a lower tunnel. When completed we expect will open up a large body of high-grade ore. If you are interested, we would be pleased to have you investigate our property.

Office at No. 18-20, Wilson Bldg. Yakima, Wn.