

May 29, 1950

Mr. Albert Kingman
Box 392
Silverton, Idaho

Dear Sir:

Our laboratory reports the following results on the two samples of siliceous ore submitted with your letter of May 8th:

	Ounces		Percent				
	<u>Au</u>	<u>Ag</u>	<u>Cu</u>	<u>SiO2</u>	<u>Fe</u>	<u>CaO</u>	<u>Al2O3</u>
Sample No. 1	0.02	Tr.	0.2	90.7	2.4	1.0	1.9
Sample No. 2	0.07	0.13	0.2	66.9	2.3	13.6	1.7

We would be very interested in receiving this siliceous tonnage you contemplate producing from the Rebate Claim, Republic District, Washington. The above samples are too low grade to pay Smelter and treatment charges. However, they may not be entirely indicative of the ore you can ship. We will purchase your product on the same basis of the existing Republic rates. Briefly, these are as follows:

GOLD: Pay for 95% at the United States Mint price, which is equivalent to pay \$33.16687 per troy ounce.

SILVER: Pay for 95% at the Mint price if the shipper furnishes us with the necessary affidavits required by the Government. The present Mint price is 90¢ per ounce.

BASE CHARGE: \$0.25 per net dry ton, provided the sum of the payments for gold and silver do not exceed \$6.00 per net dry ton. For ores having a value of \$8.25 or less, add to the above base charge of \$0.25 33-1/3% of the excess over such payment of \$6.00 to a maximum base charge of \$1.00 per net dry ton. For ores having a value in excess of \$8.25, add to the base charge of \$1.00 12 1/2% of the excess over such payment of \$8.25 to a maximum base charge of \$5.00 per net dry ton.

SILICA: For ores of a siliceous character, add to the base charge \$0.07 for each unit deficiency in available silica below 75%; fractions in proportion. To determine available silica deduct two-thirds of the iron assay from the silica assay.

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The present freight rate from Tacoma to Republic is as follows:

	<u>Under \$4</u>	<u>\$4-8</u>	<u>\$8-10</u>	<u>\$10-12</u>	<u>\$12-15</u>	<u>\$15-20</u>	<u>\$20-25</u>	<u>\$25-30</u>
Rate	\$2.75	\$3.02	\$3.29	\$3.29	\$4.43	\$4.78	\$6.21	\$7.64

To the above would have to be added 3% transportation tax and a switching charge from Tacoma to this plant of \$10.74 for each car.

Assuming an ore to assay 0.25 ounce of gold per ton, based upon the above schedule, it would net you \$7.29 per net dry ton f.o.b. Tacoma. Based upon the above freight rate and including the switching charge and 3% tax, the rate would amount to \$3.16, which deducted from the \$7.29 would net you \$4.13 per ton f.o.b. rail head at Republic.

Averaging the silica content of the above samples and taking into consideration two-thirds of the iron assay, there would be no charge for a silica deficiency.

I note that you contemplate commencing shipments around the first of July. Before shipment is made, if you will advise us as to the grade we will then be very pleased to make you a formal quotation.

We wish to thank you for your inquiry.

Yours very truly,

GES:EG

GLENN E. SIGLER