OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E556, Docket DMEA-2820 (tungsten), dated June 25, 1953, with

Abram A., George G., and Edward A. Knowles, Assignees
d/b/a Knowles Bros.
Box 87
Mountain City, Nevada

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Garnet Tungsten Mine located in Elko County, Nevada, during the period January 1, 1959, through September 26, 1960.

A certification of discovery or development was issued on October 27, 1954, and, in accordance with Article 6 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated November 7, 1955, indicated accepted costs under the exploration contract amounting to $21,760.00 with the Government's contribution on a 75 percent basis being $16,320.00.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through December 31, 1958. The royalty account as of December 31, 1958, was:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

As of September 26, 1960, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

March 14, 1962

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, or its successor in interest, shall pay to the Government a percentage royalty on all mineral production from the land thereunder. The land consists of the Garnet No. 1 and Garnet No. 2 unpatented lode mining claims in the Alder Mining District. The contract contains the so-called "abandonment" provision.

At the time this contract was executed, the original Operator, Garnet Tungsten Mining Company (a limited partnership of L. D. Wilson and R. E. Summers of John Day, Oregon, and H. A. Culp of Mountain City, Nevada) claimed possession of the property by virtue of a December 17, 1952, assignment by R. E. Summers and H. A. Culp of a September 1, 1952, 18-year lease and option to purchase granted by Price D. Montrose and Abram A., George G., and Edward A. Knowles, as owners. The lease, however, had been assigned by the partnership-company on April 6, 1953, to the Garnet Tungsten Mining Co., Inc., a Nevada corporation, John Day, Oregon.

On August 25, 1953, the lease was assigned to the Sunshine Mining Company, a Washington corporation, Box 1080, Kellogg, Idaho, and on November 4, 1953, the Government consented to the assignment of the contract. Sunshine suspended operations on December 7, 1953, and thereafter relinquished its interest in the property. On November 8, 1954, the Government consented to the assignment of the contract to Abram A., George G., and Edward A. Knowles, three of the four property owners. The other property owner, Price D. Montrose, Mountain City, Nevada, executed an Owner's Consent to Lien in consideration of the assignment. The Government's consents to the assignments provided that the Operator and the Assignors were not released from any of the conditions of the contract.

Work under the contract was completed on September 30, 1955. No ore was produced during the exploration or thereafter through the period covered by this review. The only activity on the property, after completion of the contract work, consisted of additional exploration conducted during 1956 by Union Carbide and Carbon Corporation under an option to purchase dated June 1, 1956.

The owners deeded the property to Union Carbide on December 31, 1956. However, on March 10, 1959, Abram A. Knowles advised that Union Carbide had discontinued all interest in the property and had quit-claimed it back to the original owners. In a September 26, 1960, reply to inquiry on MME Form 63, Mr. Knowles stated neither further change in property rights nor production had occurred.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate no ores were produced through the period covered by this review;

(2) Except for additional exploration work during 1956, the property has been inactive since completion of the contract work; and

(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
San Francisco 11, California

RECEIVED O. M. E. APR 18

April 13, 1962

800

Memorandum

To: Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: DMEA-2820 (Tungsten)
Knowles Brothers
Garnet Tungsten Mine
Elko County, Nevada
Contract Idm-E556

Enclosed is the original of a Report of Royalty Review covering the subject contract.

This office concurs in the facts as stated in the Report of Royalty Review.

PAUL V. FILLO

Paul V. Fillo

Copy to: Contract Administration & Audit Division
OME, Washington, D. C.

1962

Memorandum

To: Acting Field Officer, Region II

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-2820 (Tungsten)
Knowles Bros.
Garnet Tungsten Mine
Elko County, Nevada
Contract Idm-2556

The original and one copy of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 4-6-62

cc:
Docket
Director's Reading File
CA & A Division
Mr. Rothrock

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files and records of the OME Field Team, Region II, pertaining to Contract No. Idm-E556, Docket No. IMER-2820 (Tungsten), dated June 25, 1953, including Amendment Nos. 1 and 2, with

Knowles Bros., Assignees
Mountain City, Nevada

for the prupose of determining the amount of royalties due the U. S. Government on sales of tungsten from property known as the Garnet Tungsten Mine, located in Elko County, Nevada, during the period June 25, 1953 to December 31, 1958.

A certification of discovery or development was issued on October 27, 1954 and accordingly royalty is payable on all production from the land described in Article 2 of the contract, for a maximum period of 10 years from date of contract as stipulated under Annex I of the contract. A Report of Review in lieu of final cost audit dated November 7, 1955, indicated acceptable costs under the exploration contract amounted to $21,760.00 with the Government's contribution on a 75 percent basis, being $16,320.00.

No royalties have been paid to date in connection with this contract.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(a) According to the Field Team's Semi-Annual Report of Certified Projects for the period July 1, 1958 to December 31, 1958, there was no production during the period covered by this review.

(b) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

May 19, 1959

George Mayor
George Mayor, OME Auditor

MAY 25 1959

Memorandum

To: Mr. George Mavor, OME Auditor

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: Docket No. DMEA-2820 (Tungsten)
Knowles Bros., Assignees
Contract No. Idm-E556

Your Report of Royalty Review on the above-cited contract is approved and normal distribution is authorized.

AMAlley/ama
May 25, 1959

Copy to: Docket
Director's Reading File
CA & A Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

NOV 26 1956

Memorandum

To: The Administrator, DMEA
Attention: Chief, Iron and Ferro-Alloys Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-2820 (Tungsten)
Garnet Tungsten Mining Company
Assigned to Sunshine Mining Company
Re-assigned to Knowles Brothers
Garnet No. 1 and No. 2 Claims
Elko County, Nevada
Contract No. Idm-2356

This responds to your memorandum of November 20.

This Contract, providing for work in two stages, was originally executed with Garnet Tungsten Mining Company on June 25, 1953. On November 4, 1953, the Government approved an assignment of the Contract to Sunshine Mining Company "without releasing the Operator from any of the terms, provisions, and conditions of the said Exploration Project Contract ..." On October 27, 1954, the project was certified. On November 8, 1954, the Government approved an assignment of the Contract from Sunshine Mining Company to Ahren A., George S., and Edward A. Knowles, "without releasing the Operator [Garnet Tungsten] or the Assignor from any of the terms, provisions, and conditions of the Contract."

According to your memorandum of November 20, Sunshine Mining Company completed Stage I, the authorized cost of which was $5,760.00 (Government participation $4,320.00), and the Knowles brothers completed Stage II at cost of $16,000.00 (Government participation $12,000.00). You ask what amounts should be listed in the letters you propose to write to (a) the owners (Knowles brothers and Price D. Montrose), (b) Garnet Tungsten Mining Company, and (c) Sunshine Mining Company.

In each case, the assignees under the respective assignment agreed that it or they "assumes and agrees to be bound by the terms, provisions, and conditions of the contract ..."

Mr. J. L. Chambers

Sec. 6(a) of the Contract, as amended in Annex I, provides:

> "...The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land ... if the Government makes a certification of discovery or development, for a period of ten years ... from the date of the Contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first ..."

The Knowles brothers, by virtue of their acceptance of the terms of the Contract, and by virtue of the Contract provisions, are obligated to pay royalty on minerals produced from the land during the period between June 25, 1953 and June 25, 1963, until the total net amount contributed by the Government ($16,380.00) is fully repaid. Since the Sunshine Mining Company was not released from its obligations under the Contract, it remains obligated as a surety for the payment of this sum, if it is not paid by Knowles brothers. Similarly, since the Garnet Tungsten Mining Company was not released from its obligations under the Contract, it remains liable as a surety for the payment of this full sum, if neither Knowles brothers nor Sunshine Mining Company pay it to the Government. The owners, by virtue of their Consent to Lien, have agreed to a lien, in favor of the Government, on the land and the production therefrom for the full sum stated above, which the Government can avail itself of, if neither Knowles brothers, Sunshine Mining Company nor Garnet Tungsten Mining Company pay the full sum to the Government. Each of these parties should be advised accordingly in your proposed letters to them.

Robert P. Dwyer

Robert P. Dwyer

PIndritz/wog
November 26, 1956
Copy to: DMEA Docket
Solicitor's Docket
J.L.Chambers/4448
W.S.Martin (2)
R.P.Dwyer
P.Indritz
Chron.

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT [redacted]INISTRATION AND AUDIT DIVISIO[redacted]

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Abram A. Knowles, George G. Knowles, Edward A. Knowles,
(Assignees of Sunshine Mining Company who were assignees
of Garnet Tungsten Mining Company)
Mountain City, Nevada

pertaining to Exploration Project Contract No. Idm-E566, Docket No. DMEA-2820, including Amendment Nos. 1 and 2, for the months of August 1953 to September 1955, inclusive, covering a project for the exploration of tungsten, on property known as the Garnet Tungsten Mine, located in Elko County, Nevada.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of costs claimed with the contract and pertinent schedules, consultation with the Executive Officer in charge of the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reason:

All of the costs incurred were under a contract provision for payment by the Government on the basis of agreed unit costs of units of work actually performed, and during the performance of the contract, an interim Report of Review was issued under date of July 13, 1954 by George Mavor, DMEA Auditor for units of work completed, in amount of $5,760.00.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by contractor	$21,760.00
Exceptions	-0-
Total Accepted Cost	$21,760.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Sixteen Thousand Three Hundred Twenty and 00/100 Dollars:

$16,320.00

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

George Mavor
George Mavor
Auditor

November 7, 1955

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

NOV 1 0 1955

Mr. George Mavor
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Report of Review
Abram A. Knowles, George G. Knowles,
Edward A. Knowles
Idm-E556, DMEA-2820

Dear George:

Receipt is acknowledged of the Washington copies of the Report of Review dated November 7, 1955 covering the referenced Exploration Project Contract.

It is noted that this report incorrectly cites the contract number as Idm-E566. The regional copies of the report undoubtedly have been distributed; however you should arrange to correct this citation on all copies. The Washington copies have been corrected.

Sincerely yours,

(Signed) E. D. Talbert

for Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
November 10, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

Form I[illegible]104 (Rev.)
(A[illegible]52)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS RECEIVED 2 [illegible]
NOV 23 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of SEPTEMBER, 1955 Docket No. DMEA 2820 Contract No. Idm-E556
Operator's Name Knowles Bros. Minerals Tungsten
Address Box 87, Mountain City, Nevada
Contract Amount, $21,760.00 Government Participation: 75 % Amount, $16,320.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		17,760.00				
Crosscutting	4,000.00	~~16,960.00~~	21,760.00			
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
		17,760.00				
TOTALS	4,000.00	~~16,960.00~~	21,760.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date October 25 *Payee Knowles Bros.

Per G. A. Knowles Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$3000.00

Signature [illegible] N. Sjolander
[illegible] Certifying Officer
(Authorized Certifying Officer)

Date NOV 1[illegible] 1955 Vou. No. SF-DMEA-18

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-B656 in accordance with the terms of the contract.

Signature Henry W. Jones Title Mining Engineer Date 11/1/55

Henry W. Jones

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer Date 11/1/55

S. Ricker

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS NOV 1955 RECEIVED NOV 23 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of SEPTEMBER 1955 Docket No. DMEA 2820 Contract No. Idm-E556
Operator's Name Knowles Bros. Minerals Tungsten
Address Box, 87, Mountain City, Nevada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	ft.	4,000.00	100	16,000.00	400		400	40.00
Raising								
Shafts								
Winzes								
Drilling: Core				4,960.00				
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing				800.00				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs					Stage 1 completed			
New Buildings, Improvements, etc.					and audited. Stage			
					2 completed.			5,760.00
TOTAL COSTS		4,000.00	100	21,760.00				21,760.00

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

Date Octobdr 25 Operator Knowles Bros.

Per A A Knowles Title Partner

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

(Instructions on reverse)

REMARKS During the month of Sept. we continued straight forward on S-5°-E until we came to the contact between tactite and lime then we backed up far enough to allow the tunnel to be driven along the right hand side of the ore body which was approximately 12 to 15 ft. from the contact with the lime, the contact & tunnel are parallel at S-32°-E here. Ore still good to end of tunnel.

(For Government use only)

Henry W. Jones

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

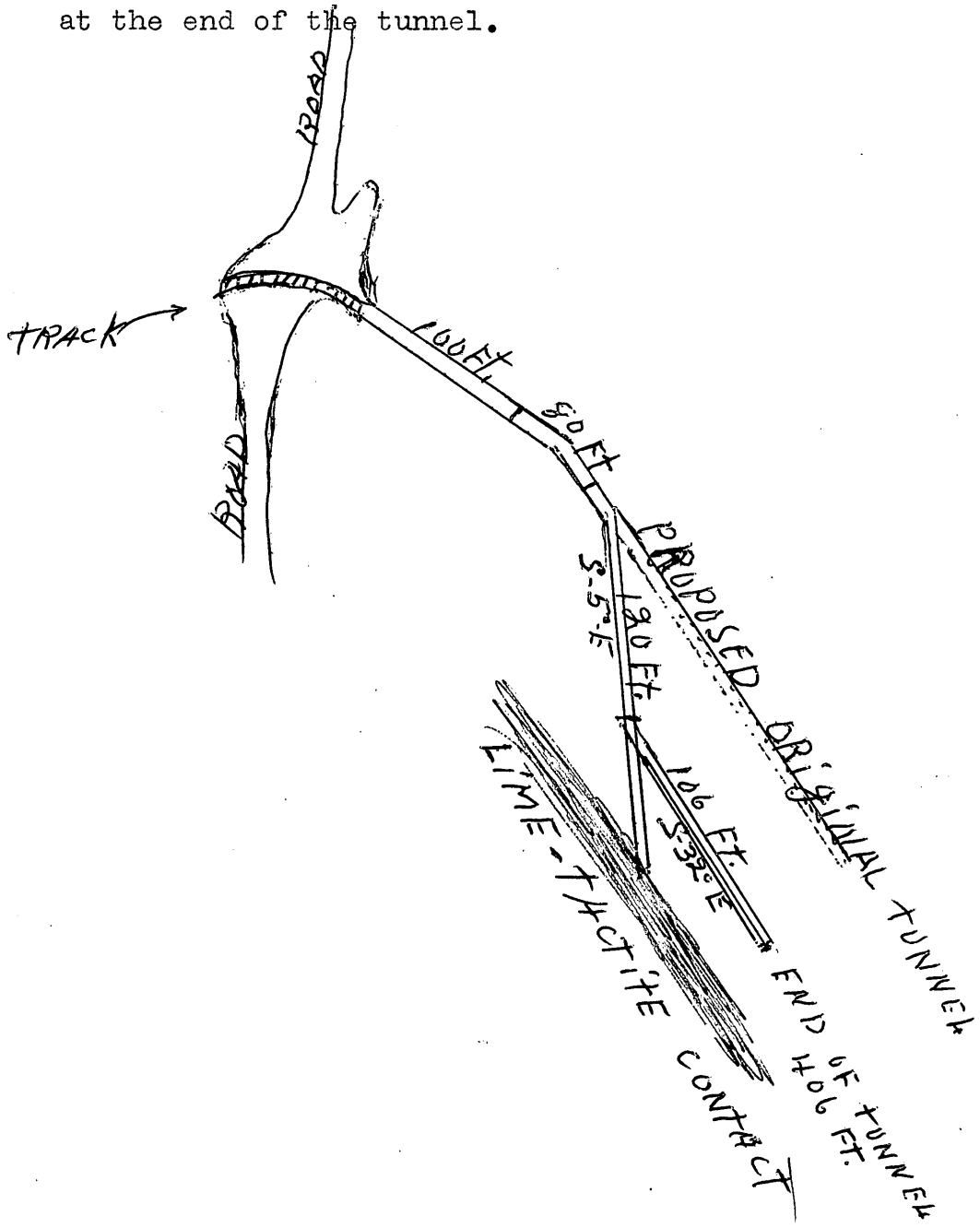
Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

During the month of September while driving the last 106 feet of this tunnel we were heading S-5°-E until contacted the lime, we then backed up about 30 feet and started at S-32°-E, which put the tunnel along the right edge of the ore body with good milling ore to the end of the tunnel. The best ore is on the left side of the tunnel as we were driving along the right side of the ore body. This tunnel needs several cross-cuts on the left side to determine the size of the ore body. Also needs cross-cut for more information on the uranium vein endountered at 287 feet in August. There is no sign of scheelite giving out at the end of the tunnel.

RECEIVED NOV 23 1955



Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS OCT - 5 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of AUGUST, 1955 Docket No. DMEA 2820 RECEIVED Contract No. Idm-E556
Operator's Name Knowles Bros. Minerals Tungsten
Address Box 87, Mountain City, Nevada OCT 10 1955
Contract Amount, $ 21,760.00 Government Participation: 75 % Amount, $ 16,320.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling					$4960.00	$4960.00
Bulldozing					800.00	800.00
Crosscutting	4800.00	12,960.00	17,760.00	4800.00	7200.00	12,000.00
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4800.00	12,960.00	17,760.00	$4800.00	12,960.00	17,760.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 4, 1955 *Payee Knowles Bros.

Per R. R. Knowles Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 3600.00

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. SF-DMEA-15

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E556 in accordance with the terms of the contract.

Signature Henry W. Jones Title Mining Engr. Date 10/4/55

Henry W. Jones

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Executive Officer
DMEA Field Team

Signature S. Ricker Title Region II Date 10/4/55

S. Ricker

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
OCT 10 1955

Month of AUGUST 1955 Docket No. DMEA 2820 Contract No. Idm-E556
Operator's Name KNOWLES BROS. Minerals Tungsten
Address Box 87, Mountain City, Nevada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	ft.	4800.00	120	12,000.00	300		400	40.00
Raising								
Shafts								
Winzes								
Drilling: Core				4,960.00				
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing				800.00				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs					Stage 1 completed and audited.			
New Buildings, Improvements, etc.								5,760.00
TOTAL COSTS		4800.00	120	17,760.00				21,760.00

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

Date Sept. 4, 1955 Operator KNOWLES BROS.
Per A. A. Knowles Title Partner

REMARKS: After finishing 180 feet during months of May, June and July - were still in hard tactite which gradually became softer and better to drill as the tungsten became better in grade during the last 100 feet. The ore is of fair milling grade.

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

(Instructions on reverse)

(For Government use only)

Henry W. Jones

INSTRUCTIONS

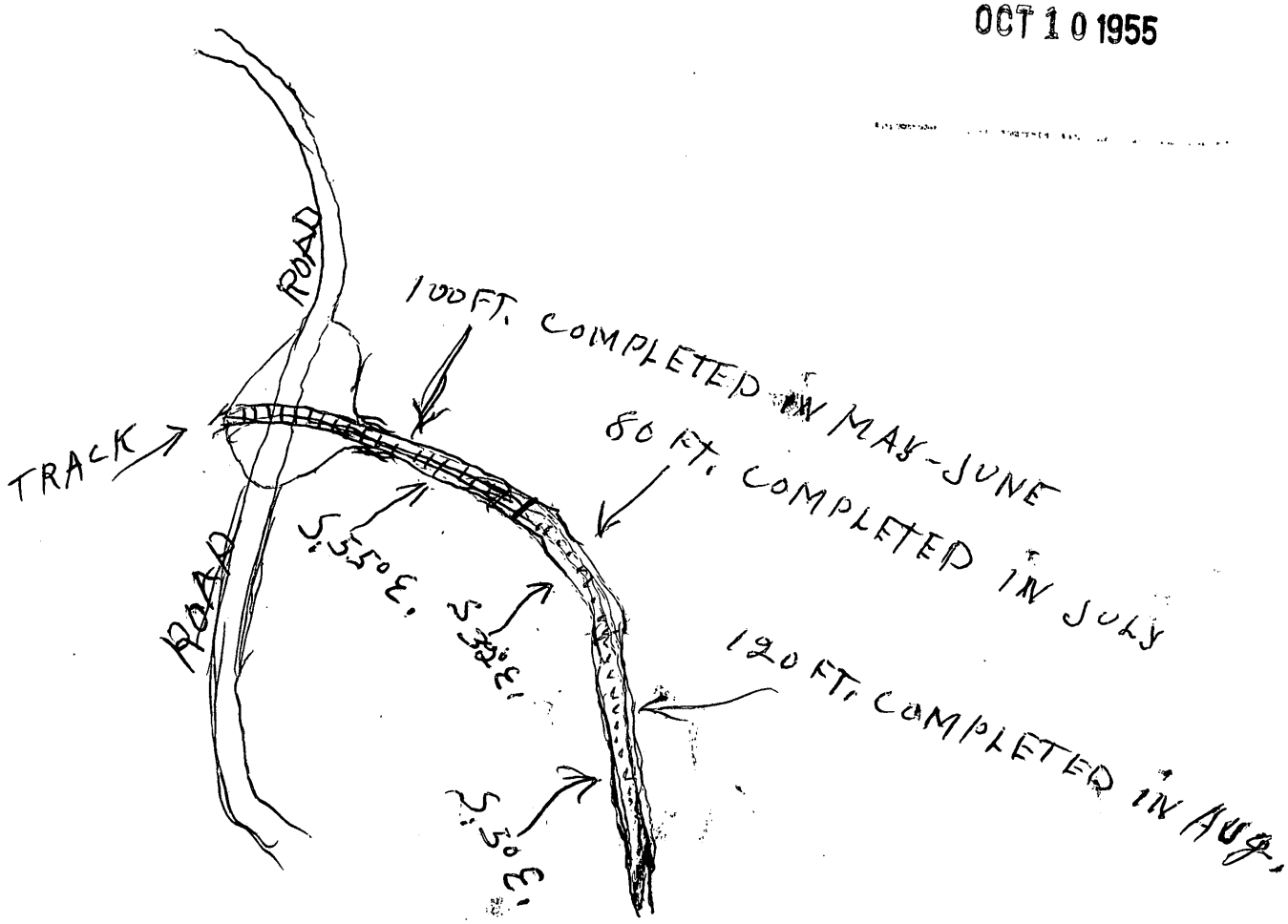
Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

RECEIVED
OCT 10 1955



DURING THE MONTH OF AUG. THE TACTITE WAS HARD CAUSING HEAVY BREAKAGE OF DRILL STEEL AND BITS AS IT DID DURING PREVIOUS MONTHS. AT 230 FT. FROM COLLAR OF TUNNEL WE DROVE THRU 4 FT. QUARTZ VEIN. AT 248 FT. ANOTHER 7 FT. QUARTZ VEIN. AT 287 FT. WE CROSSED A SMALL VEIN OF 3" TO 12" OF FAIRLY GOOD URANIUM.

TUNGSTEN SHOWED GOOD THRU LAST 100 FT. EXCEPT IN QUARTZ VEINS, WHERE THERE WAS NONE.

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
SEP 12 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1955 Docket No. DMEA-320 Contract No. Ion.2-156
Operator's Name Knowles Bros Minerals tungsten
Address Box 87 Mountain City, Nev.
Contract Amount $1,730.00 Government Participation 75 % Amount, $1,300.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling					6960.00	6960.00
Bulldozing					800.00	800.00
Crosscutting	3200.00	4000.00	7200.00	3200.00	4000.00	7200.00
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3200.00	4000.00	7200.00	3200.00	9760.00	12,900.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Aug. 1, 1955 *Payee Knowles Bros.

Per A. A. Knowles Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$2400.00

Signature
(Authorized Certifying Officer)

Date SEP 7 1955 Vou. No. SF-DMEA-9

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E556 in accordance with the terms of the contract.

Signature Henry W. Jones Title Mining Engineer Date 8/29/55

Henry W. Jones

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Executive Officer DMEA Field Team

Signature S. Ricker Title Region II Date 8/29/55

S. Ricker

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 12 195

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 Docket No. DMEA 2820 Contract No. Idm. E-556
Operator's Name Knowles Bros. Minerals Tungsten
Address Box 87 Mountain City, Nevada

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
~~Drifting Drilling~~				6960.00				
Crosscutting	ft.	3200.00	80	7200.00	180	7200.00	400	40.00
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
~~Bulldozing~~				000.00				
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased					Stage I completed and audited			
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
		3200.00						~~5760.00~~
Total Costs		7200.00		~~[illegible]~~ 12960.00				21,760.00

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

Date Aug. 1. 1955 Operator Knowles Bros.

Per A. A. Knowles Title Partner

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

(Instructions on reverse)

Remarks Rock continues to be very hard. Ran into low grade tungsted of approximately 20 % which continued approximately 10- 15 ft. ending in hard baren tactite at end of the Month.

Tungsten of 20% appeared between approximately 140 and 155 ft. in tunnel.

(For Government use only)

Henry W. Jones

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

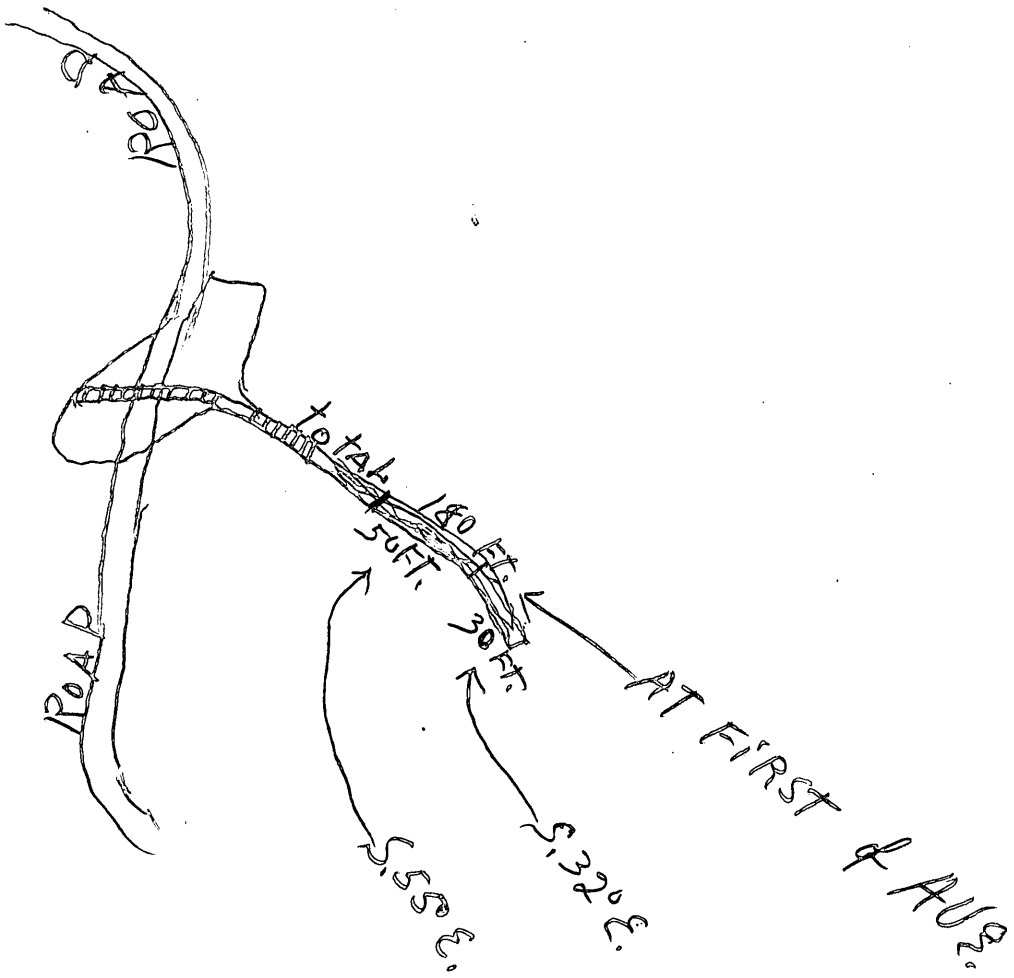
Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

IV

RECEIVED
SEP 12 1955



CONTINUEING THE TUNNEL FROM THE FIRST 100FT. COMPLETED IN JUNE, THE TACTITE WAS EXCEPTIONALY HARD, MAKING THE BREAKAGE OF STEEL AND BITS VERY HEAVY AT APPROXIMATELY 140FT. IN THE TUNNEL TO 150FT. LOW GRADE SCHEELITE OF ABOUT .15 to .20 SHOWED. ONLY AN OCCASSIONAL SPECK SHOWED FOR NEXT 30FT. WHIC ENDED MONTH OF JULY. ROCK STILL EXCEPTIONALY HARD

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 22-R1036.5

RECEIVED
SEP 12 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May - June, 195 5 Docket No. DMEA 2320 Contract No. Idm 2-558
Operator's Name Knowles Bros. Minerals Tungsten
Address Box 27 Mountain View, Ariz.
Contract Amount, $ 23 700.00 Government Participation: 75 % Amount, $ 16,326.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						4000.00
Bulldozing						000.00
Crosscutting	4000.00	0	4000.00	4000.00	-0-	4000.00
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4000.00		4000.00	4000.00	-0-	8000.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date July, 1, 1955 Payee Knowles Bros.

Per A. A. Knowles Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$3000.00

Signature [illegible] (Authorized Certifying Officer)

Date SEP 7 1955 Vou. No. DMCA-9

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-B556 in accordance with the terms of the contract.

Signature Henry W. Jones Title Mining Engineer Date Aug. 29, 1955

Henry W. Jones

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Executive Officer DMEA Field Team

Signature [illegible] Title Region II Date 8/29/55

S. Richer

MONTHLY REPORT OF OPERATOR

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(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

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Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

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Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-[illegible]1A
(April 1[illegible])

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
SEP 12 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May- June 1955 Bros. Docket No. DMEA 2820 Contract No. IDM E-556
Operator's Name Knowles Minerals Tungsten
Address Box 81 Mountain City, Nevada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft	4000.00	100	4000.00	100	-	400	40.00
Raising								
Shafts								
Winzes								
Drilling: Core				6000.00				
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing				800.00				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased					Stage 1 completed and audited			
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								5760.00
TOTAL COSTS		4000.00		4000.00 9760.00				21,760.00

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

Date July 1, 1955 Operator Knowles Bros.

Per A. A. Knowles Title Partner

REMARKS: This tactite is very hard, causing heavy breakage of bits and steel, also requires more powder to break. We are averaging about 4 ft-to 4½ ft. per shift, one shift per day 14- 16 hrs. per shift.

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

(Instructions on reverse)

(For Government use only)

Henry W. Jones

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

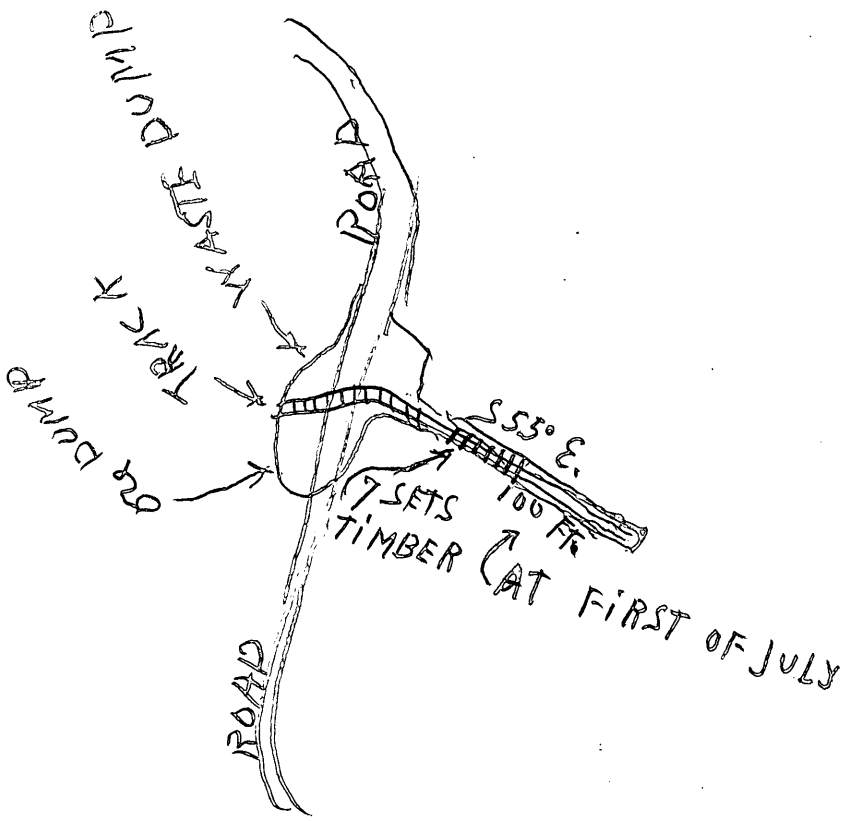
Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

N.

RECEIVED
SEP 12 1955



THE FIRST 60 FT. OF THIS TUNNEL WAS IN LIME WITH OCCASSIONAL SIGNS OF GRANITE. AT 70 FT. THE LIME AND GRANITE CHANGED TO TACTITE- VERY HARD FINE GRAINED TACTITE WITH A LITTLE WATER SEEPING IN AT CRACKS AND SEEMS.

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

NOV 22 1954

Mr. George Mavor
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Idm-E556, DMEA-2820
Sunshine Mining Company
Contract Assigned to
Knowles Brothers

Dear Mr. Mavor:

Reference is made to your letter of November 16, 1954, relative to the subject Exploration Project Contract.

Arrangements are being made to reobligate the $12,000.00 which was released as a result of your Report of Review dated July 13, 1954. For all practical purposes your Report of Review in lieu of final audit will be considered, under the circumstances, to be an "Interim" Report.

I appreciate having this case brought to my attention inasmuch as we have overlooked the reobligation of the funds.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

EDTalbert/wb
November 22, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

DEPARTMENT OF ...
Defense Minerals Ad...
RECEIVED
NOV 18 1954

420 Custom House
555 Battery Street
San Francisco 11, California

November 16, 1954

Mr. Jay L. Chambers, Chief
Contract Administration and
Audit Division
Defense Minerals Exploration
Administration
Washington 25, D. C.

Re: Idm-E556, DMEA-2820
Sunshine Mining Company
Contract Assigned to
Knowles Brothers

Dear Mr. Chambers:

Reference is made to recently executed assignment of subject contract to Knowles Brothers, and in this connection I wish to call your attention to the status of the contract prior to assignment as follows:

1. Report of Review issued July 13, 1954

2. Final Engineer's Report issued May 7, 1954

3. Release of Funds August 1954 to Washington
75% of $16,00.00 = $12,000.00

I assume arrangements will be made to reobligate the $12,000.00, and I also assume it will be in order to issue another Report of Review after the Knowles Brothers, have completed their portion of the contract, and in this connection please let me know what phraseology to use when describing the "Reasons" in this second Report of Review, after the work is completed.

Sincerely yours,

George Mavor

George Mavor
Auditor

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Interim Audit
~~REPORT OF REVIEW~~

I have reviewed the Monthly Reports of:

Sunshine Mining Company
Box 1080
Kellogg, Idaho
Assignees for
Garnet Tungsten Mining Company,
a Nevada limited partnership composed
of L. D. Wilson and R. E. Summers, of
John Day, Oregon: and H. A. Culp, of
Mountain City, Nevada.

pertaining to Exploration Project Contract No. Idm-E 556, Docket No. DMEA-2820, including Amendment No. 1, for the months of August 1953 to December 1953, inclusive, covering a project for the exploration of tungsten, on property known as the Garnet Tungsten Mine, located in Elko County, Nevada.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of costs claimed with the contract and pertinent schedules, consultation with the Executive Officer in charge of the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reason:

> All of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by contractor	$9,669.18
Exceptions (schedule attached):	
Costs in excess of contract	3,909.18
Total accepted costs	$5,760.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in amount of Four Thousand Three Hundred Twenty and 0/100 Dollars:

** $4,320.00 **

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

July 13, 1954

George Mavor
George Mavor
Auditor

Schedule of Exceptions

Sunshine Mining Company RMEA-2820 Idm-3556

Stage I

Total costs as billed by contractor		
Drilling	$4,765.90	
Bulldozing	1,176.00	
Labor	550.00	
Supervision	3,177.28	$9,669.18
Less: Allowable costs based on Amendment No. 1 of Contract at agreed unit rates.		
Bulldozing 6½ hrs. at $12.50 hr.	$ 800.00	
Diamond Drilling 620 ft. at $8.00 ft.	4,960.00	5,760.00
Excess costs disallowed		$3,909.18

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

JUL 21 1954

Mr. George Mavor
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

AIR MAIL

Re: Idm-E556, DMEA-2820
Sunshine Mining Company

Dear Mr. Mavor:

Returned herewith for correction are the copies of the Report of Review covering the above-cited Exploration Project Contract.

It is noted that, although the Report of Review indicates the inclusion of Amendment No. 1, ~~that~~ the costs which you have allowed per Schedule of Exceptions attached thereto are based on the agreed unit cost under the original contract, rather than the Amendment No. 1. Furthermore, the final Field Team Report dated May 7, 1954, prepared by Glenn G. Gentry and Roscoe M. Smith states "The Sunshine Mining Company have completed Stage I of the amended exploration contract consisting of 620 feet of diamond drilling and 64 hours of bulldozer work."

It therefore appears that your Schedule of Exceptions is in error insofar as the basis of allowable costs is concerned.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
July 20, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

Form MF-104 (Rev.)
(April 1954)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1953 Docket No. DMEA 2820 Contract No. Idm-2556
Operator's Name Sunshine Mining Company Minerals Tungsten
Address Box 1080, Kellogg, Idaho
Contract Amount, $ 5,760 Stage I Government Participation: 75% Amount, $ 4,320.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independently Contracts: Short Form						
Drilling	1232.15	3533.75	4765.90	432.00	4528.00	4960.00
Bulldozing	384.00	792.00	1176.00	-0-	800.00	800.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	-0-	550.00	550.00	-0-		
Supervision	297.00	2880.28	3177.28	-0-		
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1913.15	7755.03	9669.18	432.00	5328.00	5760.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 1/10/54 *Payee Sunshine Mining Co.

Per [signature] Title Mgr. Expl. Div.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 324.00

Lloyd H. Sjolander
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date 1/15/54 Vou. No. SF-DMEA-2

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E556 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Date April 2, 1954

A. C. Johnson Region III

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Date April 5, 1954

H. C. Miller Region III

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF–104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF–104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF–104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF–104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF–200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF–200; and delete word "Independent" if the contract reported is on Form MF–200 (A). Also, report work paid for on a unit basis under contract Form MF–200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF–104 when submitted for reimbursable expenses incurred under contract Form MF–200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF–200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF–104 is required to be documented. The four copies of Form MF–104 are not to be thus supported.

Form MF–104 submitted for reimbursement under fixed price contracts on Form MF–200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF–104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MP-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

ACCOUNTS APR 6 1954

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 195 8 Docket No. DMEA 2020 Contract No. [illegible]
Operator's Name Sunshine Mining Co. Minerals [illegible]
Address Box 1020, Kellogg, Idaho

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Foot	1030.15	109	[illegible]	675	11.03	620	8.00
Churn				4960.00				
Auger								
Stripping	Hour	600.00	48	[illegible]	107	15.10	64	12.50
Trenching				800.00				
Test Pits								
Roads and Trails								
Total Distributed Costs		1910.15		$5760.00				Total Costs Authorized by Contract
Less disallowance		1481.15						
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		[illegible] 432.00		[illegible] $5760.00				

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

Date 1/10/54 Operator Sunshine Mining Co.

Per W. Bruce Helm Title Mgr. Dev. Div.

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

SUNSHINE MINING COMPANY

Re: Docket No. DMEA-2820(Tungsten)
Garnet Tungsten
Garnet No. 1 and No. 2 Claims
Elko County, Nevada
Contract Idm-E556
Amendment No. 1
Tungsten

Narrative Report of Operations
December, 1953

Diamond drill hole B was drilled 109 feet during the month and bottomed at 149 feet. Some tactite of no commercial value was disclosed. Lamping showed insufficient values to warrant assaying.

Bulldozing for a portal site, a compressor site, housing site, a dam site, and a ditch for water pipe line entailed 48 hours.

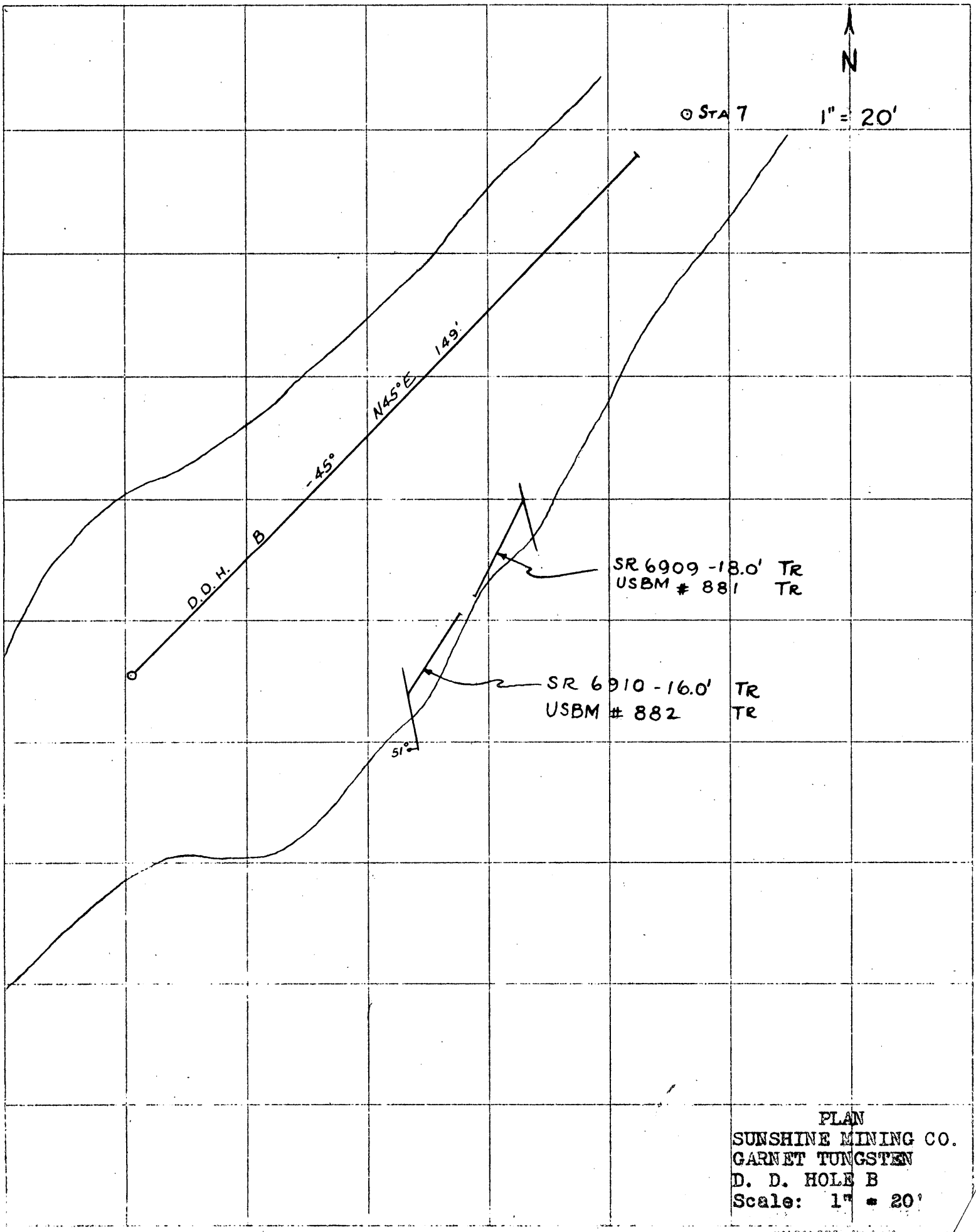
Attached are:

1 - 20 Scale plan showing DD Hole B
2 - Log of DDH B
3 - 100 Scale Plan of bulldozer work

SUNSHINE MINING COMPANY

W. Church Holmes

W. Church Holmes
Mgr. Exploration Division



PLAN
SUNSHINE MINING CO.
GARNET TUNGSTEN
D. D. HOLE B
Scale: 1" = 20'

SUNSHINE MINING COMPANY

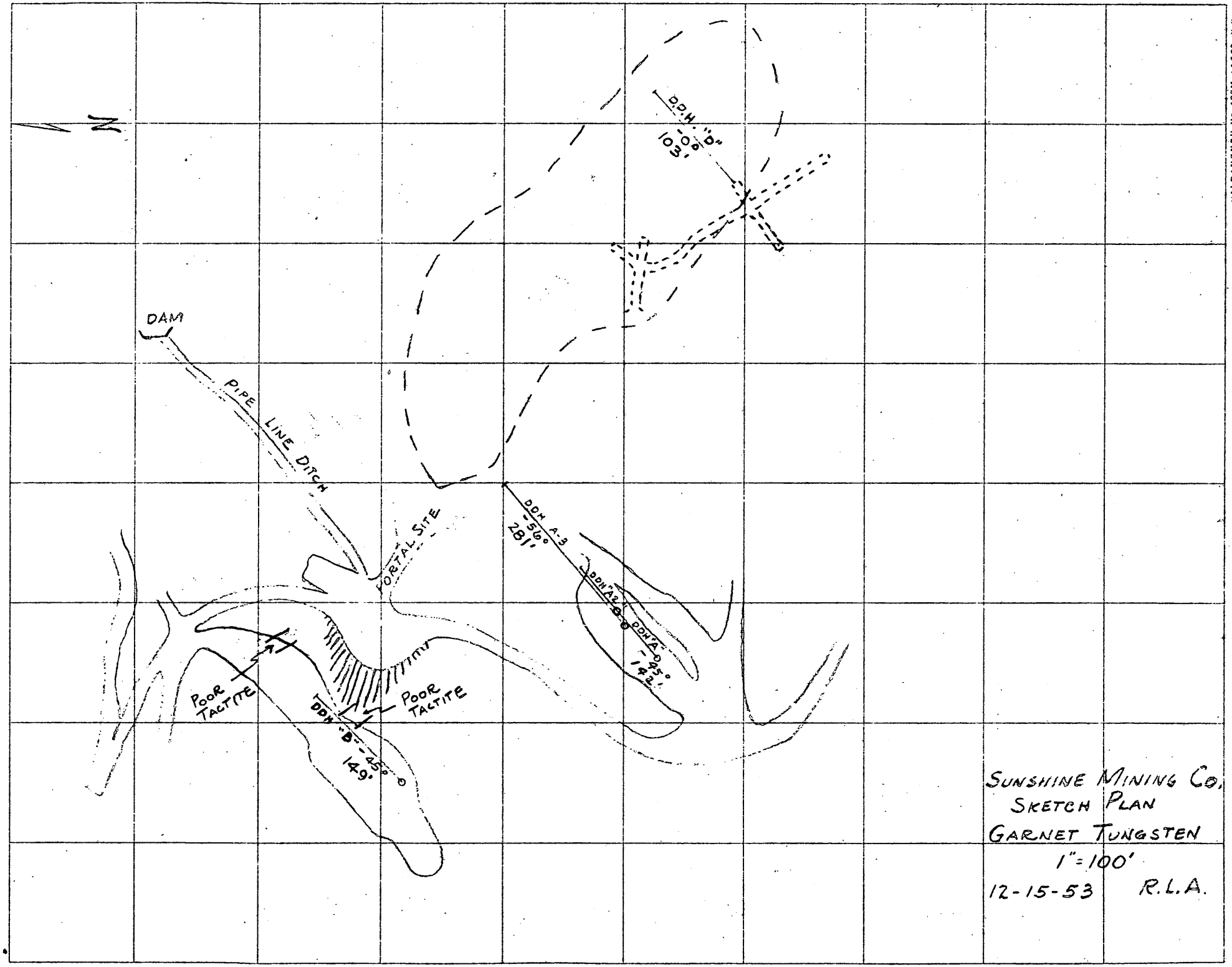
Report of Operations
December, 1953

Re: Docket No. DMEA-2820(Tungsten)
Garnet Tungsten Mining Co.
Garnet No. 1 and 2 Claims
Elko County, Nevada
Contract Idm-E556
Amendment No. 1
Tungsten

Log Diamond Drill Hole B, N45°E, dip 45°

0.0' - 38.0'	Overburden
38.0' - 48.0'	Poor tactite, 8' recovery
48.0' - 70.0'	Sludge showed apparent decomposed shale and some mud seams. Rods often dropped 2" - 8" showing cavities. No core.
70.0' - 132.0'	Ditto above plus 9' recovery of lime shale.
132.0' - 140.0'	Poor tactite, 5' recovery
140.0' - 148.8'	Purple shale
148.8' - 149.0'	Fine grained granitic rock, probably aplite

The tactite contained so few crystals of scheelite that the core was not assayed.



"ALBANENE" NO. 106M K&E CO., N.Y. REG. U.S. PAT. OFF.

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

APR 6 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1953 Docket No. DMEA 2920 Contract No. Idm-0556
Operator's Name Sunshine Mining Co. Minerals Tungsten
Address Box 1020, Kellogg, Idaho
Contract Amount, $ 5,700-Stage I Government Participation: 75 % Amount, $ 4,3[illegible].00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) [redacted] Short Form Contracts:						
Drilling	2262.00	1271.75	3533.75	3240.00	1288.00	4528.00
Bulldozing	256.00	536.00	792.00	-0-	800.00	800.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	-0-	550.00	550.00	-0-		
Supervision	970.36	1929.92	2900.28	-0-		
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3[illegible]0.36	4267.67	7756.03	3240.00	2088.00	5328.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 12/12/53 *Payee Sunshine Mining Co.

Per W. Thurl Hahn Title Mr. Expl. Div.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 2430 00

Jim I. Unger
Signature Authorized Certifying Officer
(Authorized Certifying Officer)

Date JUL 20 1954 Vou. No. SF-DMEA-2

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E556 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Region III Date April 2, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date April 5, 1954

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

ACCOUNTS APR 6 195

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 195 3 Docket No. DMEA 2920 Contract No. [illegible]56
Operator's Name Sunshine Mining Co. Minerals Tungsten
Address Box 1330, Kellogg, Ida.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Foot	2003.70	405	6811.63	566	10.62	620	0.00
Churn				4528.00				
Auger								
Stripping								
Trenching	hour	570.46	32	1744.00	99	17.62	66	12.30
Test Pits				800.00				
Roads and Trails								
TOTAL DISTRIBUTED COSTS		3403.36		7744.03				TOTAL COSTS AUTHORIZED BY CONTRACT
Less disallowance		248.36		5328.00				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3155.00		2416.03				

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

Date 12/10/53 Operator Sunshine Mining Co.

Per [signature] Title Mgr. Expl. Div.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

SUNSHINE MINING COMPANY

Re: Docket No. DMEA-2820(Tungsten)
Garnet Tungsten
Garnet No. 1 and No. 2 Claims
Elko County, Nevada
Contract Idm-E556
Amendment No. 1
Tungsten

Narrative Report of Operations
November, 1953

Diamond drill hole A-3 drilled 262 feet to a depth of 281. The main tactite body was penetrated from 186 feet to 226 feet, the remainder of the hole to the bottom being granodiorite. See accompanying log.

Underground diamond drill hole D was started and completed during the month, bottomed at 103 feet. The last 100 feet was in tactite but did not appear to contain enough values to warrant assaying of Sunshine's half of the split core. Bureau of Mines assays are shown on the accompanying log.

Diamond drill hole B was started at the location designated by the Bureau of Mines and was drilled 40 feet during the month. The first 38 feet was overburden; the bottom two feet, poor tactite.

A bulldozer was hired to do additional stripping of overburden from the tactite body in the vicinity of the collar of diamond drill hole B, diamond drill hole #5, and an indicated portal site.

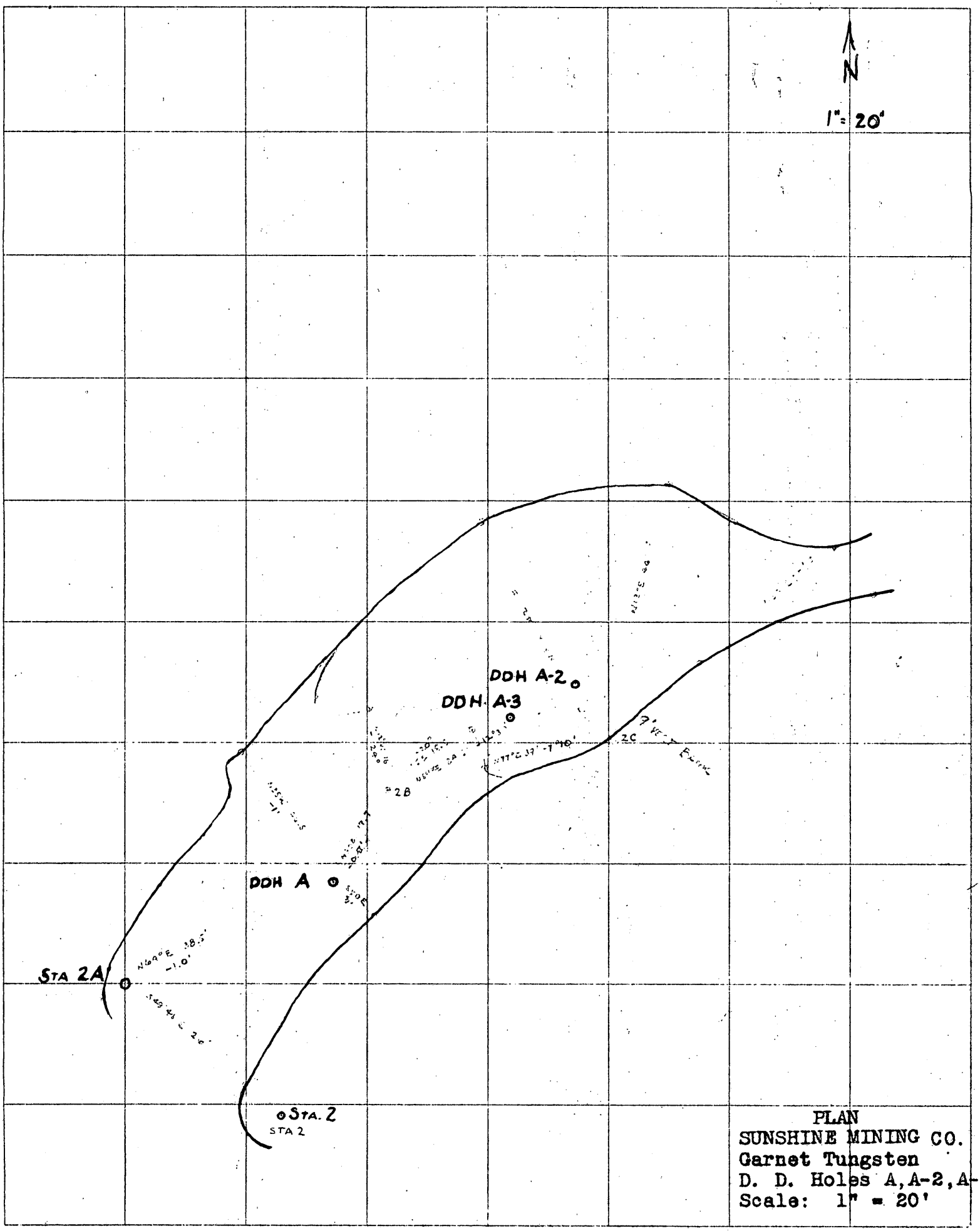
Attached are:

1 - 20 Scale Plan of Diamond Drill Holes A, A-2, A-3
2 - 20 Scale assay plan of DDH D
3 - 40 Scale Plan and Section of Diamond Drill Hole A-3 completed
4 - Log and assay results of Hole A-3
5 - Log and assay results of Hole D

SUNSHINE MINING COMPANY

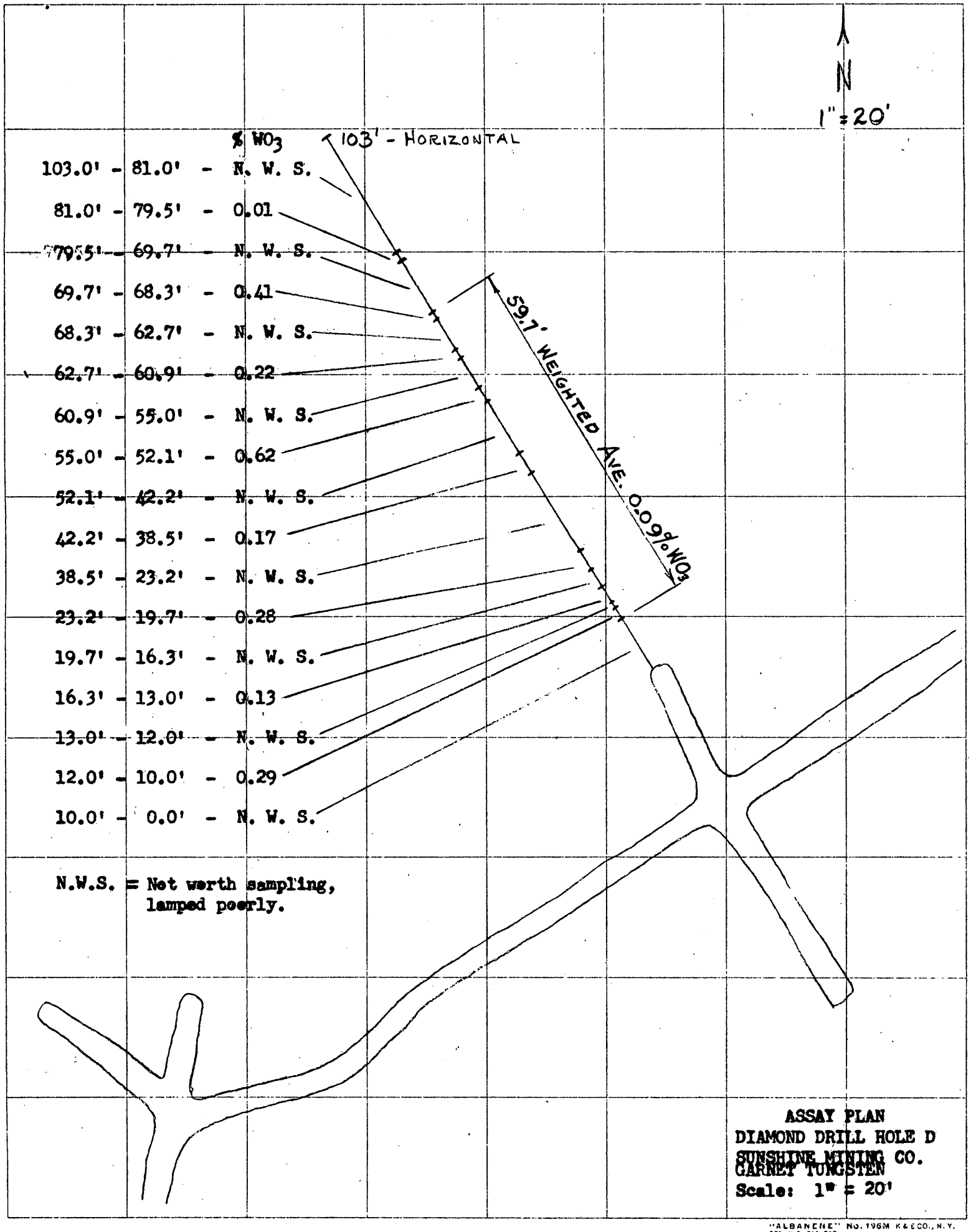
W. Church Holmes

W. Church Holmes
Mgr. Exploration Division

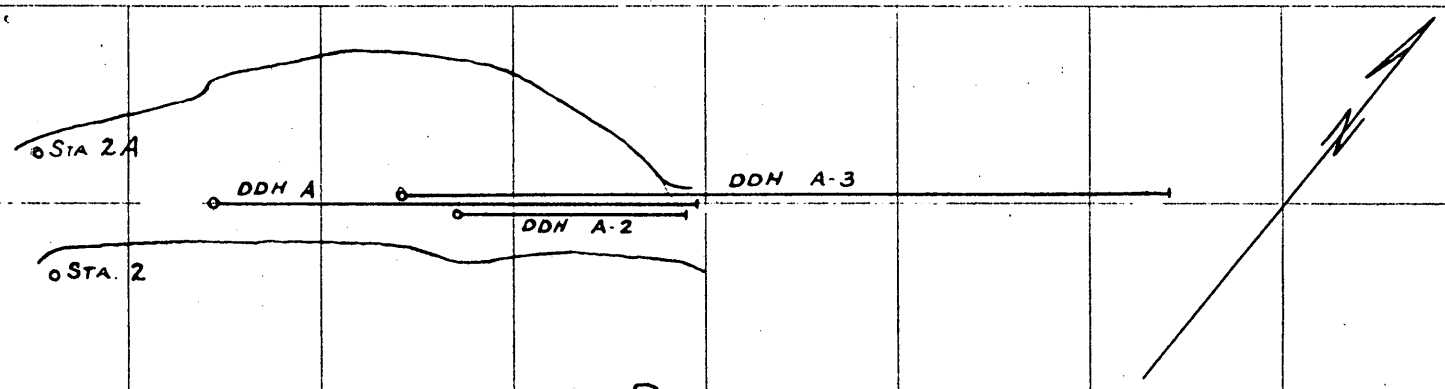


PLAN
SUNSHINE MINING CO.
Garnet Tungsten
D. D. Holes A, A-2, A-3
Scale: 1" = 20'

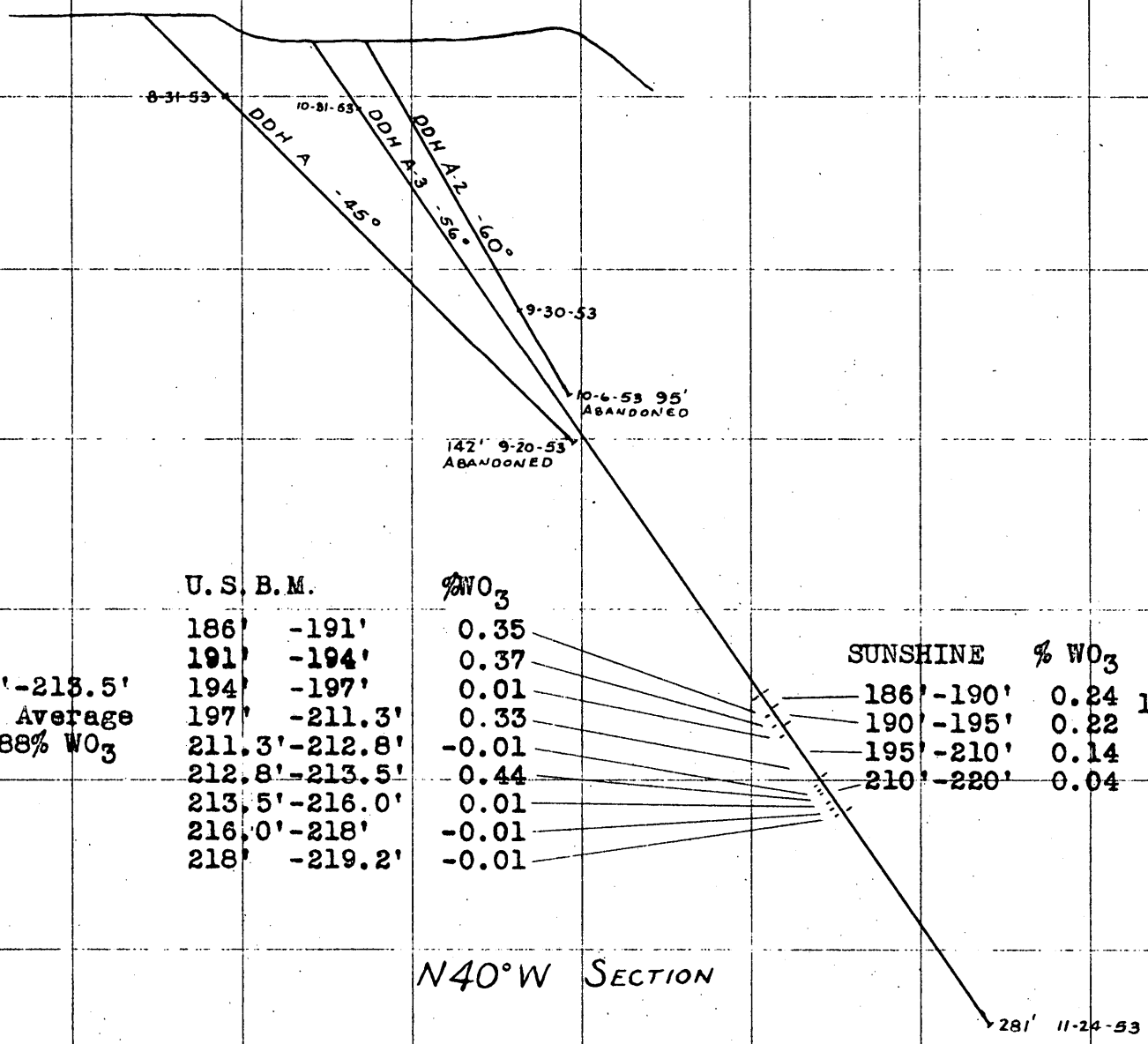
"ALBANENE" No. 196M K&E CO., N.Y.
REG. U.S. PAT. OFF



"ALBANENE" No. 195M K&E CO., N.Y.
REG. U.S. PAT. OFF.



PLAN



U.S.B.M.		$\%WO_3$
186'	-191'	0.35
191'	-194'	0.37
194'	-197'	0.01
197'	-211.3'	0.33
211.3'	-212.8'	-0.01
212.8'	-213.5'	0.44
213.5'	-216.0'	0.01
216.0'	-218'	-0.01
218'	-219.2'	-0.01

186'-213.5'
Wt. Average
0.288% WO_3

SUNSHINE		% WO_3
186'	-190'	0.24
190'	-195'	0.22
195'	-210'	0.14
210'	-220'	0.04

186'-210'
Wt. Ave
0.17%

N40°W SECTION

SUNSHINE MINING COMPANY
GARNET TUNGSTEN
D. D. HOLES A, A-2, A-3
Scale: 1" = 40'

ALBANENE" No. 195M K&E CO., N.Y.
REG. U.S. PAT. OFF.

SUNSHINE MINING COMPANY

Report of Operations
November, 1953

Re: Docket No. DMEA-2820(Tungsten)
Garnet Tungsten Mining Co.
Garnet No. 1 & 2 Claims
Elko County, Nevada
Contract Idm-E556
Amendment No. 1
Tungsten

Log Diamond Drill Hole A-3, N50°E, dip 56°

0' - 88'	Overburden
88' - 89'	Poor Tactite
89' 90.5'	Thin bedded shale
90.5' - 147.0'	Aplite to granodiorite
147' - 151'	Decomposed bedded shale
151' - 153'	Granodiorite
153' - 156'	Shale
156' - 160.2'	Granodiorite
160.2' - 169.4	Purple shale
169.4'-182.5'	Garnetized lime-shale (poor tactite)
182.5' - 186.0'	Lime shale (High kaolin?) Decomposed to sand
186.0' - 191.0'	Tactite
191.0' - 194.0'	High kaolin, Sand
194.0' - 195.0'	Ditto, less decomposed
195.0' - 197.0'	Tactite
197.0' - 199.0'	Decomposed, green
199.0' - ±203'	Red sludge, no recovery
203.0' - 220.0'	Tactite
220.0' - 226.0'	Poor tactite, occasional scheelite xal
226.0' - 281.0'	Granodiorite with muscovite, biotite, pyrite in minor quantities, occasional xals of scheelite

U. S. Bureau of Mines Assays:

	$\%WO_3$
186'- 191'	0.35
191'- 194'	0.37
194'- 197'	0.01
197' - 211.3'	0.33
211.3'-212.8'	-0.01
212.8'-213.5'	0.44
213.5'-216'	0.01
216'-218'	-0.01
218'-219.2'	-0.01
186' - 213.5'	0.288 Wt. Av.

Sunshine Assays

	$\%WO_3$
186' - 190'	0.24
190' - 195'	0.22
195' - 210'	0.14
210' - 220'	0.04
186' - 210'	0.17 Wt. Av.

SUNSHINE MINING COMPANY

Report of Operations
November, 1953

Re: Docket No. DMEA-2820(Tungsten)
Garnet Tungsten Mining Co.
Garnet No. 1 and 2 Claims
Elko County, Nevada
Contract Idm-E556
Amendment No. 1
Tungsten

Log Diamond Drill Hole D--Underground--N57°E. Horizontal

0.0' - 3.0'	Granodiorite
3.0' - 3.7'	Tactite
3.7' - 7.0'	Granodiorite
7.0' - 56.0'	Tactite
56.0' - 58.0'	White Quartz
58.0' - 103.0'	Tactite--bottom of hole

U.S. Bureau of Mines Sample Lengths and Assays--Hole D

	$\%WO_3$
0.0' - 10.0'	Not worth sampling, Lamped poorly
10.0' - 12.0'	0.29
12.0' - 13.0'	N.W.S.
13.0' - 16.3'	0.13
16.3' - 19.7'	N.W.S.
19.7' - 23.2'	0.28
23.2' - 38.5'	N.W.S.
38.5' - 42.2'	0.17
42.2' - 52.1'	N.W.S.
52.1' - 55.0'	0.62
55.0' - 60.9'	N.W.S.
60.9' - 62.7'	0.22
62.7' - 68.3'	N.W.S.
68.3' - 69.7'	0.41
69.7' - 79.5'	N.W.S.
79.5' - 81.0'	-0.01
81.0' - 103.0'	N.W.S.
10.0' - 69.7'	0.09% WO_3 Weighted Assay over 59.7' Horiz. Equivalent to 48.0' perpendicular to 55° Dip

Form M-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

ACCOUNTS APR 6 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1953 Docket No. DMEA 2820 Contract No. Idm-E556
Operator's Name Sunshine Mining Co. Minerals Tungsten
Address Box 1080, Kellogg, Idaho
Contract Amount, $ 5,760-Stage I Government Participation: 75% Amount, $ 4,320.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling	291.75	980.00	1271.75	152.00	1136.00	1288.00
Bulldozing	280.00	256.00	536.00	400.00	400.00	800.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	-0-	550.00	550.00			
Supervision	716.35	1193.57	1909.92	-0-		
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1288.10	2979.57	4267.67	552.00	1536.00	2088.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 11/15/53 *Payee Sunshine Mining Co.

Per Arthur Holmes Title Mgr. Expl. Div.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 414.00

Signature Lloyd W. Stolander
Authorized Certifying Officer
(Authorized Certifying Officer)

Date JUL 20 1954 Vou. No. SF-DMEA-2

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E556 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Region III Date April 2, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date April 5, 1954

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(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

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Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

APR 6 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 3 Docket No. DMEA 2020 Contract No. Idm-E556
Operator's Name Sunshine Mining Co. Minerals Tungsten
Address Box 1000, Kellogg, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Foot	769.31	19	[illegible]	161	19.27	620	8.00
Churn				1288.00				
Auger								
Stripping								
Trenching	Hour	510.79	35	[illegible]	67	17.38	64	12.50
Test Pits				800.00				
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		1280.10		2088.00 [illegible]				
Less disallowance		736.10						
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		[illegible] $552.00		[illegible] 2088.00				

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

REMARKS:

Date 11/19/53 Operator Sunshine Mining Co.

Per [signature] Title Mgr. Expl. Div.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

SUNSHINE MINING COMPANY

Re: Docket No. DMEA-2820(Tungsten)
Garnet Tungsten
Garnet No. 1 and No. 2 Claims
Elko County, Nevada
Contract Idm-E556
Amendment No. 1
Tungsten

Narrative Report of Operations
October, 1953

Diamond drill hole A-2 was drilled to a depth of 95 feet where the water disappeared and the string of drill tools was lost. The hole was abandoned. Only thin-bedded shale was encountered. Footage and costs of hole A-2 are not included in forms MF-104 and MF-104A.

A new collar location was selected and Hole A-3 was drilled 19 feet during the month, see 40-scale plan and section.

Three additional cuts were made with the bulldozer: Cut #6 exposed 7 feet of tactite, Cut #7 struck too much water to allow reaching bedrock, Cut #10 exposed two disconnected tactite bodies which may be continuous at depth.

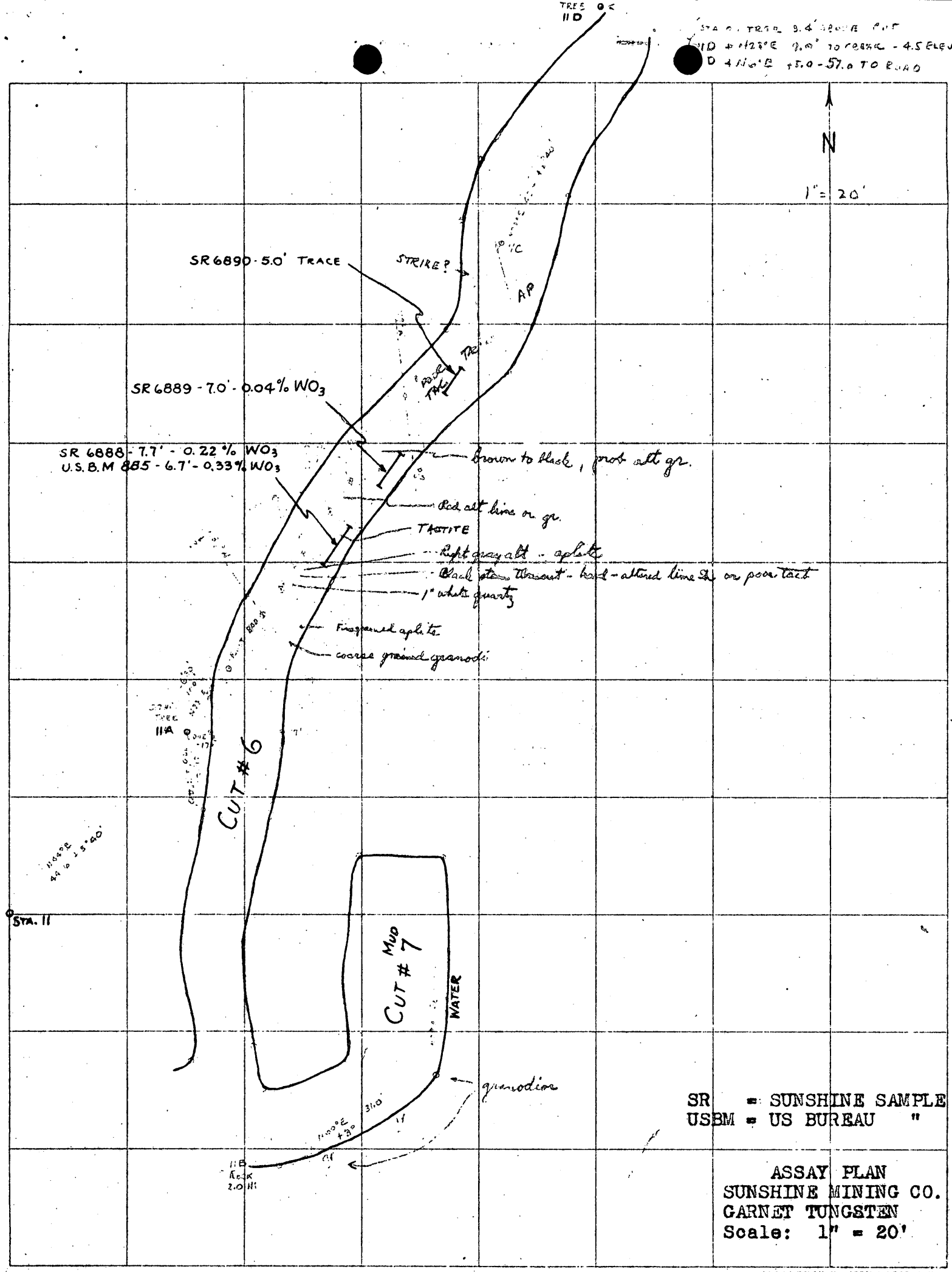
Attached are:

1 - 20 Scale Plan of Cuts 6, 7
2 - 20 Scale Plan of Cut 10
3 - 20 Scale assay plan of Cut 9 and adjoining outcrop
4 - 100 Scale Plan showing location of cuts
5 - 40 Scale Plan and Section of Diamond Drill Holes A,A-2,A-3

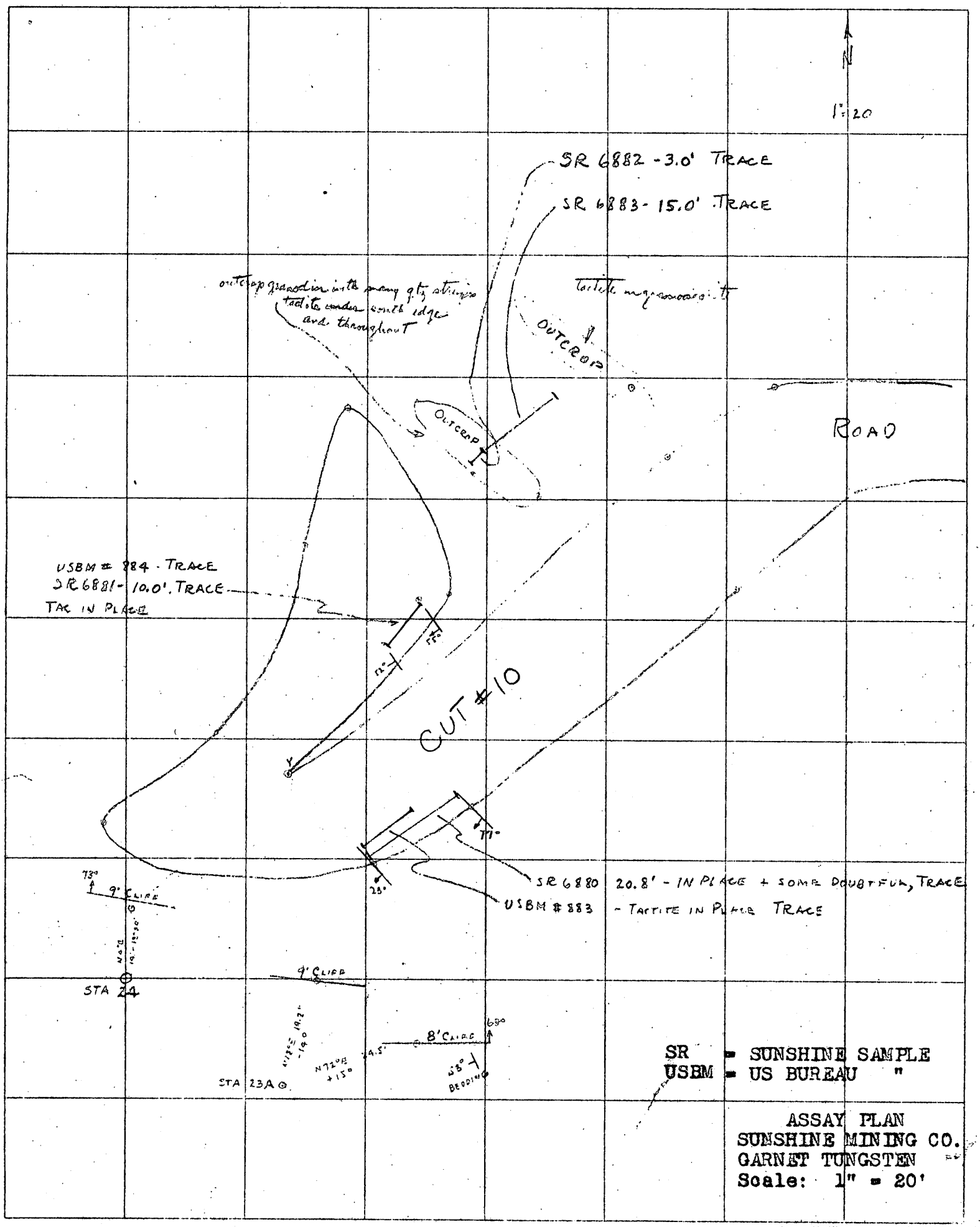
SUNSHINE MINING COMPANY

W. Church Holmes

W. Church Holmes
Mgr. Exploration Division



"ALBANENE" NO. 108M K&E CO., N.Y.
REG. U.S. PAT. OFF



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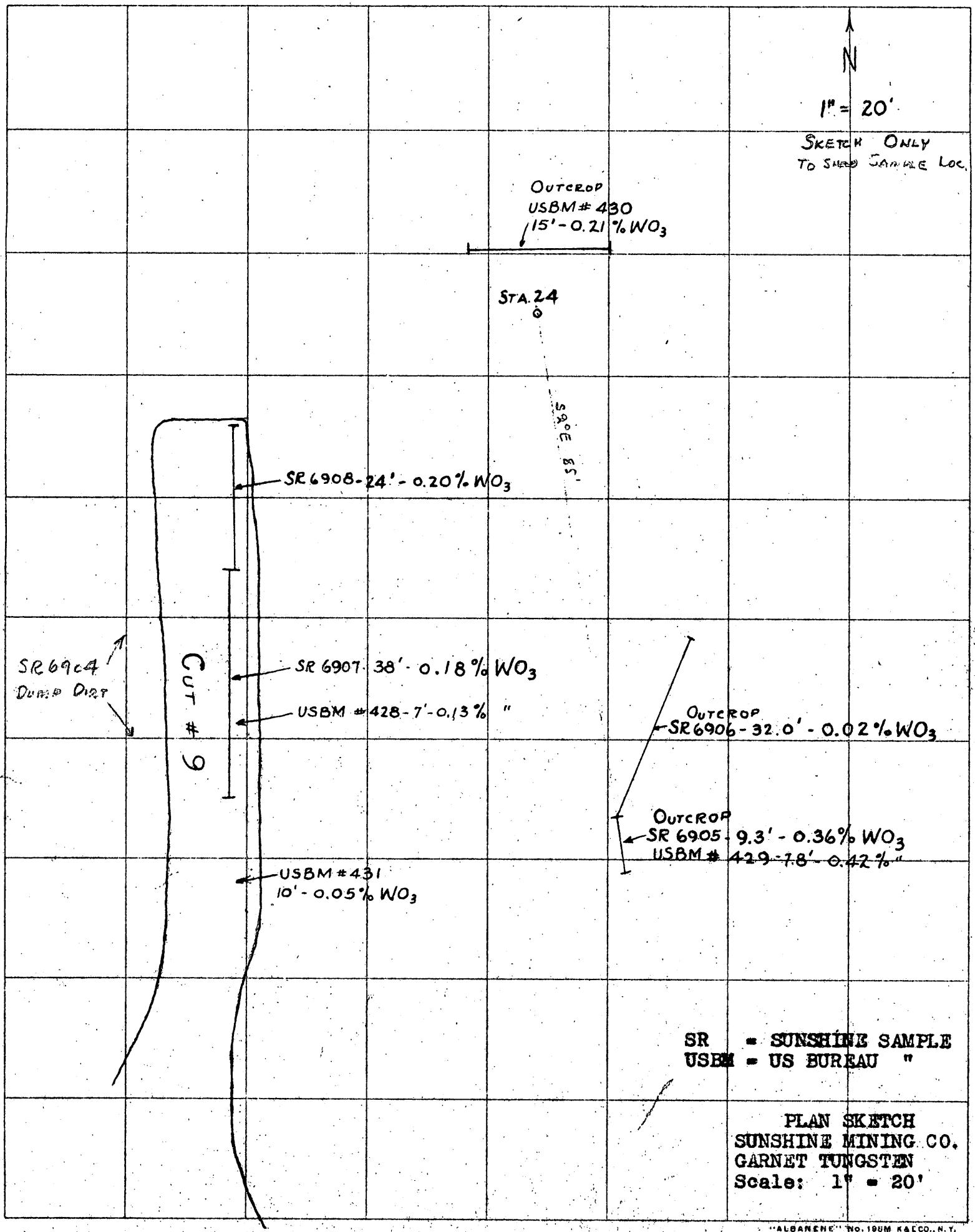
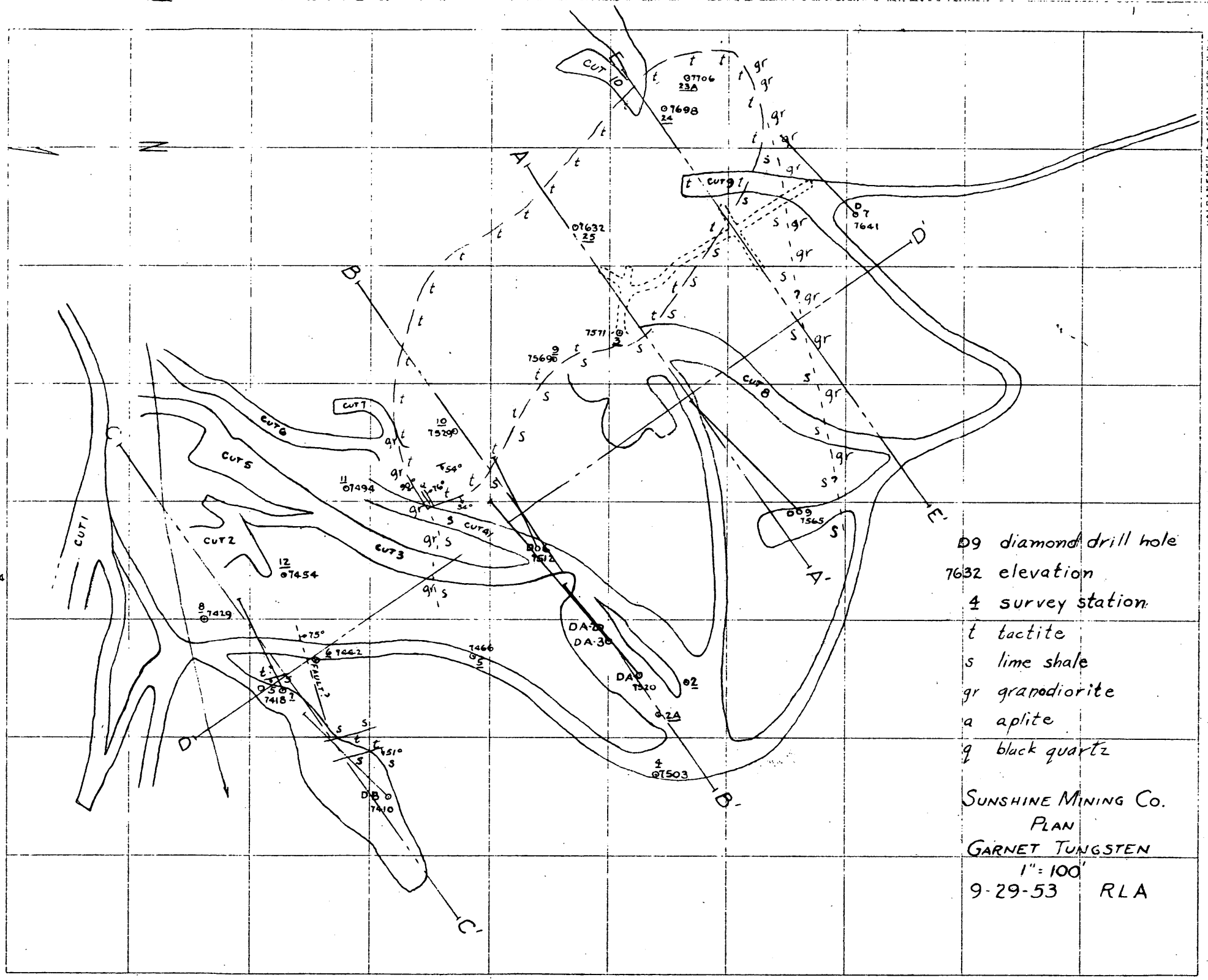
REG. U.S. PAT. OFF.

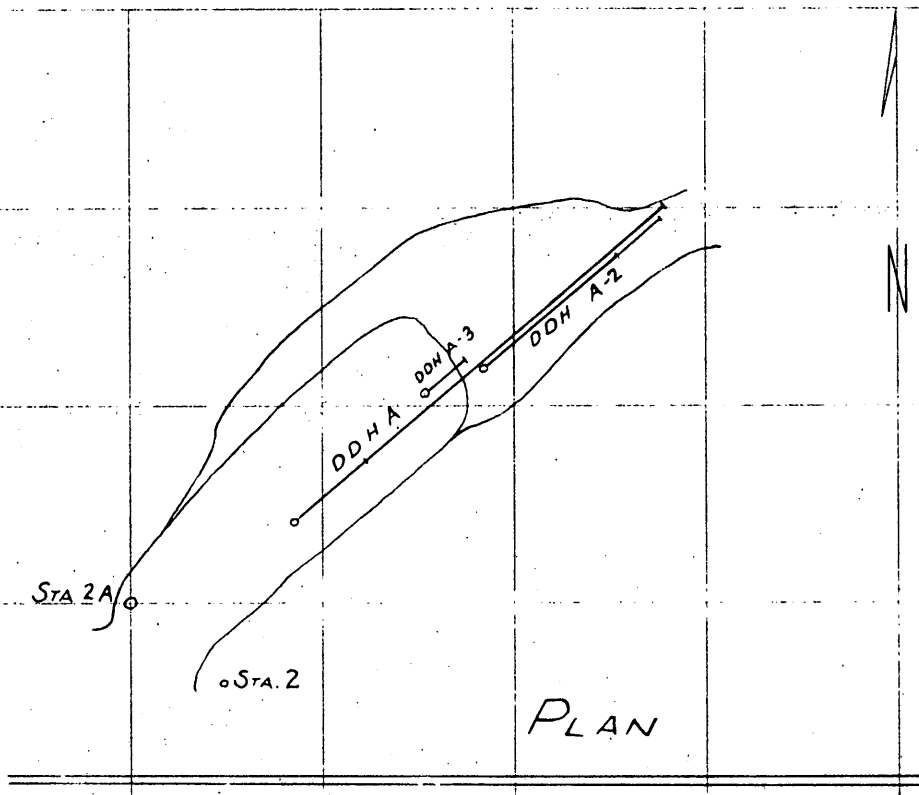


"ALBANENE" No. 190M K&E CO., N.Y.
REG. U.S. PAT. OFF.

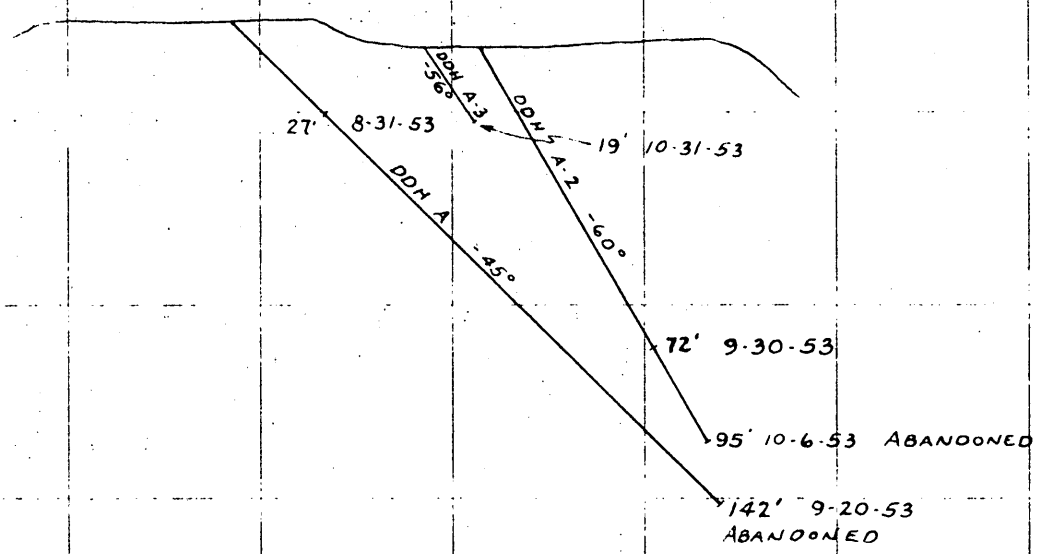


D9 diamond drill hole
7632 elevation
4 survey station
t tactite
s lime shale
gr granodiorite
a aplite
q black quartz

SUNSHINE MINING CO.
PLAN
GARNET TUNGSTEN
1" = 100'
9-29-53 RLA



PLAN



SECTION LOOKING N40°W

SUNSHINE MINING COMPANY
GARNET TUNGSTEN
D. D. HOLES A & A-2 & A-3
Scale: 1" = 40'

"ALBANENE" NO. 195M K&E CO. N.Y.
REG. U.S. PAT. OFF.

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

ACCOUNTS APR 6 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1953 Docket No. DMEA 2020 Contract No. 1[illegible]-[illegible]550
Operator's Name Sunshine Mining Company Minerals Tungsten
Address Box 1030, Kellogg, Idaho
Contract Amount, $5,760-Stage I Government Participation: 75 % Amount, $4,320.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors: Short Form						
Drilling	721.00	199.00	920.00	920.00	216.00	1136.00
Bulldozing	250.00	-0-	250.00	400.00		400.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	370.00	180.00	550.00	-0-		
Supervision	794.57	399.70	1193.57	-0-		
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2316.57	762.70	3079.57	1320.00	216.00	1536.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 10/15/53 *Payee Sunshine Mining Co.

Per W. Chuck Holmes Title Mgr. Engl. Div.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 990.00

Signature Lloyd A. Splander
Authorized Certifying Officer
(Authorized Certifying Officer)

Date JUL 20 1954 Vou. No. SF-Dmea-2

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E556 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div., Region III Date April 2, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date April 5, 1954

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No: 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept. 195 3 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name Sunshine Mining Co. Minerals Tungsten
Address Box 1150, Kellogg, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Foot	1320.00	115	~~[illegible]~~	142	16.43	620	0.00
Churn				1136.00				
Auger								
Stripping	Hour	640.85	32	~~[illegible]~~	32	20.19	64	12.50
Trenching				400.00				
Test Pits								
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		2216.87		1536.00 ~~[illegible]~~				
Less suspension		896.87						
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		~~[illegible]~~ 1320.00		~~[illegible]~~ 1536.00				

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

REMARKS:

Date 10/16/53 Operator Sunshine Mining Co.

Per [signature] Title Sr. Expl. Div.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

SUNSHINE MINING COMPANY

Re: Docket No. DMEA-2820(Tungsten)
Garnet Tungsten
Garnet No. 1 and No. 2 Claims
Elko County, Nevada
Contract Idm-E556
Amendment #1
Tungsten

Narrative Report of Operations
September, 1953

Diamond drill hole A was drilled an additional 115 feet to a depth of 142 feet where the water disappeared and the string of drill tools was lost. Overburden continued to the depth of 83 feet. The remainder of the hole was in thin-bedded lime shale. The hole was abandoned.

A bulldozer and operator were hired to excavate for a new collar location, see 8½ x 11 Plan and Section, where hole A-2 was started. This hole was drilled 72 feet during the month, 44 feet in overburden and 28 feet in thin-bedded lime shale. The 72 feet of hole A-2 and the cost of same have not been entered on the forms MF-104 and MF-104A.

Three new surface cuts, numbers 1, 2, and 5, were bulldozed to further explore the tactite exposed to the north of the main ore body.

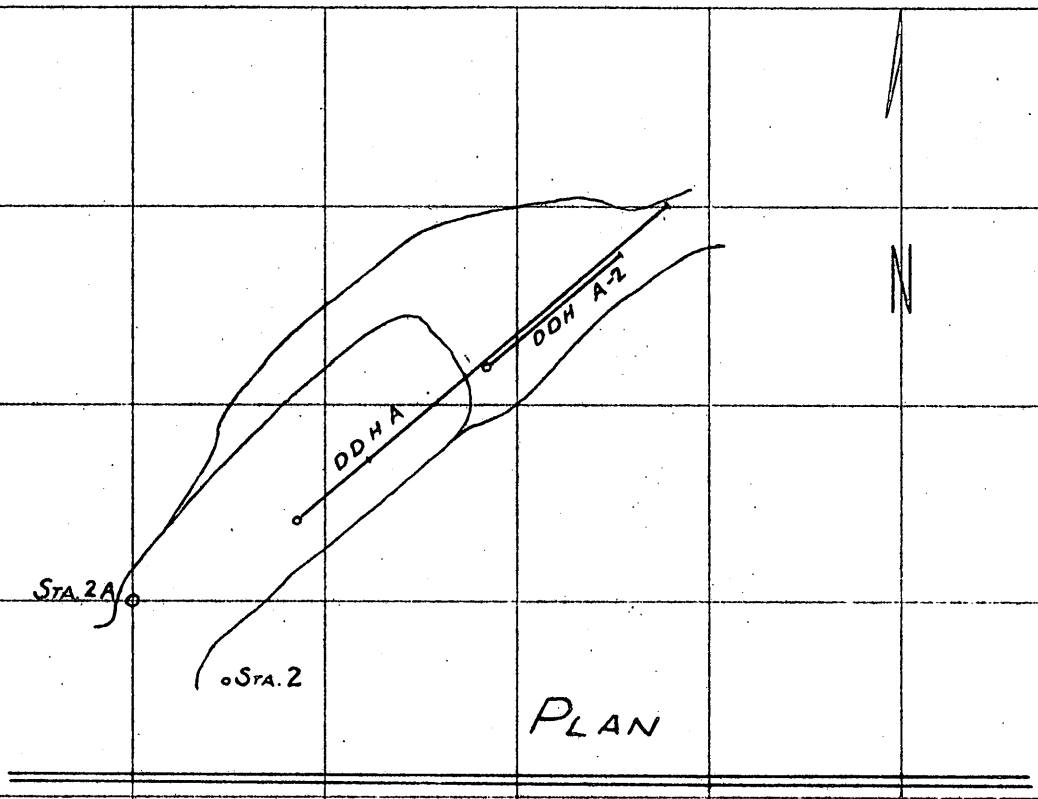
Attached are:

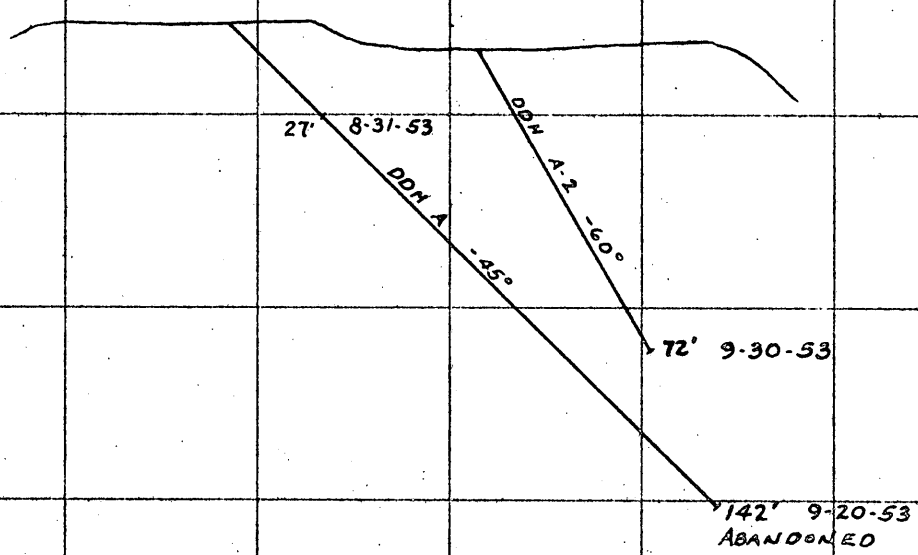
1 - 40 Scale Plan and Section DDH A, A-2
2 - 20 Scale Plan of cuts 1, 2 and 5

SUNSHINE MINING COMPANY

W. Church Holmes

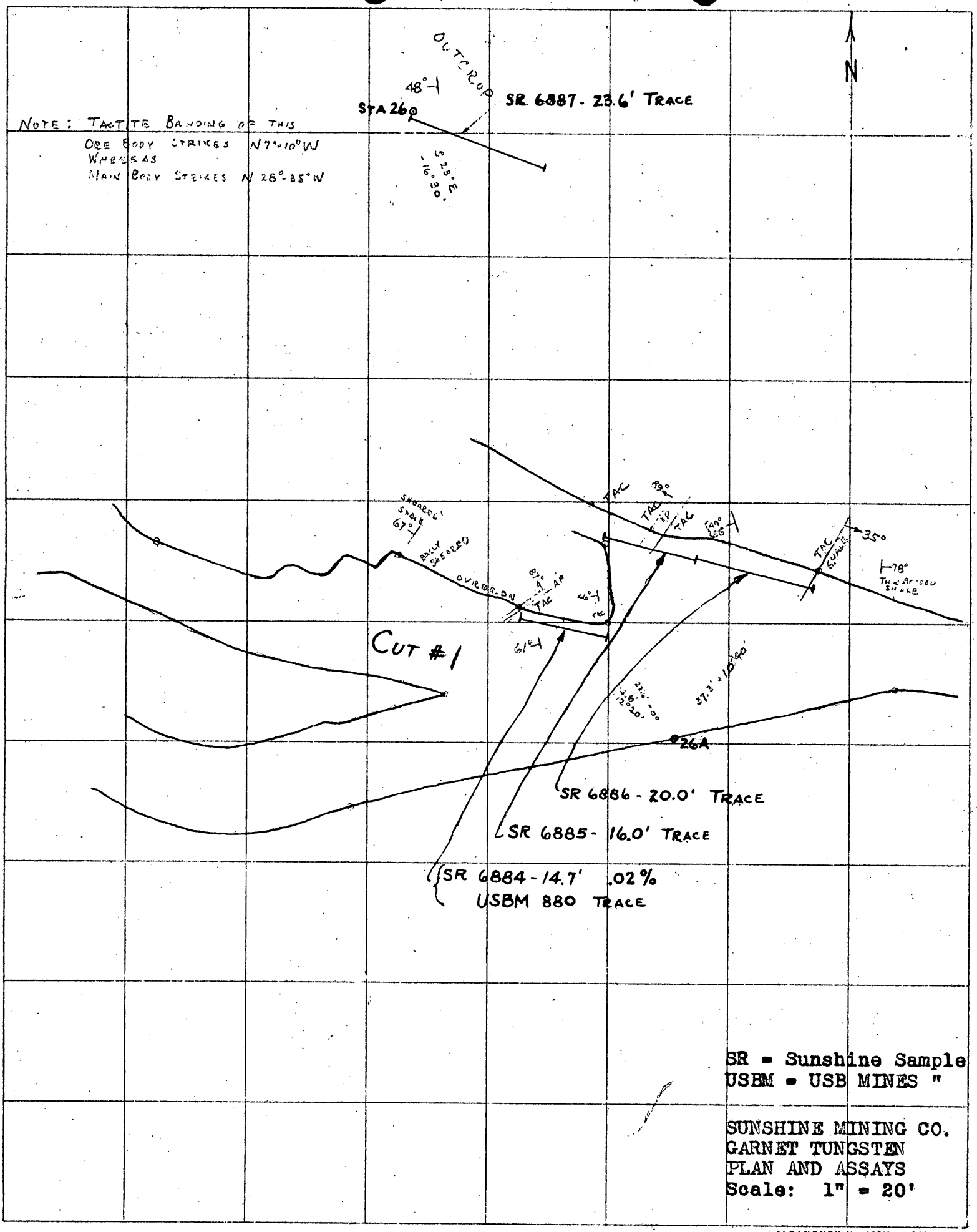
W. Church Holmes
Mgr. Exploration Division





SUNSHINE MINING COMPANY
GARNET TUNGSTEN
D. D. HOLES A & A-2
Scale: 1" = 40'

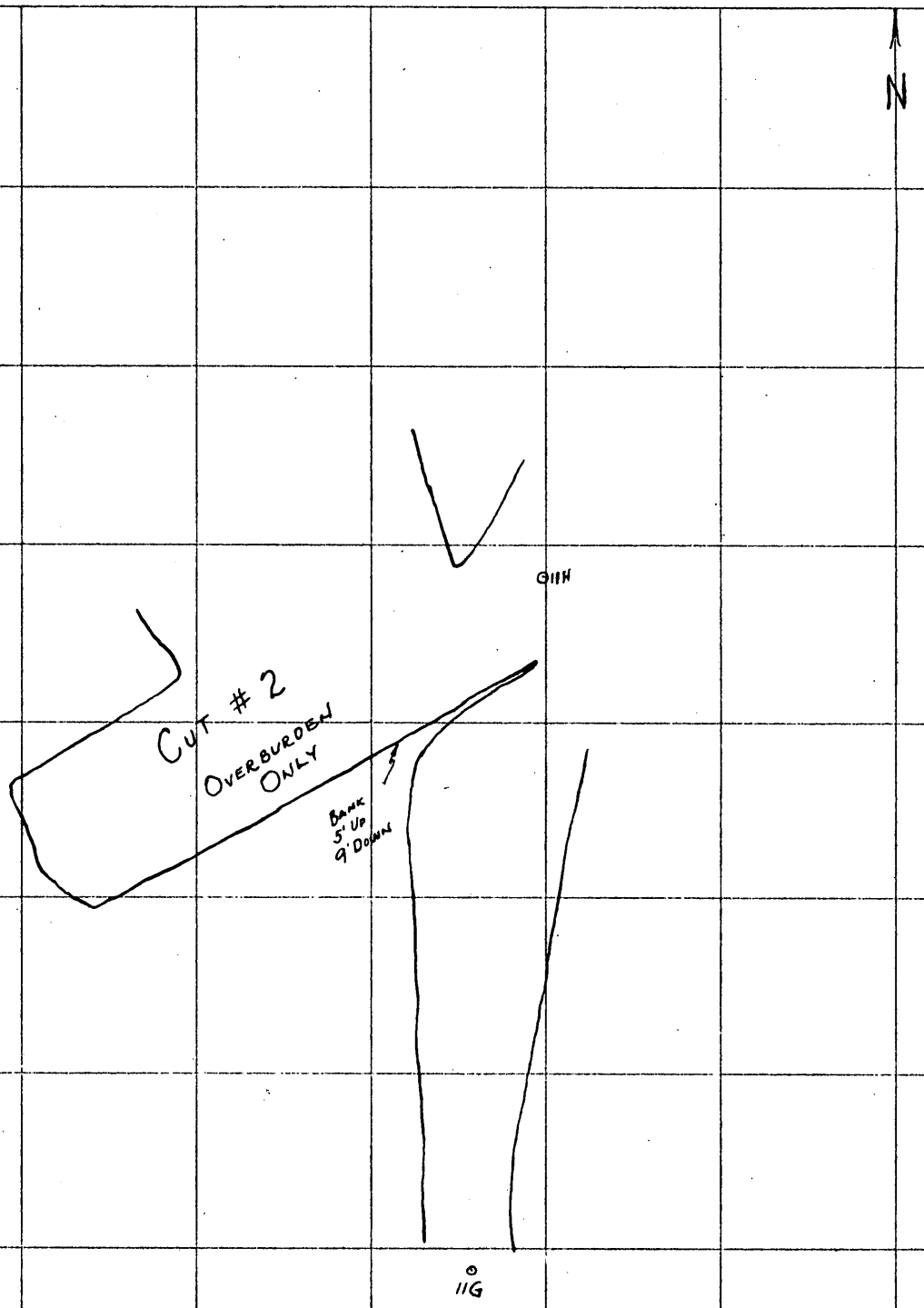
"ALDARINE" No. 100M K&E CO., N.Y.
REG. U.S. PAT. OFF



SR = Sunshine Sample
USBM = USB MINES "

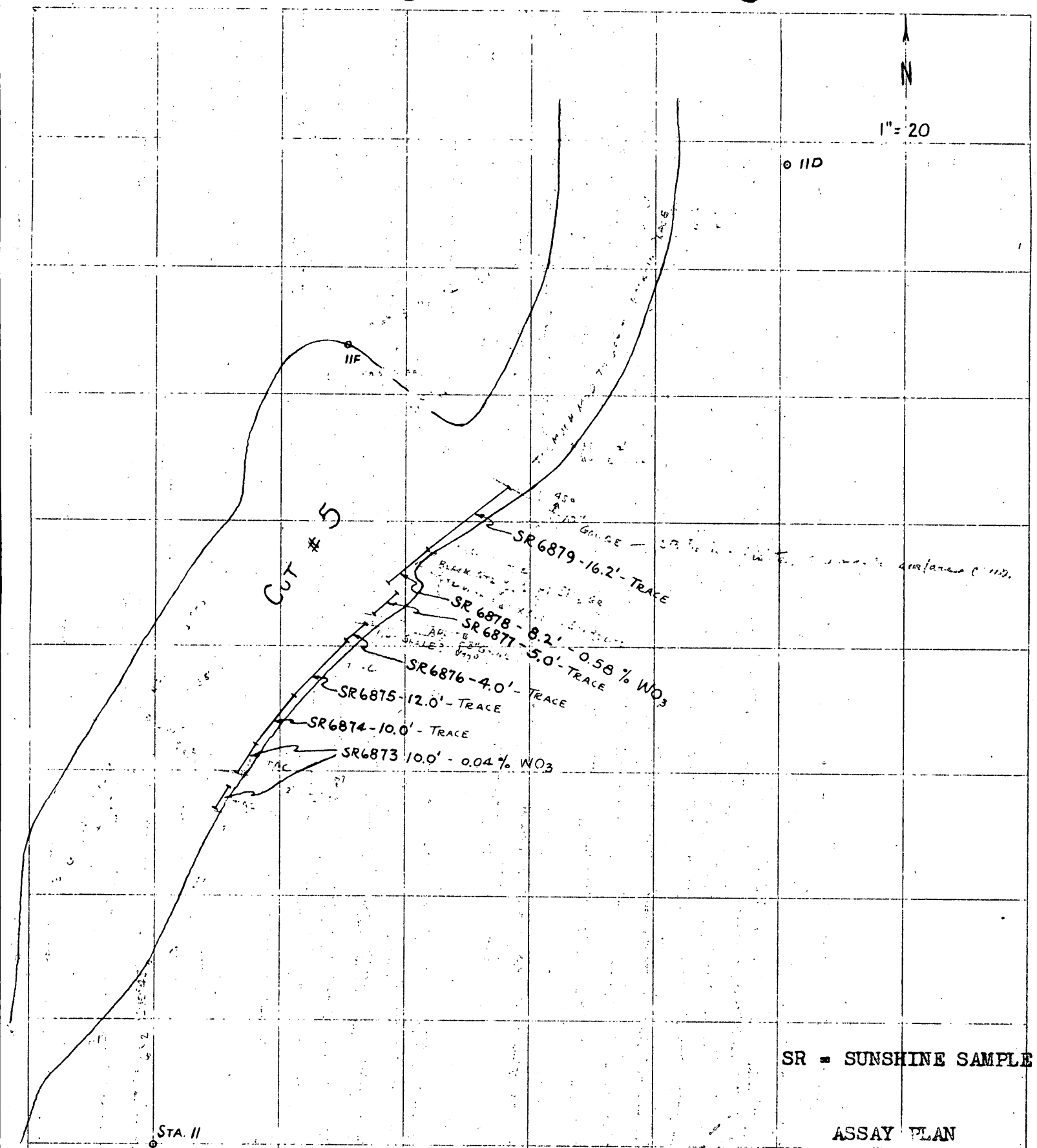
SUNSHINE MINING CO.
GARNET TUNGSTEN
PLAN AND ASSAYS
Scale: 1" = 20'

"ALBANENE" NO. 198M KAECO., N.Y.
REG. U.S. PAT. OFF



PLAN
SUNSHINE MINING CO.
GARNET TUNGSTEN
Scale: 1" = 20'

"ALBANENE" No. 108M K&E CO., N.Y.
REG. U.S. PAT. OFF



SR = SUNSHINE SAMPLE

ASSAY PLAN
CUT #5
SUNSHINE MINING CO.
GARNET TUNGSTEN
Scale: 1" = 20'

Form MIF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

APR 6 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August 195 3 Docket No. DMEA 2820 Contract No. Ida-E556
Operator's Name Sunshine Mining Co. Minerals Tungsten
Address Box 1000, Kellogg, Idaho
Contract Amount, $ 9,760 Stage I Government Participation: 75% Amount, $ 4,320.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling	189.00	--	189.00	216.00		216.00
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	179.00	--	179.00	-0-		
Supervision	398.70		398.70	-0-		
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	762.70	--	762.70	216.00		216.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9/19/1953 *Payee Sunshine Mining Co.
Per [signature] Title Mgr. Expl. Div.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 162.00
Joya N. Shinn
Authorized Certifying Officer
Signature
(Authorized Certifying Officer)
Date JUL 20 1954 Vou. No. SF-DMEA-2
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E556 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Region III Date April 2, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date April 5, 1954

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 2020 Contract No. Idm-2556
Operator's Name Sunshine Mining Co. Minerals Tungsten
Address Box 1080, Kellogg, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Foot	762.70	27	762.70	27	27.70	620	8.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		762.70		762.70				TOTAL COSTS AUTHORIZED BY CONTRACT
Less disallowance		546.70		546.70				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$216.00		216.00				

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

Date Sept. 15, 1953 Operator Sunshine Mining Co.

Per [signature] Title Mgr. Explor. Div.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

SUNSHINE MINING COMPANY

Re: Docket No. DMEA-2820(Tungsten)
Garnet Tungsten
Garnet No. 1 and No. 2 Claims
Elko County, Nevada
Contract Idm - E556
Amendment #1
Tungsten

Narrative Report of Operations
August, 1953

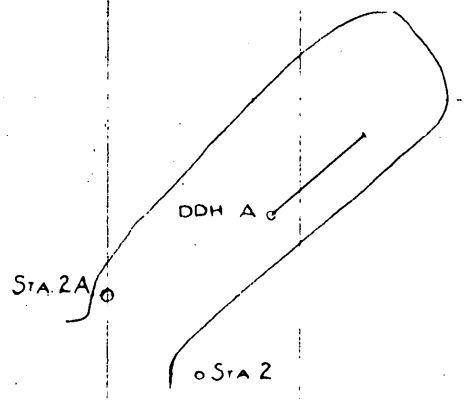
Diamond core drilling was commenced on diamond drill hole A at the location designated by the Bureau of Mines. The hole was drilled 27 feet between August 29th and the end of month. Only overburden was encountered and no core was taken.

Enclosed is 40-scale plan and section showing diamond drill hole progress.

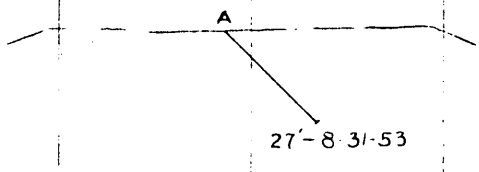
SUNSHINE MINING COMPANY

W. Church Holmes

W. Church Holmes
Mgr. Exploration Division



PLAN



SECTION

SUNSHINE MINING CO.
GARNET TUNGSTEN
1" = 40'
D.D. HOLE A

"ALBANENE" NO. 195M

JUL 8 1963

Mr. A. A. Knowles
Knowles Bros.
Box 87
Mountain City, Nevada

Re: DMEA-1820 (Tungsten)
A.A., G.S., and E.A. Knowles, Assignee
Garnet Nos. 1 and 2 Claims
Elko County, Nevada
Contract Ida-1256

Dear Mr. Knowles:

Thank you for returning the completed MMS Form 63's mailed to you on June 20, 1963.

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated October 27, 1954, all minerals mined or produced from June 28, 1953, to June 23, 1963, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Director

WHGrimsold/mm
7/8/63
cc: Director's Reading File
Region II w/copy of Form 63 dated June 20.
CAAA Division
Docket
Code 500
Mr. Erica R. Montague, Mountain City, Nevada
Sunshine Mining Company, ~~XXXXXXXXXXXXXXXXXXXX~~ West 300 Mission Avenue
Spokane 1, Wash.

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

MAR 21 1957

Mr. A. A. Ravenes
Ravenes Brothers
Mountain City, Nevada

Re: Docket No. DMEA-2620 - Tungsten
Contract Nos. 1 and 2 claims
Elko County, Nevada
Contract No. Idm-8336

Dear Mr. Ravenes:

Reference is made to your letter of February 3, 1957, advising of the sale of your tungsten property, including the subject claims, to the Union Carbide-Shalcar Company as of January 1, 1957.

We call attention to your responsibility under Article 7 of the Contract to make suitable provision for the preservation of the Government's right to percentage royalty and liens. You should furnish us with a copy of the sales contract showing that Union Carbide-Shalcar Company has agreed that all minerals mined or produced from the above-named claims from the date of sale to June 30, 1962, are subject to the Government's percentage royalty as set forth in the DMEA contract until the sum of $14,[illegible].00, which was provided by the Government for the exploration project, is repaid to the Government.

Sincerely yours,

C. O. Mittendorf

Administrator

T.Chapman/MCRubin/cmd
3/18/57
Copy to: DMEA Docket
Code 400
Admr. Reading File
Field Team, Region II (2)
R. W. Holliday, USGS
T. R. Kiliegaard, USGS
J. L. Chambers
R. F. Boyer
M. C. Rubin
chron.
pending

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Sunshine Mining Company
Box 1080
Kellogg, Idaho

Assignee-Operator under Exploration Project
Contract No. Idm-E556, Docket No. DMEA 2820,
Garnet Tungsten Mining Company, dated June 25, 1953.

Pursuant to the provisions of Exploration Project Contract No. Idm-E556, dated June 25, 1953 (Docket No. DMEA 2820), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that a discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

A considerable tonnage of marginal-grade tungsten ore in tactite has been indicated by bulldozer trenching and diamond drilling at the Garnet Tungsten mine. The tungsten, present in the form of scheelite, is distributed along bedding planes, in garnet and epidote seams, and as disseminations in the tactite which occurs at the contact of granite and sedimentary rocks.

THE UNITED STATES OF AMERICA

Dated: OCT 2 7 1954

By C J Mitchenor
Administrator, Defense Minerals
Exploration Administration

cc: DOCKET
FT, REGION III
CODE 400--Mr. Martin
CODE 800--Mr. Chambers
CODE 110--Mr. Johnson
J. H. HEDGES, USBM
R. W. GEEHAN, USBM
FINANCE OFFICE
OPERATING COMMITTEE
ADMIN. READ. FILE

cc: PRICE D. MONTROSE, MTN. CITY, NEV.
GARNET TUNG. MIN. CO., JOHN DAY, OREG.
ABRAM A. KNOWLES, MTN. CITY, NEV.
GEO. G. KNOWLES, ELKO, NEV.
EDW. A. KNOWLES, ELKO, NEV.
IRVING GUMBEL, EPS, GSA, WASH, DC.

FARutledge/ls
10/13/54; 10/28/54

GOVERNMENT COPY

400

OCT 28 1954

Sunshine Mining Company
Box 1080
Kellogg, Idaho

Re: Docket No. DMEA 2820 - Tungsten
Garnet Tungsten Mining Company
Sunshine Mining Company, Assignee
Garnet Tungsten Mine
Elko County, Nevada
Contract No. Idm-E556

Gentlemen:

Transmitted herewith is a Certification of Discovery or Development issued under the subject contract executed June 25, 1953.

By the terms of the Exploration Project Contract and of the Certification, all production from the property described in the contract after June 25, 1953, the date of the original contract, is subject to the Government's percentage royalty as set forth in the said contract, until such sums which the Government may advance as its participating interest have been repaid or until June 25, 1963, whichever occurs first.

Payments should be made to Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region III, 420 Custom House, 555 Battery Street, San Francisco 11, California. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward check direct to the Executive Officer. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the tungsten products sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

You are requested to notify Mr. Miller of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Miller at 6-month intervals that no production has been made when that is the case.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

cc: Thor H. Kilsgaard, USGS
F.T., Reg. III

cc: Code 800 - Mr. Chambers
Code 110 - Mr. Johnson
J. H. Hedges, USGS
Geology
File
Reading

cc to: Docket
Code 400
Oper. Comm.
Adm.

FARUTLEDGE:fec 10-26-54

NOV 3 - 1954

Mr. Irving Gumbel, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Docket No. DMEA 2020 - Tungsten
Garnet Tungsten Mining Company
Sunshine Mining Company, Assignee
Garnet Tungsten Mine
Elko County, Nevada
Contract No. Idm-455

Dear Mr. Gumbel:

Enclosed is a copy of a certification of discovery or development issued under the subject contract.

Contract No. Idm-455 was executed June 25, 1953, to cover a 2-stage exploration program. Expenditures up to $21,700.00 were authorized, of which the Government's share at 75 percent was $16,320.00. The project was terminated by the operator after Stage I of the program was completed. The cost of the work completed was $[illegible], of which the Government's share at 75 percent was $[illegible].

The exploration program was designed to investigate the scheelite mineralization at the Number 1 deposit of the Garnet Tungsten mine. Trenching and diamond drilling under the subject contract and sampling of the existing underground workings indicated some 255,000 tons of ore above the 7400-foot elevation and estimated to contain 0.31 percent WO_3, or a total of 400,000 tons, at 0.315 percent WO_3, above the 7300-foot elevation. The exploration work done under the contract was accomplished efficiently.

The subject contract has now been assigned to three of the owners, doing business as Knowles Bros., who intend to complete the contract. Upon completion of the project, we shall supply you with a summary of the results obtained.

Sincerely yours,

C. O. Ellingson
Administrator

cc: DOCKET
CODE 400
OPER. COMM.
PT. REG. III
ADM. READ FILE
Pittsburg

cc: J.H.HEDGES, USBM
THOR KIILSGAARD, USGS
R.W.GEEHAN, USGS

CODE 600-MR. CHAMBERS
CODE 110-MR. JOHNSON

FARutledge/ls
10-28-54

NOV 3 - 1954

Mr. Abram A. Knowles, Partner
Knowles Bros.
Mountain City, Nevada

Re: Docket No. DMEA 2020 - Tungsten
Garnet Tungsten Mining Company
Sunshine Mining Company, Assignee
Garnet Tungsten Mine
Elko County, Nevada
Contract No. Idm-1556

Dear Mr. Knowles:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased to Ray E. Summers and Harold A. Culp, of John Day, Oregon, by Abram A. Knowles, George G. Knowles, Edward A. Knowles, and Price D. Montrose, under a "Lease and Option to Purchase" dated September 1, 1952, and is the same property referred to in the "Owner's Consent to Lien" executed December 10, 1952.

Also enclosed is a copy of our letter of October 28, 1954, to the Sunshine Mining Company.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

CC: DOCKET
FIELD TEAM, REGION III
CODE 400 - Mr. Martin
CODE 800 - Mr. Chambers
CODE 110 - Mr. Johnson
GEO. G. KNOWLES, ELKO, NEV.
EDW. A. KNOWLES, ELKO, NEV.

cc: OPERATING COMMITTEE
ADMIN. READ. FILE
J. H. HEDGES, USBM
R. W. GEEHAN, USBM
THOR KIILSGAARD, USGS

FARutledge/ls
10/13/54; rew.10/28/54

NOV 3 - 1954

Mr. L. D. Wilson, President
Mr. Ray E. Summers, Vice President
Garnet Tungsten Mining Company
John Day, Oregon

Re: Docket No. DMEA 2820 - Tungsten
Garnet Tungsten Mining Company
Sunshine Mining Company, Assignee
Garnet Tungsten Mine
Elko County, Nevada
Contract No. Idm-E556

Gentlemen:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased to Ray E. Summers and Harold A. Culp, of John Day, Oregon, by Abram A. Knowles, George G. Knowles, Edward A. Knowles, and Price D. Montrose, under a "Lease and Option to Purchase" dated September 1, 1952; is the same property referred to in the "Owner's Consent to Lien" executed by Price D. Montrose, E. A. Knowles, George G. Knowles, and Abram A. Knowles on December 10, 1952; and is the same property set forth in the assignment of the aforementioned "Lease and Option to Purchase" to the Sunshine Mining Company by Ray E. Summers and Harold A. Culp on August 25, 1953.

Also enclosed is a copy of our letter of October 28, 1954, to the Sunshine Mining Company.

Sincerely yours,

C. O. Mittendorf

Enclosures

Administrator

FARutledge:foc 10-28-54
cc: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG. III
Code 800 - Mr. Chambers
Code 110 - Mr. Johnson
J. H. Hedges, USBM
R. W. Geehan, USBM
Thor H. Kiilsgaard, USGS

NOV 3 - 1954

Mr. Price D. Montrose
Mountain City, Nevada

Re: Docket No. DMEA 2820 - Tungsten
Garnet Tungsten Mining Company
Sunshine Mining Company, Assignee
Garnet Tungsten Mine
Elko County, Nevada
Contract No. Idm-E556

Dear Mr. Montrose:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased to Ray E. Summers and Harold A. Culp, of John Day, Oregon, by Abram A. Knowles, George G. Knowles, Edward A. Knowles, and Price D. Montrose, under a "Lease and Option to Purchase" dated September 1, 1952, and is the same property referred to in the "Owner's Consent to Lien" executed December 10, 1952.

Also enclosed is a copy of our letter of October 28, 1954, to the Sunshine Mining Company.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

FARutledge:foc
10-28-54
cc to : Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG. III
Code 400 - Mr. Martin
Code 800 - Mr. Chambers
Code 110 - Mr. Johnson
J. H. Hedges, USBM
R. W. Geehan, USBM
Thor H. Kiilsgaard, USGS

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

FEB 20 1957

Mr. L. E. Wilson
John Day, Oregon

Mr. E. F. Pennoyer
John Day, Oregon

Mr. H. A. Culp
Mountain City, Nevada

Re: Docket No. DMEA 2520 - Tungsten
A.A., C.E., & W. A. Hunter, Assignors
Current Nos. 1 and 2 claims
Elko County, Nevada
Contract No. [illegible]

Gentlemen:

Reference is made to our letter of November 3, 1953, transmitting a copy of certification of discovery or development issued to the Sunshine Mining Company (executed on October 27, 1953). We also refer to your assignment of above noted contract to the Sunshine Mining Company, dated September 3, 1953. We call your attention to the Government's Consent to this assignment as follows:

GOVERNMENT'S CONSENT

The Government, this 4th day of November, 1953, without relinquishing the operator from any of the terms, provisions, and conditions of said Exploration Project Contract, hereby consents to the above assignment.

THE UNITED STATES OF AMERICA

By C. G. Mitchelmore
Administrator, Defense Minerals
Exploration Administration

We are enclosing copies of our letters of January 3, 1957, to Messrs. Alvin A. Hunter, George C. Hunter, and Edward A. Hunter, and to Sunshine Mining Company, advising of the current subject to Government's percentage royalty and the date of termination of this liability. By virtue of your contract and the assignment, you and your company remain liable for payment of the aforesaid royalty if it is not otherwise paid.

Sincerely yours,

Frank E. Johnson

Enclosure

ACTING Administrator

cc to: Pf. Mil. II
Messrs. L. M. Hilliday, DMEA
T. H. Hildegard, DMEA

FHCampanaro:bc 2/14/57
cc to: Docket
Code 100
Code 600
Adm. Asst. File

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

Mr. Abram A. Knudsen
Mr. George S. Knudsen
Mr. Edward A. Knudsen
Mountain City, Nevada

Re: Docket No. DMEA 2320 - Tungsten
Garnet Nos. 1 and 2 claims
Elko County, Nevada
Contract No. Eko-[illegible]

Gentlemen:

Reference is made to our letter of November 3, 1954, enclosing a copy of the certification of discovery or development, issued to the Sunshine Mining Company on October 27, 1954, and to the assignment of the above noted contract on October 22, 1954, to you and the release of the property by the Garnet Tungsten Mining Company to the owners. We also refer to Owner's Consent to Lien of December 10, 1952.

By the terms of the Exploration Project Contract, as amended, and of the certification all minerals mined or produced from June 25, 1953, to June 25, 1963, are subject to the Government's percentage royalty as set forth in the contract until the sum of $16,380.00 is paid.

Payments should be made to Mr. Spangler Ricker, Executive Officer, DMEA Field Team, Region II, 1605 Fremont Avenue, Reno, Nevada. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check direct to the Executive Officer. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the tungsten products sold, the name of the purchaser, and the price and charges to be certified by the purchaser.

You are requested to notify Mr. Ricker of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Ricker at 6-month intervals that no production has been made, when that is the case.

Sincerely yours,

G. O. Mittenzwei

Administrator

cc to: Admr. Read. File
Ft. REG. II
Messrs. R. W. Holliday, USBM
T. H. Kilingsgard, USGS

TLCHAPMAN:fce 1/2/57
cc to: Docket
Code 110
Code 800
Code 400

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

400

Mr. Lawrence A. Fredell, Acting Director
Technical Services Division
Defense Materials Service
General Services Administration
7th and D Streets, S. W.
Washington 25, D. C.

Re: Docket No. DMEA 2820 - Tungsten
A. Ray Cole, & L. A. Rhodes, Assignee
Elko County, Nevada
Contract No. Idm-556

Dear Mr. Fredell:

Reference is made to our letter of November 3, 1956, to Mr. Cumbal, enclosing a copy of certification of discovery or development under the subject contract.

As we agreed, in the last paragraph of our same letter, we are now able to report that the contract was completed at an additional cost of $16,000.00 or a total cost of $21,760.00, of which the Government's participation at 75 percent is $16,320.00. The completed work amounted to 64 hours of bulldozer trenches, 620 feet of diamond drilling and 400 feet of adit.

As a result of the project it is estimated that the reserve of measured, indicated and inferred ore is as follows:

Measured ore	90,000 tons
Indicated ore	315,000 tons
Inferred ore	375,000 tons
Total	780,000 tons

The estimated grade of all classes of ore is 0.30 to 0.50 percent WO_3 (tungsten trioxide).

Sincerely yours,

C. D. Wheeler

Administrator

TL:hapman:foc
12/20/56
cc to: Docket
Code 400
Admr. Read. File
Code 800
Code 110
Mr. Selfridge
FT. REG. II
Messrs. L. W. Holliday, USGS
T. H. KILLEGRAND, USGS

Government Copy

EXPLORATION PROJECT CONTRACT NO. IDM-E556
GARNET TUNGSTEN MINING COMPANY
KNOWLES BROS., ASSIGNEE
DOCKET NO. DMEA-2820

AMENDMENT NO. 2

It is agreed this 1st day of December, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Abram A., George G., and Edward A. Knowles, Assignees, that Exploration Project Contract No. Idm-E556, Docket No. DMEA-2820, dated June 25, 1953, and Amendment No. 1 thereto, dated November 4, 1953, be further amended, effective February 25, 1954, as follows:

In Article 3 of the contract the completion date is set at eight months from the date of the contract. This completion date is hereby extended to October 1, 1955.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

KNOWLES BROS., ASSIGNEE

By A. A. Knowles

By E. A. Knowles

By George G. Knowles

THE UNITED STATES OF AMERICA

By S. Ricker
S. Ricker
Executive Officer
DMEA Field Team, Region III

AMENDMENT NO. 2

Docket No. DMEA-2820 Mineral Tungsten

Exploration Project Contract Idm-E556

Date of Contract June 25, 1953

Date of Amendment December 1, 1954

Operator Knowles Bros., Assignee

JUSTIFICATION

The assignment of contract to Knowles Bros. has just recently been consummated. Owing to severe winter conditions existing in the area during the winter months, it is believed the completion date should be extended whereby field work need not be resumed until the early spring of 1955. Operation will be more efficiently done and at less expense.

S. Ricker, Executive Officer
DMEA Field Team, Region III

Government's copy

DEPARTMENT OF THE INT.
Defense Minerals Adm
REC'D
OCT 27 1954

ASSIGNMENT OF CONTRACT

THIS ASSIGNMENT by Sunshine Mining Company, a Washington Corporation (hereinafter called the "Assignor"), in favor of Abram A., George G., and Edward A. Knowles all of Elko County, Nevada (hereinafter called the "Assignee"),

WITNESSETH THAT:

WHEREAS, the Garnet Tungsten Mining Company, a partnership (hereinafter called the "Operator"), and the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"), entered into Exploration Project Contract No. Idm-E556 (Docket No. DMEA-2820) dated June 25, 1953 (hereinafter called the "Contract"); and

WHEREAS, on September 1, 1953, the Operator assigned the Contract to the Assignor, and the Government approved the Assignment; and

WHEREAS, the Operator and the Assignor have surrendered their interests in the land which is the subject of the exploration project, after completing the first of two stages of the project, and the Assignee, consisting of three of the four landowners, wish to complete the project.

NOW THEREFORE, the Assignor, in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration received from the Assignee, does hereby assign, transfer and convey to the Assignee all of its right, title, and interest in the Contract. The Assignor consents to all future amendments to the Contract, and hereby releases the Government from all claims, past, present, and future, arising out of the Contract.

This assignment is subject to the written acceptance by the Assignee of the terms, provisions, and conditions of the Contract, and to the written consent of the Government.

Dated Oct. 22, 1954.

SUNSHINE MINING COMPANY

By R W Geick

ASSIGNEE'S ACCEPTANCE

THE ASSIGNEE, this Oct 22nd day of October, 1954, hereby accepts the above Assignment and assumes and

agrees to be bound by the terms, provisions, and conditions of the Contract.

Abram A. Knowles
Abram A. Knowles

George G. Knowles
George G. Knowles

Edward A. Knowles
Edward A. Knowles

GOVERNMENT'S CONSENT

The Government, this 8th day of November, 1954, hereby consents to the above assignment without releasing the Operator or the Assignor from any of the terms, provisions, and conditions of the Contract.

THE UNITED STATES OF AMERICA

By C. O. Mitchenor
Administrator, Defense Minerals
Exploration Administration

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Nevada, County of Elko, described as follows:1/

Lode mining claims in the Alder Mining District, County of Elko, State of Nevada, being Garnet No. 1 and Garnet No. 2

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ George G. Knowles, E. A. Knowles and Abram A. Knowles

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

(OVER)

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions_____

_____

_____

_____

Dated this _____ day of _____, 195__.

X Price D. Montrose [Seal]

_____ [Seal]

_____ [Seal]

Government's Copy

EXPLORATION PROJECT CONTRACT
GARNET TUNGSTEN MINING COMPANY
SUNSHINE MINING COMPANY, ASSIGNEE
DOCKET NO. DMEA-2820

AMENDMENT NO. 1

It is agreed this 4th day of November, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and the Sunshine Mining Company, each acting in consideration of the agreement of the other to the terms hereinafter set forth, that effective August 18, 1953, the Exploration Project Contract No. Idm-E556, Docket No. DMEA-2820, dated June 25, 1953, be amended as follows:

1. In Exhibit "A" under "Description of the Work", "Stage I", delete everything and substitute:

a. Expose by bulldozer trenching the scheelite-bearing tactite at approximately the locations shown on the attached map - "Plan, Garnet Tungsten." The bulldozer trenching is not to exceed 64 hours.

b. Drill diamond-drill holes at locations B, D, and 50 feet northeast of A as shown on Fig. "A". The bearings, inclinations, and approximate lengths of holes B and D are shown on Figs. "A" and "B". The bearing of hole A is as shown on Fig. "A" but the inclination shall be minus 60 degrees and the approximate length 380 feet. Aggregate length of the three drill holes is not to exceed 620 feet.

2. In Exhibit "A" under "Estimated Cost of Project," "Agreed Unit Costs," "Stage I," delete everything and substitute:

a. Trench by bulldozer not less than D-6 in size 64 hours @ $12.50/hr. $ 800.00

b. Diamond drill 620 feet @ $8.00/ft. $4,960.00

$5,760.00

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C Mittendorf
Administrator, Defense
Minerals Exploration
Administration

SUNSHINE MINING COMPANY

By J. B. Cox Vice President

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 30 1954

AMENDMENT NO. 1

Docket No. DMEA-2820 Mineral Tungsten

Exploration Project Contract Idm-E556

Date of Contract June 25, 1953

Date of Amendment November 4, 1953

Operator Garnet Tungsten Mining Company, Sunshine Mining Company, Assignee

JUSTIFICATION

After the Sunshine Mining Company took over the Garnet Tungsten Mine, the drift referred to in Paragraph 1, of Stage I of the contract, was extended at no cost to the Government without revealing any tungsten mineralization. It was felt by the Operator that no useful information would be obtained by further extension of the drift.

To get the most out of the funds provided, Amendment No. 1 was drawn up, abandoning further work under this part of Stage I and permitting remaining funds to be used for work which engineers believe had better promise of yielding information as to a possible occurrence of an orebody.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Government's Copy

ASSIGNMENT OF CONTRACT
ASSIGNEES' ACCEPTANCE
GOVERNMENT'S CONSENT

WHEREAS, the Garnet Tungsten Mining Company, a partnership composed of L. D. Wilson, R. E. Summers, and H. A. Culp (hereinafter called the "Operator"), entered into an Exploration Project Contract dated June 25, 1953, Contract No. Idm-E556, Docket No. DMEA-2820, with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"); and

WHEREAS, the land referred to in Article 2 of the said contract was leased to Ray E. Summers and Harold A. Culp from Abram A. Knowles, George G. Knowles, and Price Montrose by an instrument dated September 1, 1952, as amended August 31, 1953; and

WHEREAS, the aforesaid lease was duly assigned by an instrument dated August 25, 1953 to Sunshine Mining Company, a corporation duly organized and existing under and by virtue of the State of Washington and having an office located at Kellogg, Idaho (hereinafter called the "Assignee").

NOW THEREFORE, the Operator in consideration of the sum of One Dollar ($1.00) lawful money of the United States and other good and valuable consideration received from the Assignee, does hereby assign, transfer, and convey to the Assignee all its right, title, and interest in and to the aforesaid Exploration Project Contract including any and all property purchased for, and the right to use any and all property devoted to the exploration work under this Exploration Project Contract, and hereby consents to any and all future amendments to the said contract; Provided, however, That the Government shall pay to the Operator all monies which may be or become due and payable to the Operator for work performed during August 1953, and upon payment thereof, the Operator agrees to release and hereby releases the Government from any and all claims, past, present, or future arising out of the said Exploration Project Contract.

This Assignment is subject (1) to the written consent of the Government; (2) to written acceptance by the Assignee; and (3) assumption by the Assignee of the terms, provisions, and conditions of said Exploration Project Contract binding upon the Operator.

Dated September 1, 1953

GARNET TUNGSTEN MINING COMPANY

By Harold A. Culp

By R. E. Summers

By L. D. Wilson

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
1984 MAR 8 AM 8:39
SAN FRANCISCO, CALIFORNIA

The Assignee, this 1st day of September, 1953, hereby accepts the above Assignment, and assumes and agrees to be bound by the terms, provisions, and conditions of said Exploration Project Contract that are binding on the Operator.

SUNSHINE MINING COMPANY

By J. B. Cox
J.B. Cox, Vice President

On this 1st day of September, 1953, before me Ruby A. Denney, the undersigned officer, personally appeared J. B. Cox who acknowledged himself to be the Vice President of the Sunshine Mining Company, a corporation, and that he as Vice President, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice President.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

Ruby A. Denney
Notary Public

The Government, this 4th day of November, 1953, without releasing the Operator from any of the terms, provisions, and conditions of the said Exploration Project Contract, hereby consents to the above Assignment.

THE UNITED STATES OF AMERICA

By O. Meitzenberg
Administrator, Defense
Minerals Exploration
Administration

RECEIVED

ASSIGNMENT OF LEASE AND OPTION TO PURCHASE

THIS AGREEMENT made and entered into as of the 25th day of August, 1953 by and between Ray E. Summers and Harold A. Culp, both of the town of John Day, State of Oregon and hereinafter called, Lessees, and the Sunshine Mining Company, a Washington Corporation, hereinafter called, Sunshine.

W I T N E S S E T H:

The Lessees hold a Lease and Option to Purchase Agreement made and entered into the first day of September, 1952 by and between themselves as Lessees and Abram A., George G., and Edward A. Knowles, and Price D. Montrose, all of Elko County, State of Nevada as Lessors, covering certain mining claims located in the Alder Mining District, Elko County, State of Nevada and named Garnet #1 to #8 inclusive, Garnet Extension #1 to #15 inclusive and Barium #1 and #2.

On August 25, 1953 the Lessees agreed to assign the above described Lease and Option to Purchase to the Sunshine Mining Company in consideration for an operating agreement as outlined in a Joint Letter of Intent between Garnet Tungsten Mining Company, Incorporated, a Nevada Corporation, and Sunshine.

NOW THEREFORE, in consideration of the premises and the covenants herein made and to be kept by Sunshine and in consideration of other valuable and sufficient consideration received, the Lessees hereby jointly and severally assign to Sunshine all of their right, title and interest in the aforementioned Lease and Option to Purchase.

1. In consideration for this assignment, a specific reference is made to the provisions outlined in the Joint Letter of Intent dated August 25, 1953 referred to above.

2. Sunshine will prepare the initial draft of the formal operating agreement between the Lessees, Garnet Tungsten Mining Company and Sunshine, and will forward it to the Lessees for their approval and execution, and will cause the same to be executed by Sunshine.

3. Sunshine shall have the right and option, after completion of the program as called for under the DMEA contract with the Garnet Tungsten Mining Company, identified as Idm-E556, to withdraw from the project in which case Sunshine agrees to reassign the Lease and Option to Purchase referred to above to the Lessees.

4. For purpose of notices between the parties to this agreement, notice is deemed to have been received five days after deposit by registered mail, one to the other. Sunshine's address shall be Box 1313, Yakima, Washington and the Lessees official address shall be John Day, Oregon.

5. The parties to this assignment specifically covenant and agree that they will do such things as are necessary to keep the property covered by this assignment in good standing.

6. This assignment shall remain in force throughout the life of the Lease and Option to Purchase referred to above.

This Agreement will be binding upon and inure to the benefits of the heirs, executors, administrators, successors, and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the Lessees have subscribed their respective names this _____day of November, 1953.

LESSEES:

Ray E. Summers

Ray E. Summers

Harold A. Culp

Harold A. Culp

SUNSHINE:

R. D. Leisk

R. D. Leisk
General Manager

STATE OF WASHINGTON)
COUNTY OF SPOKANE)

On this 25th day of November, 1953, personally appeared before me, a Notary Public in and for said County and State, R. D. Leisk, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year in this Certificate first above written.

Ruby A. Denney
Notary Public in and for the said County and State

My Commission expires March 17, 1957.

STATE OF Nevada
COUNTY OF Elko

On this 31st day of ~~November~~ December, 1953, personally appeared before me, a Notary Public in and for said County and State, Ray E. Summers, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year in this Certificate first above written.

G. R. Lucewell
Notary Public in and for the said County and State

My Commission expires 1/3/57.

STATE OF Colorado
COUNTY OF San Miguel

On this 12th day of ~~November~~ December, 1953, personally appeared before me, a Notary Public in and for said County and State, Harold A. Culp, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year in this Certificate first above written.

Edith D. Bittum
Notary Public in and for the said County and State

My Commission expires My Commission expires March 21, 1955.

Docket No. DMEA - 2820

Commodity Tungsten

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OBLIGATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 556

Date of Contract ~~amendment~~ Nov. 11, 1954

Name and Address of Operator:
Knowles Bros.
Mountain City, Nevada

Amount of Government participation _____ $ 12,000.00

Percent of Government participation _____ %

Region: 111 State: Nevada

E. H. Talbot
for L. L. Chambers
(Name)
Chief, Contract Administration and Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 11/19/54

54458

Docket No. ~~[illegible]~~

Commodity ~~Tungsten~~

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 556

Date of Contract ~~or amendment~~: June 25, 1953

Name and Address of Operator:
Sunshine Mining Co.
Mountain City, Nevada

Amount of Government participation ____ $16,320.00

Percent of Government participation 75 %

Region: 111 State: Nevada

Note: Please release 12,000.00

ama
(Name)
for J. L. Chambers
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington.

6/13/54

54458

Docket No. [illegible]

Commodity [illegible]

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E [illegible]

Date of Contract or Amendment: June 25, 1952

Name and Address of Operator:

[illegible] Mining Company
Limited partnership, L. D. Wilson and D. L. Summers,
John Day, Oregon
L. A. Culp, Mountain City, Nev.

Amount of Government participation [illegible] $[illegible]

Percent of Government participation [illegible] %

Region: III State: Nevada

(Name)

J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. June 25, 1952

13908

MF-200 (A)
(February 1952)

DOCKET NO. DMEA - 2820

COMMODITY Tungsten

Government's Copy
IDM-E 556

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 25th day of June, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Garnet Tungsten Mining Company, a Nevada limited partnership composed of L. D. Wilson and R. E. Summers, of John Day, Oregon; and H. A. Culp, of Mountain City, Nevada,

hereinafter called the "Operator," as follows: and as set forth in Annex I attached hereto and made a part hereof:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Nevada, County of Elko, described as follows:[3] Two unpatented lode mining claims in the Alder Mining District known as Garnet No. 1 and Garnet No 2, and recorded in the office of the County Recorder of Elko County, Nevada, in Book 28, p. 281, and Book 29, p. 308, respectively,

the Operator represents and undertakes:[4]

~~X(a) X That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 45 days from the date of this contract shall commence work on a project of exploration for[5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of eight months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 75 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $16,320.00, which is 75 percent of $21,760.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to [illegible] production from which is not to be subject to the Government's percentage royalty.
[4] [illegible] the provision not applicable.
[5] [illegible]al or minerals.

16—66329-1

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows: See Annex I, substituted for that part of 6(a) preceding the colon:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

GARNET TUNGSTEN MINING COMPANY

By Harold A. Cole (Partner)

By Ray E. Summers (Partner)

By A. H. Wilson (Partner)

(Operator)

THE UNITED STATES OF AMERICA

By C. F. Mittendorf

Administrator, Defense Minerals Exploration Administration

I, _____, certify that I am the _____ secretary of the corporation named as Operator herein; that _____, who signed this contract on behalf of the Operator, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____ [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXPLORATION PROJECT CONTRACT
GARNET TUNGSTEN MINING COMPANY
DOCKET NO. DMEA-2820

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 6 which precedes the colon:

If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account required by the exploration project contract, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land which is the subject of the exploration project contract, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

EXPLORATION PROJECT CONTRACT
GARNET TUNGSTEN MINING COMPANY
DOCKET NO. DMEA-2820

EXHIBIT "A"

Description of the Work

The exploration work on this project is indicated on the maps attached hereto, entitled "Fig. A, Plan Map, Garnet Tungsten, Elko County, Nev., May 8, 1953," and "Fig. B, Garnet Tungsten, Elko County, Nev., May 8, 1953."

Stage I

Time Schedule: 0 - 2 months.

1. Drift 40 feet to the southeast from the present face of the main drift. The drift shall be not less than 4 feet by 6 feet in the clear and timbered where necessary.

2. Drill three diamond-drill holes at locations A, B, and D shown on Fig. "A." The bearings, inclinations, and approximate lengths of the drill holes are shown on Figs. "A" and "B." Aggregate length of the three drill holes is not to exceed 520 feet.

Stage II

Time Schedule: 3 - 9 months

Stage II is to be undertaken only after the completion of Stage I if, in the opinion of the Government, the results of Stage I warrant it.

1. Drive 400 feet of adit to explore the mineralized zone indicated by diamond-drill holes A and B. The location and direction of the adit is to be determined by the results of Stage I and be subject to the prior written approval of the Government. The adit shall be not less than 4 feet by 6 feet in the clear and timbered where necessary.

Estimated Cost of Project

Agreed Unit Costs

Stage I		
Drift 40 feet @ $40.00/ft.	$1,600.00	
Diamond drill 520 feet @ $8.00/ft.	4,160.00	$5,760.00
Stage II		
Drive adit 400 feet @ $40.00/ft.		16,000.00
Total Agreed Unit Costs for Project		$21,760.00
Government Participation at 75%		$16,320.00

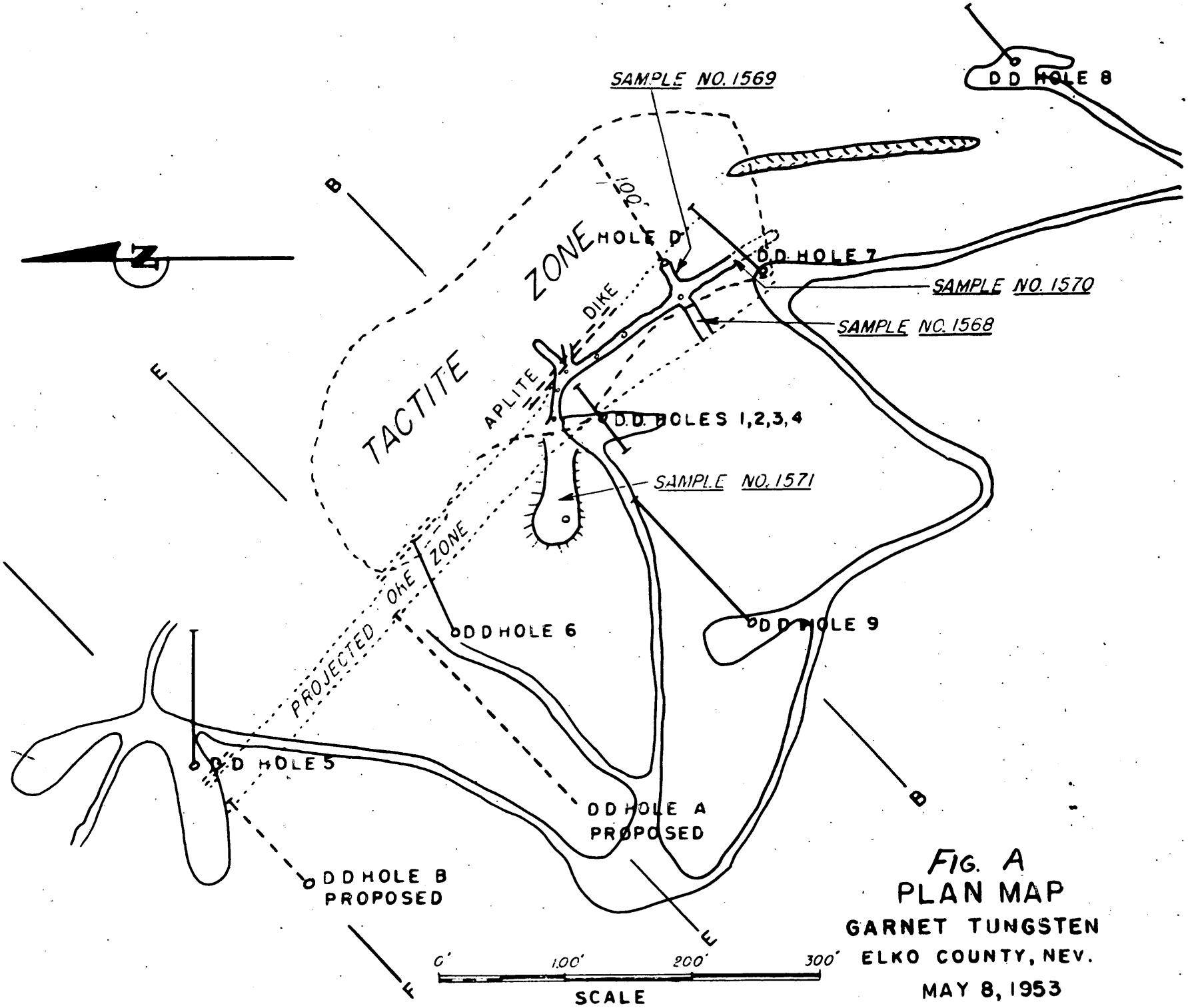
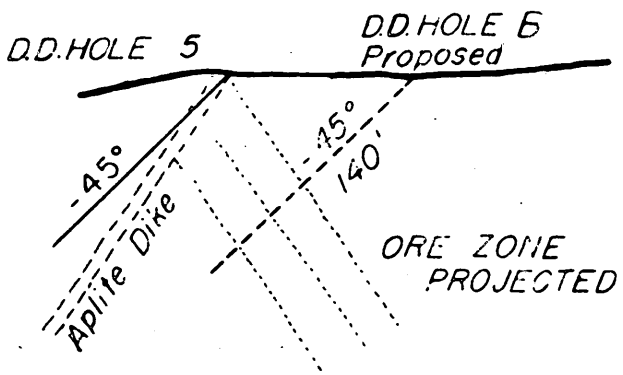
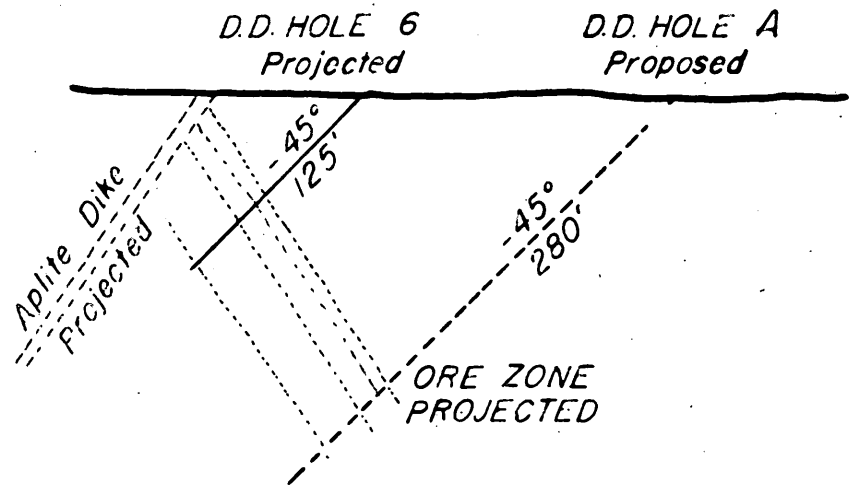


FIG. A
PLAN MAP
GARNET TUNGSTEN
ELKO COUNTY, NEV.
MAY 8, 1953



Section F - F



Section E - E

FIG. B

GARNET TUNGSTEN

Elko County, NEVADA

Scale: 1" = 100' May 8, 1953

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Nevada, County of Elko, described as follows: 1/ Garnet #1 - Alder Mining District, Elko County, Nevada.
Book 28 - Page 281 - Recorders office, Elko, Nevada.

Garnet #2 - Alder Mining District, Elko County, Nevada.
Book 29 - Page 308 - Recorders office, Elko, Nevada.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Garnet Tungsten Mining Co.

Mountain City, Nevada.

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 110,854.83, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 10 day of December, 195 2.

Rice D Montrose [Seal]

E. A. Knowles. [Seal]

George G Knowles [Seal]

Abram A. Knowles

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

DEPARTMENT OF INTERIOR
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