DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 1203

DMEA NO. 4958

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits
- [x] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [x] Project summary (final)
- [x] Work Completed analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

17963

OFFICE OF MINERALS EXPLORATION
[illegible]

EXTRA COPY O. M. E. RECEIVED JAN 13 1959		
DATE	INITIALS	CODE

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Daybreak Uranium, Inc.
15707 E. Valleyway
Opportunity, Washington

pertaining to Exploration Project Contract No. [illegible], Docket No. [illegible]-4958, dated June 11, 1958, including Amendment No. 1, [illegible] & Termination Agreement dated November 7, 1958, for the months of July 1958 to October 1958, inclusive, covering a project for the exploration of Uranium, on property known as the Lerley Lease, located in Stevens County, Washington.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Term Reports and correspondence, 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 reasons given on the attachment to this report.

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

Total cost as billed by the Contractor		$16,439.07
Exceptions (Schedule attached):		
By Finance Officer	$1,586.50	
Less: Reinstatement by OME Auditor	255.91	1,330.59
Total accepted cost (Summary attached)		$15,108.48

The contract calls for 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Seven Thousand Five Hundred Fifty Four and 24/100 Dollars is valid and proper, provided that the Regional Executive Officer, The Director, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$7,554.24
Amount paid to date	[illegible]
Balance due Operator	[illegible]

Pd. to Apr. 1/23/59

George Mavor

November 30, 1958

George Mavor, OME Auditor

Reasons for a Report of Review in lieu of a final audit

Idg-E1203 Daybreak Uranium, Inc. DMEA-4958

(a) the monthly Reports were supported by documentary proof of the costs incurred under the terms of the contract, and of the total accepted costs, a major portion ($12,372.16) covered percussion drilling, diamond drilling, bulldozing etc., performed at unit rates under independent contracts and the balance ($2,736.32) represents other reimbursable costs; and

(b) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder.

	MF-104 7/8/58 to 8/6/58 Stage I		MF-104 8/7/58 to 10/31/58 Stage II		Total
	Claimed	Disallowed	Claimed	Disallowed	Disallowance
(1) Independent Contracts					
Diamond Drilling					
R. S. McClintock Co. Inv. 10/29/58 $308.40 covers drilling footage of incompleted holes as follows:					
Footage originally contemplated 3,500 ft.					
Less: Hole D-12 ✓ 159 ft.					
D-13 ✓ 146 ft.					
D- 5 ✓ 322 ft.					
D- 6 ✓ 370 ft.					
D-14 ✓ 134 ft.					
D-19 ✓ 313 ft. 1,444 ft. — stage II completed					
Total incomplete drilling footage 2,056 ft.					
Disallowed 2,056 ft. at .15¢ = $308.40	$	$	$ 308.40	$ 308.40	$ 308.40
Cost of drilling footage of incompleted holes, not in contract.					
Bulldozing					
Operator's statement shows cost of operating company owned D-8 caterpillar for Stage I 39 hrs. at $10.217 $398.46					
Repairs 265.15					
Total cost 39 hrs. at $17.02 663.61					
Operator claimed 39 hr. at $16.00 = 624.00					
Certifying Officer allowed estimated cost of bulldozing Stage I 30 hrs at $16.00 480.00					
Disallowed $144.00	$ 624.00	$ 144.00			$ 144.00
Only the unit cost of $16.00 an hour is a maximum, therefore the 39 hrs at $16.00 = $624.00, as claimed by Operator is allowable.					
Amount reinstated by this review		(144.00)			(144.00)

			MF-104 7/8/58 to 8/6/58 Stage I Claimed	MF-104 7/8/58 to 8/6/58 Stage I Disallowed	MF-104 8/7/58 to 10/31/58 Stage II Claimed	MF-104 8/7/58 to 10/31/58 Stage II Disallowed	Total Disallowance
Transporting Bulldozer							
M. L. Wellman invoices show cost of moving D-8 cat ripper and blade in and out of project.							
Inv. 7-8-58 Stage I moving in	$226.60						
Inv. 8-11-58 Stage II moving out	226.60	$453.20					
Amendment No. 1 of Contract allowed a maximum rate of $0.35 for hundred pounds to transport a 16 ton bulldozer a distance of 69 miles, or $112.00 for one way, and allowed by Certifying Officer as follows:							
Stage I per contract	$112.00						
Stage II per contract	112.00	$224.00					
Disallowed		$229.20	$ 226.60	$ 114.60	$ 226.60	$ 114.60	$ 229.20
Note: Bulldozer weighed 16 tons; Mileage was 69 miles each way							
(2) Labor and Supervision							
Supervision - Salary H. W. Norman Supervisor							
P/R 7/8/58 to 8/6/58 shows earnings $634.37 Stage I							
Operator Claimed		$700.00					
P/R 8/7/58 to 10/31/58 shows earnings $1,763.49 Stage II							
Operator Claimed		1,763.49					
		$2,463.49					
"Allowable Maximum" per contract Stage I	$ 600.00						
"Allowable Maximum per contract Stage II	1,200.00	1,800.00					
Disallowance		$ 663.49	$ 700.00	$ 100.00	$1,763.49	$ 563.49	$ 663.49

	MP-104 7/8/58 to 8/6/58 Stage I Claimed	Stage I Disallowed	MP-104 8/7/58 to 10/31/58 Stage II Claimed	Stage II Disallowed	Total Disallowance
(3) Operating Mat'ls and Supplies					
Gore Boxes purchased from Love Box Co., Wichita, Kan.					
Inv. 8/29/58 160 Gore Boxes at .90/ $144.00					
F. P. Freight 20.19					
Stage II $164.19					
Terms were 2% 10 days, Net 30 days 1% cash discount = $1.68 not taken by Operator, deleted by Certifying Officer.			$ 1.68	$ 1.68	$ 1.68
(4) Operating Equipment					
Depreciation					
Operator's statement shows cost of operating company owned 4 Wheel Drive Station Wagon as follows:					
Cost of Vehicle $3,872.36					
Depreciation over 4 years 968.09/year					
Average use 250 days/year					

	Daily Rate
Depreciation	$ 3.872
Insurance at $158.57/yr.	.610
Interest on Investment at 6%	.232
Property Tax $205	.813
Repairs at $400.00/yr.	1.600
Tires at $250.00/yr.	1.000
Total Daily Rate	$ 7.527

			MF-104 7/8/58 to 8/6/58 Stage I Claimed	MF-104 7/8/58 to 8/6/58 Stage I Disallowed	MF-104 8/7/58 to 10/31/58 Stage II Claimed	MF-104 8/7/58 to 10/31/58 Stage II Disallowed	Total Disallowance
Stage I 21 days at $7.53		$ 158.13					
Operator claimed 21 days at $5.00		105.00					
Stage II							
Operator claimed 37 days at $7,527		278.50					
Total claimed		$ 383.50					
Certifying Officer made disallowance on the cost of the 4 Wheel Drive Station Wagon, depreciated on a 5 year basis							
Stage I 21 days at $3.07	$ 64.50						
Stage II 37 days at 3.07	113.59	178.09					
Disallowance		$ 205.41	$ 105.00	$ 40.50	$ 278.50	$ 164.91	$ 205.41
The contract allows the Operator to use its own equipment at unit costs per hour or day, not exceeding the contract figures, therefore the following adjustment is made by this Review, in order to reflect the allowable costs of operating the 4 Wheel Drive Station Wagon. "allowable maximum"							
Stage I 21 days at $5.00		$ 105.00					
Stage II 37 days at $5.00		185.00					
		$ 290.00					
Less: Amount allowed set forth above							
Stage I 21 days at $3.07	$ 64.50						
Stage II 37 days at $3.07	113.59	178.09					
Amount reinstated by this review		$ 111.91		(40.50)		(71.41)	(111.91)

			MP-104 7/8/58 to 8/6/58 Stage I Claimed	MP-104 7/8/58 to 8/6/58 Stage I Disallowed	MP-104 8/7/58 to 10/31/58 Stage II Claimed	MP-104 8/7/58 to 10/31/58 Stage II Disallowed	Total Disallowances
(7) Miscellaneous							
Payroll Taxes Stage I, claimed by Operator and computed as follows:							
E. V. Hyman 7/8/58 to 8/6/58							
$659.67 at 5.85% F/A tax	$33.82						
164 hrs. at $0.116 Lieb. Ins.	19.02	$ 52.34					
E. A. Collins 7/8/58 to 8/6/58							
$268.52 at 5.25% F/A tax	$14.10						
97hrs. at $0.116 Lieb. Ins.	11.26	25.36					
Total Stage I		$ 77.70					
Claimed by Operator		$ 91.72					
Payroll Taxes and Lieb. Insur. should have been:							
E. V. Hyman 7/8/58 to 8/6/58							
$600.00 at 5.25% F/A tax.	$31.50						
164 hrs. at $0.116 Lieb. Ins.	19.02						
E. A. Collins 7/8/58 to 8/6/58							
$161.84 at 5.25% F/A tax.	8.50						
97 hrs. at $0.116 Lieb. Ins.	11.25	70.27					
Miscellaneous Stage I		$ 21.44	$ 91.72	$ 21.44	$	$	$ 21.44
Payroll Taxes Stage II, claimed by Operator and computed as follows:							
E. V. Hyman 8/7/58 to 10/31/58							
(Earned $1,763.49) F/A Tax	$ -0-						
447 hrs. at $0.116 Lieb. Ins.	51.86						
E. A. Collins 8/7/58 to 8/31/58							
$23.84 at 2.25% F/A Tax	.54						
8 hrs. at $0.116 Lieb. Ins.	.92						
Claimed by Operator		$ 53.32					

Schedule of Exceptions

Idm-8-1203 | Baybrook Premium, Inc. | [illegible]-4958

		MF-104 7/5/58 to 8/6/58 Wage I Claimed	Wage I Disallowed	MF- 104 8/7/58 to 10/31/58 Wage II Claimed	Wage II Disallowed	Total Disallowance
P/R Taxes and Liab. Insur. should have been:						
E. V. Hunsen 8/7/58 to 8/8/58						
(earned $1,000.00) P/R Tax	$ -0-					
336 hrs. at $0.116 Liab. Insur.	38.98					
E. A. Collins 8/7/58 to 8/32/58						
$23.04 at 2.275 P/R Tax	.54					
8 hrs at $0.116 Liab. Insur.	.92	40.44				
Disallowance Stage II		$17.88				
			$ 53.32		$ 12.88	$ 12.88
Total Disallowance		$ 256.84		$1,094.55		$1,350.39

Deleted by Certifying Officer	$1,586.50
Operator's claim Increased by Review	237.91
Net Disallowance	$1,348.59

Summary of Accepted Costs

Idm-E-1203 | Baybrook Uranium, Inc. | [illegible]-4958

	Totals Cert. RP-104	Corrected Distribution	Disallowed by Audit	Accepted Costs Total	Stage I	Stage II
(1) Independent Contracts						
Percussion Drilling	$11,586.05	$ 2,472.70	$	$ 2,472.70	$2,472.70	$
Diamond Drilling		9,053.35	308.40	8,744.95		8,744.95
Bulldozing	930.51	930.51		930.51	624.00	306.51
Transportation of Bulldozer	453.20	453.20	229.20	224.00	112.00	112.00
(2) Labor and Supervision						
Supervision	2,463.49	2,463.49	663.49	1,800.00	600.00	1,200.00
Engineer's Helper	185.68	185.68		185.68	161.84	23.84
(3) Operating Mat'ls and Supplies						
Core Boxes	168.19	168.19	1.68	166.51	166.51	
Gasoline	157.24	157.24		157.24	50.61	106.63
Lube, Oil, etc.	16.90	16.90		16.90	5.50	11.40
Sample Sacks	1.28	1.28		1.28	1.28	
(4) Operating Equipment						
Rental - Operator's Station Wagon	383.50	383.50	93.50	290.00	105.00	185.00
(7) Miscellaneous						
Sampling and Analysis	8.00	8.00		8.00		8.00
Payroll Taxes	145.03	56.48	15.94	40.54	40.00	.54
Liability Insurance		88.55	18.38	70.17	30.27	39.90
Totals	$16,539.07	$16,539.07	$1,350.59	$15,188.48	$4,389.71	$10,798.77

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Phillip Sawyer
Murphy
Kuonk
Chambers
Selfridge

TERMINATION AGREEMENT

It is agreed this 7th day of November, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Daybreak Uranium, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1203, Docket No. DMEA-4958, dated June 11, 1958, as amended, hereinafter called the "Contract," that:

1. Effective October 27, 1958, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall not contribute to the cost of any work performed after October 27, 1958.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government respecting certification of discovery or development, percentage royalty and liens to secure the payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims and demands under or arising out of said Contract, except as otherwise provided in this Termination Agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Director, Office of Minerals Exploration

DAYBREAK URANIUM, INC.

By Karl H. Lawrence

Title Sec. Treas.

Docket No. DMEA-4958 (Uranium)
Contract No. Idm-E1203
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington

JUSTIFICATION FOR TERMINATING CONTRACT

The object of the project was to explore for uranium ore deposits along the contact zone of a Precambrian quartzite and the Cretaceous Loon Lake granite.

The work was divided into two stages. Stage I consisted of wagon-drilling 15 holes and in Stage II to [redacted] core drill 10 holes. The locations of the holes in both stages were fixed under the contract.

Stage I was completed, with hole Nos. 3 and 9 showing 0.279% eU_3O_8 - 0.32% cU_3O_8, and 0.128% eU_3O_8, respectively, between depths of 56 and 60 feet.

Under Stage II, 7 holes were diamond drilled. ? 6 holes see F.T. report Holes 5 and 6 showed zones of slight radioactivity and, therefore, one hole to offset No. 5 was authorized, but no increase in radioactivity was found.

In a letter, dated October 13, the Operator wrote that the project would be completed about October 20. The Field Team, in a letter, dated October 27, 1958, to the Operating Committee, recommended that the contract be terminated; also, that it would not recommend a certificate of discovery.

The writer agrees that additional drilling does not appear to be warranted. However, a decision regarding the certification of the project cannot be made until the final Field Team report on the project is received.

F M Murphy

F. M. Murphy

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		700

App'd Sol. Off.

EXPLORATION PROJECT CONTRACT
DAYBREAK URANIUM, INC.
DOCKET NO. DMEA-4958

AMENDMENT NO. 1

It is agreed this 24th day of September, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government", and Daybreak Uranium, Inc., hereinafter called the "Operator", that Exploration Project Contract No. Idm-E1203 (Docket No. DMEA-4958), dated June 11, 1958, hereinafter called the "Contract", is amended, effective June 11, 1958, as follows:

1. In Exhibit "A" under Estimated Costs of the Project, the second item under Category (1) Independent Contracts in Stage I and Stage II, is revised to read:

"Transportation of a 16-ton bulldozer, 69 miles, @ $0.35/100 pounds $112.00".

2. The following sentence is added to footnote 1/, page 6 of Exhibit "A":

"The unit cost per hour for bulldozing and the unit cost per day for jeep or pickup transportation, includes the cost of the operator and all other necessary costs that are not specifically provided for under the Estimated Costs of the Project."

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
ACTING Director, Office of Minerals Exploration

DAYBREAK URANIUM, INC.

By Rae H. Sowers

Title Sec.-Treas.

Docket No. DMEA-4958 (Uranium)
Contract No. Idm-E1203
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington

JUSTIFICATION FOR AMENDMENT NO. 1

Item 1 of this proposed amendment corrects an error made in calculating the cost of transportation of the bulldozer on a mileage basis, whereas, the Field Team had recommended the same total cost on a weight basis for the full trip.

Although this amendment allows about $1.62 per mile for transportation, which appears to be quite high, the Field Team states that its calculations were based on an actual bid by Andrews Equipment Service for transporting the dozer from the Daybreak mine to the Lowley Lease.

Item 2 of the amendment clarifies the amount of the Government's participation in the costs of bulldozing and transportation.

The Operator plans to use the dozer on other work near the area; therefore, no provision was made in Stage I for its return. However, its return to Daybreak mine is provided for Under Stage II, part of which will be performed since 13 holes drilled in Stage I showed anomalus radioactivity, and two holes, Nos. 3 and 9, show ore-grade mineralization.

F M Murphy

F. M. Murphy

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DATE	INITIALS	CODE
		DEFENSE

MF-200
(Revised June 1954)

Docket No. DMEA 4958

Commodity Uranium

Contract No. Idm-E 1203

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]

It is agreed this 11 JUN 1958 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Daybreak Uranium, Inc., a State of Washington corporation, whose mailing address is 12707 E. Valleyway Opportunity, Washington, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and map Plate 3

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Washington, County of Stevens, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Interests of Spokane Indian Tribe

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: See Annex I

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before JUL 20 1958 shall commence the work, and on or before December 1, 1958 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A," except as otherwise provided in Exhibit "A" with respect to stages of work. See Article 13.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $ 28,946.00 The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $ 14,473.00 : *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum. See Article 13.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

See Article 13.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article ~~9~~ 8. See Article 13.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and related costs incurred.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, 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, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within 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.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value therof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest 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 or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—

(a) Substitute a comma for the period at the end of Article 3, and add the words "except as otherwise provided in Exhibit 'A' with respect to stages of work.

(b) In the last sentence of Article 6(c), the words "Article 8" are substituted for the words "Article 9."

(c) Categories (5) and (6) of Article 6 are deleted.

Executed in sextuplicate the day and year first above written.

Robin Dunger
App'd. Sol. Off.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

JUN 25 1958

DAYBREAK URANIUM, INC.
(Operator)

By Kae H. Sowers

Title Secy. Pres.

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—70017-1

Murphy
Ellis
Chambers
Selfridge
Johnson

35485

EXPLORATION PROJECT CONTRACT
DAYBREAK URANIUM, INC.
DOCKET NO. DMEA-4958

ANNEX I

The land referred to in Article 2 of the Contract is situate in the Spokane Indian Reservation, Stevens County, Washington, and consists of 160 acres, more or less, in the SW¼ of sec. 13, T. 27 N., R. 37 E., W.M., excluding the lands therein held or controlled by the U. S. Bureau of Reclamation. In general, the excluded land adjoins the Frank D. Roosevelt Lake and lies below an elevation of 1,310 feet.

The land was leased to William Lowley by the U. S. Department of the Interior, Bureau of Indian Affairs, by a Mining Lease dated December 12, 1955, Contract No. 14-20-503-144. This lease was assigned to the Operator under an Assignment of Mining Lease, dated May 2, 1956, approved on July 6, 1956, by Don C. Foster, Area Director, Bureau of Indian Affairs.

The attached Surety Company's Performance Bond in the sum of $14,473.00 is accepted by the Government in lieu of the Consent to Lien of the Spokane Indian Tribe.

Executed in Duplicate

Government

STANDARD FORM 25
REVISED NOVEMBER 1950
PRESCRIBED BY GENERAL
SERVICES ADMINISTRATION
GENERAL REGULATION NO. 5

PERFORMANCE BOND

(See Instructions on Reverse)

DATE BOND EXECUTED: June 11, 1958

PRINCIPAL: DAYBREAK URANIUM, INC., a Washington Corporation of 12707 E. Valleyway, Opportunity, Washington

SURETY: HARTFORD ACCIDENT AND INDEMNITY COMPANY a body corporate, duly incorporated under the laws of the State of Connecticut, and authorized to act as surety under the Act of Congress approved August 13, 1894, as amended, by the Act of Congress approved March 23, 1910, whose principal office is located in the City of Hartford.

PENAL SUM OF BOND (*express in words and figures*)	CONTRACT NO.	DATE OF CONTRACT
FOURTEEN THOUSAND FOUR HUNDRED SEVENTY-THREE AND NO/100 ($14,473.00)	Idm-E 1203	June 11, 1958

KNOW ALL MEN BY THESE PRESENTS, That we, the **PRINCIPAL** and **SURETY** above named, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of the amount stated above, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal entered into a certain contract with the Government, numbered and dated as shown above and hereto attached;

NOW THEREFORE, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals on the date indicated above, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

In Presence of:

WITNESS		INDIVIDUAL PRINCIPAL	
1.	as to		[SEAL]
2.	as to		[SEAL]
3.	as to		[SEAL]
4.	as to		[SEAL]

WITNESS		INDIVIDUAL SURETY	
1.	as to		[SEAL]
2.	as to		[SEAL]

Attest: Winifred Schenk

CORPORATE PRINCIPAL: DAYBREAK URANIUM, INC.

BUSINESS ADDRESS: 12707 E. Valleyway, Opportunity, Wn.

BY: [signature]

TITLE: President

AFFIX CORPORATE SEAL

Attest: D.M. Adams

CORPORATE SURETY: HARTFORD ACCIDENT & INDEMNITY CO.

BUSINESS ADDRESS: 711 Dexter Horton Bldg., Seattle, Wn.

BY: [signature]

TITLE: Gerald L. Perry
ATTORNEY IN FACT

AFFIX CORPORATE SEAL

STANDARD FORM 25
NOVEMBER 1950 EDITION

16—30441-2

The rate of premium on this bond is .....10.00..... per thousand.

Total amount of premium charged, $.....144.73.....

(The above must be filled in by corporate surety)

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, Kae H. Sowers, certify that I am the Treasurer and secretary of the corporation named as principal in the within bond; that James W. Foy, who signed the said bond on behalf of the principal, was then President of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed, and attested for and in behalf of said corporation by authority of its governing body.

Kae H. Sowers [CORPORATE SEAL]

INSTRUCTIONS

1. This form shall be used for construction work or the furnishing of supplies or services, whenever a performance bond is required. There shall be no deviation from this form except as authorized by the General Services Administration.

2. The surety on the bond may be any corporation authorized by the Secretary of the Treasury to act as surety, or two responsible individual sureties. Where individual sureties are used, this bond must be accompanied by a completed Affidavit of Individual Surety for each individual surety (Standard Form 28).

3. The name, including full Christian name, and business or residence address of each individual party to the bond shall be inserted in the space provided therefor, and each such party shall sign the bond with his usual signature on the line opposite the scroll seal, and if signed in Maine or New Hampshire, an adhesive seal shall be affixed opposite the signature.

4. If the principals are partners, their individual names shall appear in the space provided therefor, with the recital that they are partners composing a firm, naming it, and all the members of the firm shall execute the bond as individuals.

5. If the principal or surety is a corporation, the name of the State in which incorporated shall be inserted in the space provided therefor, and said instrument shall be executed and attested under the corporate seal as indicated in the form. If the corporation has no corporate seal the fact shall be stated, in which case a scroll or adhesive seal shall appear following the corporate name.

6. The official character and authority of the person or persons executing the bond for the principal, if a corporation, shall be certified by the secretary or assistant secretary, according to the form herein provided. In lieu of such certificate there may be attached to the bond copies of so much of the records of the corporation as will show the official character and authority of the officer signing, duly certified by the secretary or assistant secretary, under the corporate seal, to be true copies.

7. The date of this bond must not be prior to the date of the instrument in connection with which it is given.

U. S. GOVERNMENT PRINTING OFFICE 16—30441-2

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Daybreak Uranium, Inc.
Docket No. DMEA- 4958
Contract No. Idm-E 1203
Contract Date 6/11/58

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of STEVENS, State of WASHINGTON, described as follows: 2/

SW¼, SEC. 13, T.27N., R. 37E, WILLAMETTE MERIDIAN

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

NO ENCUMBRANCES EXCEPT SUBJECT TO TERMS AND CONDITIONS OF THE MINERAL LEASE FROM THE DEPARTMENT OF INTERIOR--BUREAU OF INDIAN AFFAIRS, A COPY OF WHICH IS ATTACHED TO THIS APPLICATION.

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

2/ 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.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: NONE (State "None" or "See Annex No.____")

Dated this 10TH day of JUNE, 1958.

James W. Fox	[Seal]	OPPORTUNITY, WASHINGTON	[Address]
has no interest in	[Seal]		[Address]
land - farm	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
William Lowley	[Seal]	Wellpinit, Wash.	[Address]

I, KAE H. SOWERS certify that I am the SECRETARY (Secretary, etc.) of the corporation named herein; that JAMES W. FOX who signed this agreement was then PRESIDENT (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

Kae H. Sowers

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
DAYBREAK URANIUM, INC.
DOCKET NO. DMEA-4958

EXHIBIT "A"

Description of the Work

General Provisions

The object of this project is to explore for deposits of uranium ore by percussion wagon drilling and diamond core drilling along the contact zone of a quartzite unit of a metasediment sequence, probably Precambrian in age, and Loon Lake granite of Cretaceous age.

The approximate locations and inclinations of the drill holes are shown on the map, Plate - 3, entitled "Proposed Program, Lowley Lease. . .," attached hereto and made part hereof.

In wagon drilling, samples of the cuttings of all holes shall be taken at not more than 5-foot intervals and tested for radioactivity. Cutting samples showing significant radioactivity shall be split, one-half of each such sample shall be analyzed chemically for its U_3O_8 content, and the remainder of such sample shall be stored in a suitable container properly identified as to drill hole number and the depth interval that the sample represents.

In core drilling all core shall be tested for radioactivity. Sections of core showing significant radioactivity shall be split, one-half of the split core shall be analyzed chemically for its U_3O_8 content, and the remainder shall be stored with the unmineralized portions of the core, in boxes properly identified as to hole number and with markers placed in the core sections to indicate the depth represented.

Not to exceed 75 samples shall be analyzed for U_3O_8

content under each stage of work. The Operator may dispose of the stored core and cuttings only after approval by the Government.

Core and cuttings recovered from the drill holes shall be logged geologically, and the holes shall be probed radiometrically as soon as possible after completion. Records of such logging and probing, together with the assay certificates of the core and cuttings samples, shall be submitted with the Operator's monthly progress report. The monthly report shall also include a map or sketch showing the location of all holes drilled during the reporting period.

The Government will not participate in the cost of a hole that is closer than 200 feet to an outer boundary of the land, that is incompleted (unless the Government is of the opinion that the ground has been sufficiently tested without completion), or that cannot be probed with standard radiometric testing equipment.

The Operator shall provide a full-time supervisor and such other technical services and labor as are required to complete the project work. The drilling shall be performed on the basis of two machine shifts per day.

All bulldozer work shall be performed with a D-8 dozer or an equivalent unit of any other make.

The locations, directions, inclinations, and extent of all work are subject to Government approval.

The work is divided into two stages. The Operator shall perform all the work in Stage I, and as much of Stage II as is approved in advance in writing by the Government. Stage II will not be initiated unless the Stage I drilling has indicated the presence of a strong structure containing uranium-bearing material of such grade that would warrant exploration at depth.

Stage I

Bulldoze access roads and drill sites, and wagon drill not in excess of 15 holes, totaling not more than 2,120 feet of drilling.

cement under each stage of work. The Operator may dispose of the excess core and cuttings only after approval by the Government.

Core and cuttings recovered from the drill holes shall be logged geologically, and the holes shall be sealed radioactively as soon as possible after completion. Records of each logging and sealing, together with the assay certificates of the core and cuttings samples, shall be submitted with the Operator's monthly progress report. The monthly report shall also include a map or sketch showing the location of all holes drilled during the previous period.

The Government will not participate in the cost of a hole that is closer than 200 feet to an outer boundary of the land, that is incompleted (unless the Government is of the opinion that the ground has been sufficiently tested without completion), or that cannot be probed with standard radioactive testing equipment.

The Operator shall provide a full-time supervisor and such other technical services and labor as are required to complete the project work. The drilling shall be performed on the basis of two machine shifts per day.

All bulldozer work shall be performed with a D-6 dozer or an equivalent unit of any other make.

The locations, directions, inclinations, and extent of all work are subject to Government approval.

The work is divided into two stages. The Operator shall perform all the work in Stage I, and as much of Stage II as is approved in advance in writing by the Government. Stage II will not be initiated unless the Stage I drilling has indicated the presence of a strong structure containing uranium-bearing material of such grade that would warrant exploration at depth.

Stage I

Bulldoze access roads and drill sites, and open drill holes in excess of 15 inches, totalling not more than 2,150 feet of drilling.

at approximately the locations and inclinations shown on map, Plate - 3, to about the following depths:

Hole	Depth (feet)	Hole	Depth (feet)	Hole	Depth (feet)
1	130	6	140	11	120
2	110	7	160	15	150
3	120	8	140	16	160
4	120	9	130	17	180
5	140	10	140	19	180

Stage II

Bulldoze access roads and drill sites, and core drill not in excess of 10 holes, totaling not more than 2,750 feet, at approximately the locations and inclinations shown on map, Plate - 3, to about the following depths:

Hole	Depth (feet)	Hole	Depth (feet)
1	260	6	390
2	290	12	220
3	260	13	240
4	250	14	230
5	360	15	250

The locations of the Stage II drill holes, shown on Figure 3, are tentative and may be changed by mutual written agreement between the Government and the Operator. However, no hole drilled under Stage II shall be closer than 100 feet to any other hole drilled in this stage.

The holes shall be drilled by the wireline corebarrel method of BX size outside diameter, yielding AX size core. However, holes may be finished with AX size standard coring equipment to avoid excessive reaming costs. Holes shall be cased or cemented and redrilled as necessary.

Estimated Costs of the Project

Actual Costs

Stage I

Category (1) Independent Contracts

Bulldozing, 1/ 30 hours @ $16/hr.	$480.00	
Transportation of bulldozer, 320 miles @ $0.35/mile	112.00	$592.00
Percussion (wagon) drilling:		
From 0-50 feet, 750 feet @ $1.25/ft.	937.50	
From 50-100 feet, 750 feet @ $1.40/ft.	1,050.00	
From 100-150 feet, 540 feet @ $1.60/ft.	864.00	
From 150-200 feet, 80 feet @ $1.80/ft.	144.00	
Casing, 300 feet @ $1.00/ft.	300.00	$3,295.50

Category (2) Personal Services

None except:		
(a) Supervisor, 1 month @ $600/mo.	$600.00	
(b) Consultant, 2 days @ $50/day	100.00	
(c) Engineer's helper, 5 days @ $17/day	85.00	785.00

Category (3) Operating Materials and Supplies

None except:		
Gasoline for jeep, 150 gallons @ $0.35/gal.	52.50	
Lubrication, oil, etc., for jeep	5.60	
150 sample sacks @ $0.45/each	67.50	125.60

Category (4) Operating Equipment

None except		
1 jeep 1/ or pickup 1/, 25 days @ $5/day	125.00	125.00

Categories (5) and (6)

None

Category (7) Miscellaneous

None except:		
Payroll taxes and insurance on $785.00 @ 14.9%	$117.00	
Chemical analyses for U_3O_8 content of 75 samples @ $4/sample	300.00	$417.00
Estimated Total Cost Stage I		$5,340.10

Stage II

Category (1) Independent Contracts

Bulldozing 1/, 20 hours @ $16/hr.	$320.00	
Transportation of bulldozer, 320 miles @ $0.35/mile	112.00	$432.00
Diamond drilling:		
From 0-250 feet, 2,440 feet @ $5.85/ft.	$14,274.00	
From 250-500 feet, 310 feet @ $6.35/ft.	1,968.50	
Standpipe, 60 feet, @ $9.75/ft.	585.00	
Reaming and landing casing, or cementing and drilling out, 800 feet @ $3.75/ft.	3,000.00	
Landing casing when reducing size of hole, 400 feet @ $0.50/ft.	200.00	
Standby time for probing, 20 hours @ $8/hr.	160.00	$20,187.50

Category (2) Personal Services

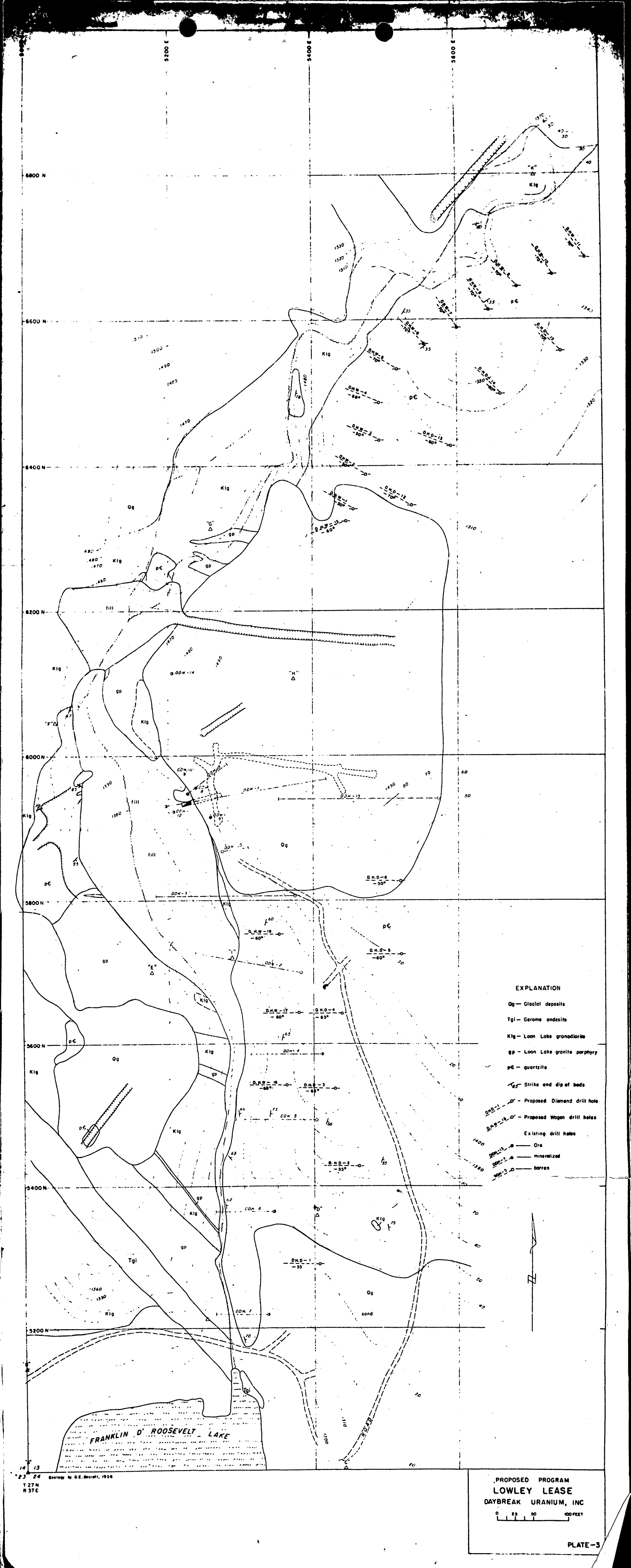
None except:		
(a) Supervisor, 2 months @ $600/mo.	$1,200.00	
(b) Consultant, 6 days @ $50/day	300.00	

(c) Engineer's helper, 10 days @ $17/day	$170.00	$1,670.00
Category (3) Operating Materials and Supplies		
None except:		
Gasoline for jeep, 250 gallons @ $0.35/Gal.	$87.50	
Lubrication, oil, etc., for jeep	15.00	
Wooden core boxes, 80 @ $5/each	400.00	
Probing equipment repairs	15.07	517.57
Category (4) Operating Equipment		
None except:		
1 jeep 1/ or pickup 1/ 50 days @ $5/day	$250.00	250.00
Categories (5) and (6)		
None		
Category (7) Miscellaneous		
None except:		
Payroll taxes and insurance on $1,670.00 @ 14.9 percent	$248.83	
Chemical analyses for U_3O_8 content of 75 samples @ $4/sample	300.00	548.83
Estimated Total Cost Stage II		$23,605.90

S U M M A R Y

Estimated Total Cost Stage I	$5,340.10	
Estimated Total Cost Stage II	$23,605.90	
Estimated Total Cost of Project		$28,946.00
Government Participation @ 50 percent		$14,473.00

1/ The Operator, at its option, may rent this equipment, or use its own, at unit costs per hour, or day, not exceeding the Contract figures.


5200 E
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DDH-14
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DDH-12
DDH-13
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D.H.W-6
D.H.W-8
D.H.W-9
D.H.W-10
D.H.W-11
D.H.W-15
D.H.W-16
D.H.W-17
D.H.W-19
FRANKLIN D' ROOSEVELT LAKE
ROAD
EXPLANATION
Qg — Glacial deposits
Tgi — Gerome andesite
Klg — Loon Lake granodiorite
gp — Loon Lake granite porphyry
pЄ — quartzite
Strike and dip of beds
DHD-1 — Proposed Diamond drill hole
DHW-16 — Proposed Wagon drill holes
Existing drill holes
DDH-13 — Ore
DDH-2 — mineralized
DDH-5 — barren
14 13
23 24
T 27 N
R 37 E
Geology by G.E. Becraft, 1956
PROPOSED PROGRAM
LOWLEY LEASE
DAYBREAK URANIUM, INC
0 25 50 100 FEET
PLATE-3

Official
DMEA
RECEIVED JUN 30 1958

DATE	INITIALS	CODE

Official
COPY
DMEA
RECEIVED JUN 30 1958

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED 17 1958

March 12, 1958

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: New Application (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington

Dear Mr. Selfridge:

Enclosed are the original and two copies of an application from Daybreak Uranium, Incorporated, for DMEA assistance to explore for uranium in Stevens County, Washington. Only one copy each of "Mining Lease--Tribal Indian Lands" and "Assignment of Mining Lease" was included with the application. We have made thermofax copies for our files.

We have some information on this property in our files which will aid us in evaluating this property, but a field examination will have to be made.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures

cc: USBM (2)
Albee

P. S. Enclosed also are four copies of a Consent to Lien signed by Kae H. Sowers, secretary-treasurer of the corporation. In our opinion this consent to lien is invalid but we are sending it along for your files.

Form MF–103
Revised Feb. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42–R1035.3
Approval expires June 30, 1958

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

DAYBREAK URANIUM, INC.
12707 E. VALLEYWAY
OPPORTUNITY, WASHINGTON

RECEIVED
MAR 10 1958
U. S. G. S.
SPOKANE, WASH.

APPLICANT NOT TO USE THIS BLOCK

Docket Number	4958
Date Received	3-17-58
Government Participation %	50
Region	I
Division Code	700

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [X]
- Partnership [ ]
- Other (Specify) [ ]

State in which firm is organized: WASHINGTON

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
JAMES W. FOX	OPPORTUNITY, WASHINGTON	PRESIDENT
ALVO ALVENSLEBEN	SEATTLE, WASHINGTON	VICE-PRES.
KAE H. SOWERS	OPPORTUNITY, WASHINGTON	SECY-TREAS.
JOHN F. CAMPBELL	SPOKANE, WASHINGTON	LEGAL COUNSEL
FRED WONN	SEATTLE, WASHINGTON	DIRECTOR

Mineral(s) for which you wish to explore: URANIUM

Estimated Cost of Project: $ 93,067.26

LOCATION OF PROPERTY

Name	County	State
LOWLEY LEASE	STEVENS	WASHINGTON

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order–I, Amended, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

FEBRUARY 21, 1958
Dated

Kae H. Sowers
BY *(Signature)*

SECY-TREAS. AND BUSINESS MANAGER
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work*. Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

Note – No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. *(a)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Amended.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 15539

ATTACH TO FORM MF-103

LOWLEY LEASE

DAYBREAK URANIUM, INC.
E. 12707 VALLEYWAY
OPPORTUNITY, WASHINGTON

1. APPLICANT'S PROPERTY RIGHTS:

(A) THE LOWLEY LEASE IS COMPRISED OF THE SW$\frac{1}{4}$, SEC. 13, T. 27N., R. 37E., WILLAMETTE MERIDIAN, STEVENS COUNTY, WASHINGTON, EXCEPTING THE LANDS ADJOINING THE RESERVOIR AND BELOW 1310 FEET ELEVATION, WHICH HAVE BEEN WITHDRAWN BY THE U.S. BUREAU OF RECLAMATION. THE E$\frac{1}{2}$, E$\frac{1}{2}$ OF ADJOINING SECTION 14 IS HELD BY DAYBREAK URANIUM, INC. UNDER A PROSPECTING PERMIT GRANTED BY THE SPOKANE TRIBE OF INDIANS. A LEASE OF THIS TRACT, KNOWN AS THE BAIR LEASE, IS IN THE PROCESS OF NEGOTIATION. (FIG. 2)

(B) THE PROPERTY TO BE EXPLORED IS KNOWN AS THE LOWLEY LEASE OF DAYBREAK URANIUM, INC. ? approval of Sec. of the Interior. (see a of 4)

(C) DAYBREAK URANIUM, INC. HOLDS THE PROPERTY BY VIRTUE OF A LEASE ASSIGNED BY WILLIAM LOWLEY. AN EXACT COPY OF SAID LEASE IS ATTACHED HEREWITH.

(D) NO LIENS, MORTGAGES, OR OTHER ENCUMBRANCES ARE HELD AGAINST THIS PROPERTY.

2. PHYSICAL DESCRIPTION:

(A) THE INITIAL EXPLORATION OF THE PROPERTY WAS ACCOMPLISHED BY BULLDOZER. APPROXIMATELY 700 FEET OF SHEARED, MINERALIZED CONTACT ZONE HAS BEEN EXPOSED.

FIFTEEN EXPLORATORY HOLES, TOTALLING 2432 FEET HAVE BEEN DRILLED IN THE SOUTHWEST PORTION OF THE LEASE. ELEVEN OF THESE HOLES WERE CORED AND THE CORE IS AVAILABLE FOR INSPECTION. HOWEVER, THE PORTIONS WITH HIGHEST URANIUM CONTENT WERE REMOVED IN ENTIRETY FOR ASSAY, AS THE CORE COULD NOT BE SPLIT IN THE FIELD WITH REASONABLE CONTROL. RADIOMETRIC AND CHEMICAL ASSAYS, WHEN JUSTIFIED, WERE MADE BY THE ATOMIC ENERGY COMMISSION. A 60 FOOT INCLINED SHAFT WAS SUNK IN A SHEARED MINERALIZED ZONE AND 400 FEET OF DRIFTING AND CROSSCUTTING WAS COMPLETED AT THE 50 FOOT LEVEL DURING 1957. VARIOUS MINERALIZED ZONES WERE ENCOUNTERED, AS SHOWN ON THE ACCOMPANYING MAP. (PLATE 11)

(B) ALL MINING AND EXPLORATORY OPERATIONS ON THIS PROPERTY HAVE BEEN CONDUCTED BY DAYBREAK URANIUM, INC.

(C) SHIPMENTS OF ORE TO DATE TOTAL 287.52 TONS CONTAINING 0.1744% U_3O_8. ALL SHIPMENTS WERE MADE TO VITRO URANIUM COMPANY, SALT LAKE CITY, UTAH. VITRO CALCULATED THE VALUE, EXCLUDING BONUS, AS $3277.33. INCLUDING THE INITIAL PRODUCTION BONUS THE TOTAL VALUE OF ORE SHIPPED WAS CALCULATED TO BE $5,953.48, ON WHICH FIGURE ROYALTY WAS PAID. A COPY OF VITRO'S SETTLEMENT SHEET IS ENCLOSED. (FIG.3) ALSO ENCLOSED IS A LETTER FROM MR. J.R. LERWILL OF THE U.S.G.S. WHICH WILL SERVE TO VERIFY TONNAGE AND GRADE. (FIG.4) A DIFFERENCE IN VALUE OF THE ORE, AS DESCRIBED ON THESE TWO STATEMENTS, WAS ARRIVED AT BY THE CALCULATION OF VALUE BASED ON AN AVERAGED PERCENT U_3O_8 OF ALL SHIPMENTS VERSUS A LOT BY LOT ACCOUNTING. AT THE PRESENT TIME APPROXIMATELY 60 TONS OF ORE ESTIMATED TO CONTAIN .18% U_3O_8 ARE STOCKPILED ON THE PROPERTY.

(D) AT PRESENT NO ORE RESERVES ARE BEING CARRIED FOR THE LOWLEY LEASE. DRILL HOLE INFORMATION WOULD JUSTIFY RESERVE CALCULATIONS AMOUNTING TO 500 TO 2000 TONS OF COMMERCIAL URANIUM ORE AS PROBABLE RESERVES, BUT OBSERVATION AND STUDY OF GEOLOGIC CONDITIONS INFLUENCING ORE DEPOSITION INDICATE TO THIS COMPANY THAT RESULTS OF EXPLORATION TO DATE DO NOT JUSTIFY THE CLAIM TO ANY SIGNIFICANT INDICATED OR PROVED ORE RESERVES.

(E) URANIUM DEPOSITION ON THE LOWLEY LEASE APPEARS TO BE CONFINED TO A ZONE NEAR THE SHEARED CONTACT OF THE LOON LAKE GRANITE AND QUARTZITIC MEMBER OF THE DEER TRAIL GROUP OF METASEDIMENTS. THE LOON LAKE FORMATION, A LATE CRETACEOUS INTRUSIVE, IS REPRESENTED HERE BY A PREDOMINANTLY GRANODIONITE-GRANITE PORPHYRY ASSEMBLAGE. THE QUARTZITE OCCURS AS A ROOF PENDANT AND CORRELATION WITH OTHER METASEDIMENTS OF THE AREA IS DIFFICULT, BUT IT IS BELIEVED TO BE YOUNGER THAN THE TOGO FORMATION FROM WHICH URANIUM IS BEING PRODUCED AT THE MIDNITE MINE, SEVEN MILES TO THE NORTH. THE STRIKE OF THE CONTACT RANGES FROM N.15°W. AT THE SOUTH END OF THE EXPOSURE TO N.50°E. AT THE NORTH. OBSERVED DIPS VARY FROM 40° TO 85°E. STRIKE AND DIP OF BEDDING ARE APPROXIMATELY PARALLEL TO THOSE OF THE CONTACT. (PLATE 1)

URANIUM MINERALS ARE CONFINED TO THE METAMORPHICS AND ARE KNOWN TO OCCUR AT LEAST 300 FEET EAST OF THE CONTACT. MINOR AMOUNTS OF URANOPHANE AND AUTUNITE HAVE BEEN OBSERVED NEAR THE OUTCROP OF THE MINERALIZED ZONE BUT HAVE NOT BEEN FOUND BENEATH THE SHALLOW ZONE OF OXIDATION. VIRTUALLY ALL ORE MINED HAS BEEN THE FORM OF URANINITE AND COFFINITE, AND NO SECONDARY MINERALS HAVE BEEN IDENTIFIED IN CORES FROM EXPLORATORY DRILL HOLES. PYRITE IS THE MOST COMMON METALLIC ASSOCIATE. A FLUORESCENT, RADIOACTIVE GREEN BLOOM IS COMMON ON WET SURFACES WHERE THE URANIFEROUS ZONE HAS BEEN RECENTLY EXPOSED. ALONG THE SOUTHERN 700 FEET OF THE CONTACT ZONE ANOMALOUS RADIOACTIVITY IS FAIRLY PERSISTENT WITH GEIGER COUNTER READINGS INDICATING GRADES RANGING FROM TRACE AMOUNTS TO MORE THAN 0.5% U_3O_8. HOWEVER, THE COMPLEX FAULTING WITHIN THE SHEAR ZONE HAS MADE IT EXTREMELY DIFFICULT TO TRACE ANY ORE ZONE OF COMMERCIAL

WIDTH AND GRADE FOR MORE THAN A FEW FEET. BOTH SURFACE AND UNDERGROUND EXPLORATION HAVE SHOWN THAT THE URANIFEROUS ZONES OCCUR WITH RANDOM ORIENTATION THROUGHOUT A ZONE OF SHEARING WHICH EXCEEDS 200 FEET IN WIDTH IN THE AREA WHERE DRILLING AND UNDERGROUND EXPLORATION EFFORTS HAVE BEEN CONCENTRATED. NORTH OF THIS AREA THE CONTACT ZONE IS CONCEALED BY GLACIAL SANDS AND GRAVELS FOR A DISTANCE OF OVER 300 FEET. EMERGING AGAIN AND STRIKING NORTHEAST THE CONTACT CAN BE TRACED AN ADDITIONAL 1000 FEET BEFORE DISAPPEARING ONCE MORE BENEATH QUATERNARY ALLUVIUM. THIS PORTION OF THE CONTACT HAS BEEN UNEXPLORED EXCEPT FOR TRACING OF ANOMALOUS RADIOACTIVITY, WHICH OCCURS SPORADICALLY. HIGHEST READINGS OBTAINED ON THE UNDISTURBED SURFACE WERE APPROXIMATELY 0.20 MR/HR ON A GEIGER COUNTER. FOR THE MOST PART THE ACTUAL CONTACT IS CONCEALED BY SOIL CREEP AND CAN BE ONLY APPROXIMATELY LOCATED. IN GENERAL IT FOLLOWS A SMALL STEEP-WALLED CANYON, INDICATING A PROBABLE ASSOCIATED SHEAR ZONE.

(F) THE SIMILARITY IN GEOLOGIC ENVIRONMENT BETWEEN THE URANIUM OCCURRENCE ON THE LOWLEY LEASE AND THAT ON THE SUCCESSFUL MIDNITE MINE SEVEN MILES TO THE NORTH ENHANCES THE POSSIBILITY OF A COMMERCIAL DEPOSIT ON THE LOWLEY LEASE. DISREGARDING ANY OTHER DEPOSITS OF SIMILAR CHARACTER, THIS PROPERTY IN ITS OWN RIGHT PRESENTS AN EXTREMELY INTERESTING POTENTIAL. URANIUM MINERALS OCCUR IN VARYING DEGREES ALONG AT LEAST 2000 FEET OF CONTACT. A RELATIVELY SMALL PORTION OF THIS AREA HAS BEEN THOROUGHLY EXPLORED, WITH INCONCLUSIVE RESULTS. THE AMOUNT OF URANIUM OCCURRING ACROSS THE WIDTH OF THE SHEAR ZONE WOULD DEFINITELY BE OF COMMERCIAL WIDTH AND GRADE, IF CONSTRICTED INTO A REASONABLE MINEABLE WIDTH. IT IS HOPED THAT IN AREAS NORTH AND SOUTH OF THE UNDERGROUND WORKINGS OR AT GREATER DEPTH, THE DISTURBED ZONE ADJOINING THE CONTACT WILL NARROW CONSIDERABLY. ASSUMING HYDROTHERMAL SOLUTIONS WITH COMPARITIVE URANIFEROUS CONTENT ENTERED THESE MORE CONFINED ZONES IT IS ENTIRELY POSSIBLE FOR THE MINERAL TO EXIST IN WIDTHS AND GRADES PERMITTING PROFITABLE EXTRACTION.

FEW SURFACE SAMPLES HAVE BEEN TAKEN BECAUSE THE DISCONTINUOUS NATURE OF THE INDIVIDUAL MINERALIZED ZONES WOULD HAVE RENDERED ANY ASSAY RESULTS INSIGNIFICANT. THE MOST INTERESTING OCCURRENCES OF URANIUM ENCOUNTERED DURING UNDERGROUND EXPLORATION WERE CHANNEL SAMPLED. LOCATION, WIDTHS, AND ASSAY ARE INDICATED ON THE ACCOMPANYING MAP (PLATE 11) AND CERTIFICATES OF CHEMICAL ASSAY ARE INCLUDED. (FIGS. 5-8, INCLUSIVE) ALL RADIOMETRIC ASSAYS WERE MADE IN THE SPOKANE OFFICE OF THE ATOMIC ENERGY COMMISSION.

DRILL HOLES WERE EVALUATED PRIMARILY BY RADIOMETRIC PROBING. HOWEVER, WHEN CORE RECOVERY PERMITTED, RADIOMETRIC AND CHEMICAL ASSAYS WERE MADE OF CORE SAMPLES. THE SPOKANE OFFICE OF THE A.E.C. MADE THE RADIOMETRIC ASSAYS AND SUBMITTED CERTAIN OF THE SAMPLES FOR CHEMICAL ANALYSIS. RESULTS ARE NOTED ON THE ENCLOSED DRILL HOLE CROSS SECTIONS. (FIGS. 9-13, INCLUSIVE)

(G) NONE OF THE ENCLOSED DATA NEED BE RETURNED.

3. ACCESSIBILITY OF PROJECT:

(A) HUBERT W. NORMAN, MANAGER, MINING AND EXPLORATION, DAYBREAK URANIUM, INC. E. 12707 VALLEYWAY, OPPORTUNITY, WASHINGTON WILL MEET D.M.E.A. REPRESENTATIVES WHENEVER REQUIRED.

THE ENCLOSED LOCATION MAPS (FIGS. 1 AND 2) WILL SERVE AS A GUIDE TO REACHING THE PROPERTY. ROADS ARE NORMALLY PASSABLE FOR ANY AUTOMOBILE EXCEPT FOR A FEW WEEKS DURING THE SPRING WHEN MUDDY CONDITIONS MAY REQUIRE THE USE OF A FOUR WHEEL DRIVE VEHICLE.

UNDERGROUND WORKINGS WERE ACCESSIBLE WHEN WORK WAS HALTED IN NOVEMBER 1957.

(B) ORE SHIPMENTS WILL BE MADE TO THE MILL AT FORD, WASHINGTON WHICH IS OPERATED BY DAWN MINING COMPANY. THE DISTANCE FROM MINE TO MILL IS 19.6 MILES, 11 MILES OF WHICH ARE PAVED.

SUPPLIES ARE GENERALLY AVAILABLE IN SPOKANE WHICH IS 60 MILES FROM THE PROPERTY.

EMPLOYEES WILL WORK OUT OF DAYBREAK URANIUM'S OFFICE IN OPPORTUNITY, WASHINGTON, 70 MILES FROM THE PROPERTY.

4. THE EXPLORATION PROJECT:

(A) EXPLORATION WILL CONSIST ENTIRELY OF DRILLING, BOTH BY PERCUSSION AND DIAMOND DRILL METHODS. PURPOSE OF THE PROJECT IS TO EXPLORE THE SHEARED, MINERALIZED METASEDIMENTS ADJACENT TO THE GRANITIC CONTACT. WHEREVER IT HAS BEEN CALCULATED THAT THE CONTACT CAN BE REACHED IN LESS THAN 200 FEET FROM THE SURFACE PERCUSSION DRILLING HAS BEEN RECOMMENDED. THE LOW COST OF SUCH DRILLING WILL MORE THAN OFFSET THE LACK OF CORE INFORMATION, AND RADIOMETRIC PROBING OF THE HOLES WILL BE SUFFICIENTLY ACCURATE TO EVALUATE DEGREE OF MINERALIZATION. FOLLOWING IS A DESCRIPTION OF THE 19 PROPOSED PERCUSSION DRILL HOLES. REFER TO THE ACCOMPANYING GEOLOGIC MAP FOR LOCATIONS. (PLATE 1) THE NUMEROUS SMALL GRANITIC DIKES OR APOPHYSES MAY LEAD TO ERRONEOUS ASSUMPTIONS OF THE TRUE CONTACT; CONSEQUENTLY IT IS RECOMMENDED THAT EACH DRILL HOLE BOTTOM IN 40 FEET OF GRANITE IN ORDER TO BE REASONABLY CERTAIN THAT THE ACTUAL BASEMENT LOON LAKE FORMATION HAS BEEN REACHED.

PROPOSED PERCUSSION DRILLING

DRILL HOLE	BEARING	DIP DEGREES	ESTIMATED DEPTH TO CONTACT (FT.)	TOTAL DEPTH (FT.)	
W-1	N.60W	-50	90	130	
W-2	N.60W	-50	70	110	
W-3	N.70W	-50	80	120	
W-4	N.70W	-80	80	120	
W-5	N.60W	-70	100	140	
W-6	N.45W	-70	100	140	
W-7	N.35W	-70	120	160	
W-8	N.35W	-70	100	140	
W-9	N.45W	-70	90	130	
W-10	N.35W	-70	100	140	
W-11	N.35W	-70	80	120	
W-12	N.40W	-70	90	130	
W-13	N.45W	-70	90	130	
W-14	N.45W	-70	90	130	
W-15	S.70W	-60	110	150	
W-16	W.	-60	120	160	
W-17	W.	-60	160	180	DRILL
W-18	W.	-60	200	180	CAPACITY
W-19	W.	-60	180	180	180 FT.
			TOTAL	2690	

ALL HOLES WILL BE DRILLED ON A BEST EFFORTS BASIS AND PAYMENT WILL BE MADE FOR DEPTHS REACHED REGARDLESS OF PROPOSED DEPTH. THE SHEARED NATURE OF THE METASEDIMENTS ADJACENT TO THE CONTACT MAY REQUIRE MORE CASING EXPENSE THAN IS JUSTIFIED, AND IT WOULD INVOKE A HARDSHIP ON THE DRILLING CONTRACTOR TO INSIST ON COMPLETION OF EACH HOLE REGARDLESS OF CIRCUMSTANCES. AN ALLOWANCE FOR 1000 FEET OF CASING IS REQUESTED IN ORDER TO INSURE A REASONABLE DEGREE OF HOLE COMPLETION.

BACKING THE ABOVE PERCUSSION DRILL HOLES A SERIES OF DIAMOND DRILL HOLES IS PROPOSED FOR THE PURPOSE OF DETERMINING THE POSITION OF THE CONTACT AND ANY ASSOCIATED MINERALIZED ZONES AT GREATER DEPTH. OF THESE, DRILL HOLES D-1 THROUGH D-17 ARE RECOMMENDED FOR COMPLETION REGARDLESS OF PREVIOUS DRILLING RESULTS. HOWEVER, IT IS ASSUMED THAT IF NO ENCOURAGING EVIDENCE OF URANIUM MINERALIZATION IS ENCOUNTERED AT THIS STAGE OF DRILLING HOLES D-18 THROUGH D-25 WOULD NOT BE JUSTIFIED. A TWO STAGE DRILL PROGRAM APPEARS FEASIBLE, WITH HOLES W-1 THROUGH W-19 AND D-1 THROUGH D-17 CONSTITUTING THE FIRST STAGE, AND HOLES D-18 THROUGH D-25 CONSTITUTING THE SECOND STAGE.

FOLLOWING IS A DESCRIPTION OF PROPOSED DIAMOND DRILL HOLES. HOLES D-7 THROUGH D-10 TOTALLING 1050 FEET ARE TO BE DRILLED FROM AN UNDERGROUND STATION TO EXPLORE POSSIBLE EXTENSIONS OF A KNOWN ORE ZONE. TO EXPLORE THE SAME AREA FROM THE SURFACE WOULD BE MORE EXPENSIVE BECAUSE OF THE THICK OVERLYING GLACIAL DEPOSITS.

PROPOSED DIAMOND DRILL HOLES

DRILL HOLE	BEARING	DIP DEGREES	ESTIMATED DEPTH TO CONTACT (FT.)	TOTAL DEPTH (FT.) SURFACE	UNDERGROUND	
D-1	W.	-55	220	260		
D-2	W.	-55	250	290		
D-3	W.	-65	220	260		
D-4	W.	-65	210	250		
D-5	W.	-60	320	360		
D-6	W.	-50	350	390		
D-7	S.60W	-50	250		290	
D-8	N.70W	-50	240		280	
D-9	N.45W	-50	240		280	
D-10	----	-90	160		200	
D-11	S.20W	-50	230	270		
D-12	N.60W	-70	180	220		
D-13	N.70W	-60	200	240		
D-14	N.45W	-60	190	230		
D-15	N.45W	-70	210	250		
D-16	----	-90	200	240		
D-17	N.45W	-80	200	240		
			TOTALS	3500	1050	
			TOTAL FIRST STAGE			4550
D-18	--	-90	460	500		
D-19	--	-90	460	500		
D-20	--	-90	410	450		
D-21	--	-90	410	450		
D-22	--	-90	460	500		
D-23	--	-90	460	500		
D-24	--	-90	460	500		
D-25	--	-90	460	500		
			TOTAL SECOND STAGE	3900		3900
				TOTAL PROJECT		8450

? under ground

ALL DRILLING WILL BE ON A BEST EFFORTS BASIS, AS PREVIOUS EXPERIENCE HAS SHOWN THAT CORE RECOVERY IS EXTREMELY VARIABLE THROUGH THE SHEARED METASEDIMENTS. REASONABLE DILIGENCE IS EXPECTED OF THE DRILL CONTRACTORS. IN ORDER TO INSURE COMPLETION OF THE HOLES TO PROPOSED DEPTHS 1000 FEET OF CASING AND 1000 FEET OF CEMENTING ARE REQUESTED, TO BE USED ONLY TO THE DEGREE REQUIRED.

INASMUCH AS URANIFEROUS ZONES MAY OCCUR AT CONSIDERABLE AND VARYING DISTANCES FROM THE CONTACT, ALL DRILL HOLES WILL BE CORED FROM THE SURFACE, EXCLUDING OVERBURDEN. HOLES WILL BE DRILLED BY WIRE LINE EQUIPMENT OF BX OUTSIDE DIAMETER, YIELDING AX CORE. IN SOME INSTANCES IT MAY BE DESIRABLE TO FINISH A HOLE WITH AX STANDARD CORING EQUIPMENT TO AVOID EXCESSIVE REAMING COSTS.

CORE WILL BE LOGGED AND PRESERVED IN SUITABLE CONTAINERS. SAMPLES WILL BE COLLECTED AND ASSAYED WHEN WIDTHS AND GRADES OF MINERALIZED ROCK ARE DEEMED SIGNIFICANT BY RADIOMETRIC SCANNING OF CORE. ALL HOLES WILL BE PROBED FOR RADIOACTIVITY AND RESULTS RECORDED ON THE DRILL LOGS. CUTTINGS WILL BE COLLECTED AT 5 FOOT INTERVALS FOR POSSIBLE ANALYSIS WHEN CORE RECOVERY IS UNSATISFACTORY.

BECAUSE OF THE COMPLEX FAULTING AND SUBSEQUENT DISCONTINUITY OF THE ORE KNOWN TO EXIST IN THE AREA EXPLORED TO DATE, WIDELY SPACED DRILL HOLES ARE DIFFICULT TO CORRELATE. IT WOULD BE DESIRABLE TO PLOT DRILL HOLES WITH NO MORE THAN 50 FOOT SPACING. HOWEVER, TO ADEQUATELY EXPLORE THE ENTIRE AREA WITH SUCH SPACING WOULD ENTAIL PROHIBITIVE COSTS. MOST FIRST STAGE HOLES HAVE BEEN LAID OUT ON 100 FOOT CENTERS IN ORDER TO EXPLORE THE MAXIMUM STRIKE LENGTH AT A REASONABLE COST WITHOUT OVERLOOKING ANY AREA CAPABLE OF CONTAINING SIZEABLE RESERVES.

(B) ACCESS ROADS TO THE GENERAL PROJECT AREA ARE ALREADY IN EXISTENCE, BUT WILL REQUIRE SOME REPAIRS. DRILLING SITES WILL REQUIRE SOME LEVELLING AND ROAD CONSTRUCTION WILL BE REQUIRED TO PERMIT THE DRILL RIG TO SET UP. UNTIL DRILL HOLES ARE ACTUALLY STAKED THE EXACT AMOUNT OF WORK CANNOT BE CALCULATED. HOWEVER, 100 HOURS OF BULLDOZER TIME SHOULD BE ADEQUATE FOR THE ABOVE DESCRIBED WORK.

(C) IN THE EVENT THAT AN EXPLORATION CONTRACT WITH THE DMEA IS EXECUTED WORK WILL COMMENCE WITHIN 60 DAYS FROM THE DATE OF EXECUTION. THE PERCUSSION DRILLING PROGRAM SHOULD BE COMPLETED WITHIN ONE MONTH, ASSUMING 120 FEET OF DRILLING PER DAY. THE DIAMOND DRILLING PROGRAM WILL REQUIRE APPROXIMATELY 450-8 HOUR SHIFTS, ASSUMING 20 FEET OF PROGRESS PER SHIFT AND ALLOWING 28 SHIFTS FOR DELAYS SUCH AS CASING, CEMENTING, AND BREAKDOWNS. TWO DRILL RIGS WORKING ONE SHIFT EACH, 6 DAYS PER WEEK, WOULD THEREFORE REQUIRE APPROXIMATELY 9 MONTHS TO COMPLETE THE ACTUAL DRILLING. SURVEYING AND PREPARATION OF DRILL SITES WOULD REQUIRE AN ADDITIONAL MONTH. THUS THE TOTAL TIME REQUIRED TO COMPLETE THE ENTIRE PROJECT WOULD BE 10 MONTHS, OR 5 MONTHS EACH FOR FIRST AND SECOND STAGES.

5. EXPERIENCE:

DAYBREAK URANIUM, INC. HAS BEEN ENGAGED IN THE EXPLORATION AND DEVELOPMENT OF URANIUM PROPERTIES IN NORTHEASTERN WASHINGTON FOR THE PAST THREE YEARS. DURING THAT TIME IT HAS CARRIED ON EXPLORATORY DRILLING PROGRAMS ON FOUR PROPERTIES. THIS DRILLING HAS BEEN IN PART RESPONSIBLE FOR THE DISCOVERY AND PRODUCTION OF APPROXIMATELY 15,000 TONS OF ORE.

THE PROJECT WILL BE UNDER THE GENERAL SUPERVISION OF HUBERT W. NORMAN, MANAGER OF MINING AND EXPLORATION FOR THE APPLICANT. MR. NORMAN HAS BEEN ASSOCIATED WITH UNDERGROUND DIAMOND DRILLING OPERATIONS AS A GEOLOGIST FOR HECLA MINING COMPANY. IN THE CAPACITY OF GEOLOGIST FOR THE ATOMIC ENERGY COMMISSION HE PLANNED AND SUPERVISED THE INITIAL EXPLORATORY DRILLING ON BOTH THE MIDNITE AND DAYBREAK MINES, THE TWO LARGEST URANIUM PRODUCERS IN WASHINGTON. SINCE DAYBREAK URANIUM COMMENCED OPERATIONS HE HAS BEEN IN CHARGE OF THEIR PERCUSSION AND DIAMOND DRILLING OPERATIONS.

6. ESTIMATES OF COSTS:

(A) THE PERCUSSION DRILLING, ALL OF WHICH IS INCLUDED IN THE FIRST STAGE OF THE PROJECT, WILL BE PERFORMED BY HERBERT D. SAMS, DRILLING CONTRACTOR. ONLY TWO BIDS FROM LOCAL DRILLING CONTRACTORS WERE AVAILABLE, BUT THE LOW BID OBTAINED WAS EQUAL TO THE MINIMUM PRICE AVAILABLE IN THE AREA DURING THE PAST THREE YEARS. CONSEQUENTLY A THIRD BID WAS DEEMED UNNECESSARY.

COSTS ARE CALCULATED ACCORDING TO THE FOLLOWING PRICE SCHEDULE:

SURFACE TO 50 FEET	$1.25 /FT.
50 TO 100 FEET	1.40 /FT.
100 TO 150 FEET	1.60 /FT.
150 TO 200 FEET	1.80 /FT.

THE ABOVE PRICES INCLUDE A MAXIMUM OF 10 FEET OF STANDPIPE OR CASING IN ANY ONE HOLE. ADDITIONAL CASING IF NEEDED, WILL BE CHARGED FOR AT THE RATE OF $1.00 /FT.

FOLLOWING IS AN ITEMIZED COST ESTIMATE OF THE PERCUSSION DRILLING:

DRILL HOLE	DEPTH FT.	COSTS 0-50 FT	50-100FT.	100-150FT.	150-200FT.	TOTAL COSTS
W-1	130	$62.50	$70.00	$48.00	$----	$180.50
W-2	110	62.50	70.00	16.00	----	148.50
W-3	120	62.50	70.00	32.00	----	164.50
W-4	120	62.50	70.00	32.00	----	164.50
W-5	140	62.50	70.00	64.00	----	196.50
W-6	140	62.50	70.00	64.00	----	196.50
W-7	160	62.50	70.00	80.00	18.00	230.50
W-8	140	62.50	70.00	64.00	----	196.50
W-9	130	62.50	70.00	48.00	----	180.50
W-10	140	62.50	70.00	64.00	----	196.50
W-11	120	62.50	70.00	32.00	----	164.50
W-12	130	62.50	70.00	48.00	----	180.50
W-13	130	62.50	70.00	48.00	----	180.50
W-14	130	62.50	70.00	48.00	----	180.50
W-15	150	62.50	70.00	80.00	----	212.50
W-16	160	62.50	70.00	80.00	18.00	230.50
W-17	180	62.50	70.00	80.00	54.00	266.50
W-18	180	62.50	70.00	80.00	54.00	266.50
W-19	180	62.50	70.00	80.00	54.00	266.50
TOTALS	2690	$1,187.50	1,330.00	$1,088.00	$198.00	$3,803.50
	1000 FEET CASING @ $1.00 /FT. =					1,000.00
	TOTAL COST PERCUSSION DRILLING					$4,803.50

DIAMOND DRILLING IS TO BE PERFORMED IN TWO STAGES, TOTALLING 8,450 FEET. THE FIRST STAGE WILL CONSIST OF 3500 FEET OF SURFACE DRILLING PLUS 1050 FEET OF DRILLING FROM AN UNDERGROUND STATION.

PRIOR TO DRILLING HOLES D-7 THROUGH D-10 FROM THE UNDERGROUND STATION THE WORKINGS WILL HAVE TO BE DEWATERED, AND PROBABLY SOME FALLEN ROCK WILL HAVE TO BE REMOVED. A SMALL AMOUNT OF STATION ENLARGING AND TIMBER REPAIR MAY BE REQUIRED. THIS LABOR WILL BE CONTRACTED.

PREPARATION OF UNDERGROUND DRILL STATION $ 750.00

DIAMOND DRILLING WILL BE PERFORMED BY R. S. MCCLINTOCK DIAMOND DRILL COMPANY WHOSE OVERALL BID WAS THE LOWEST OF THE FOUR SUBMITTED.

COSTS ARE CALCULATED ACCORDING TO THE FOLLOWING PRICE SCHEDULE:

SURFACE DRILLING

DRILLING AND STANDPIPING THROUGH OVERBURDEN		$9.75/FT.
WIRE LINE DRILLING BX-OD-AX CORE	0'-250'	5.85/FT.
" " " " " "	250'-500'	6.35/FT.
DRILLING AX SIZE WITH BALL BEARING COREBARREL	0'-250'	5.35/FT.
" " " " " " COREBARREL	250'-500'	5.85/FT.

UNDERGROUND DRILLING

AX SIZE	0'-200'	7.00/FT.
AX SIZE	0'-300	7.50/FT.
REAMING AND LANDING CASING		3.75/FT.
CEMENTING AND REDRILLING CEMENTED AREA		3.75/FT.
LANDING CASING WHEN REDUCING SIZE OF HOLE		0.50/FT.
STANDBY TIME		8.00/HR.

MOBILIZATION AND DEMOBILIZATION OF SECOND SECOND SURFACE RIG, IF REQUIRED $350.00

FIRST STAGE

DRILL HOLE	DEPTH FT.	COSTS		TOTAL COSTS $
D-1	260	250' @ $5.85/FT.	+ 10' @ $6.35/FT.	1,526.00
D-2	290	250' @ 5.85/FT.	+ 40' @ 6.35/FT.	1,716.50
D-3	260	250' @ 5.85/FT.	+ 10' @ 6.35/FT.	1,526.00
D-4	250	250' @ 5.85/FT.	+ ----------	1,462.50
D-5	360	250' @ 5.85/FT.	+110' @ 6.35/FT.	2,161.00
D-6	390	250' @ 5.85/FT.	+140' @ 6.35/FT.	2,351.50
D-7	290	290' @ 7.50/FT.	+----------	2,175.00
D-8	280	280' @ 7.50/FT.	----------	2,100.00
D-9	280	280' @ 7.50/FT.	----------	2,100.00
D-10	200	200' @ 7.00/FT.	----------	1,400.00
D-11	270	250' @ 5.85/FT.	+ 20' @ 6.35/FT.	1,589.50
D-12	220	220' @ 5.85/FT.	----------	1,287.00
D-13	240	240' @ 5.85/FT.	----------	1,404.00
D-14	230	230' @ 5.85/FT.	----------	1,345.50
D-15	250	250' @ 5.85/FT.	----------	1,462.50
D-16	240	240' @ 5.85/FT.	----------	1,404.00
D-17	240	240' @ 5.85/FT.	----------	1,404.00
	4550			$28,415.00

SECOND STAGE

D-18	500	250' @ 5.85/FT.	+250' @ 6.35/FT.	$3,050.00
D-19	500	250' @ 5.85/FT.	+250' @ 6.35/FT.	3,050.00
D-20	450	250' @ 5.85/FT.	+200' @ 6.35/FT.	2,732.50
D-21	450	250' @ 5.85/FT.	+200' @ 6.35/FT.	2,732.50
D-22	500	250' @ 5.85/FT.	+250' @ 6.35/FT.	3,050.00
D-23	500	250' @ 5.85/FT.	+250' @ 6.35/FT.	3,050.00
D-24	500	250' @ 5.85/FT.	+250' @ 6.35/FT.	3,050.00
D-25	500	250' @ 5.85/FT.	+250' @ 6.35/FT.	3,050.00
	3900			$23,765.00

ADDITIONAL DRILLING COSTS

FIRST STAGE

STANDPIPING	130 FT. @	$9.75/FT.	$1,267.50
REAMING AND LANDING CASING	1000 FT. @	3.75/FT.	3,750.00
CEMENTING AND REDRILLING	1000 FT. @	3.75/FT.	3,750.00
LANDING CASING WITHOUT REAMING	1000 FT. @	0.50/FT.	500.00
STANDBY TIME (TO ALLOW PROBING	20 HRS.@	8.00/HR.	160.00
MOBILIZATION AND DEMOBILIZATION OF SECOND SURFACE RIG			350.00
	FIRST STAGE TOTAL		$9,777.50

SECOND STAGE

STANDPIPING	80 FT. @	$9.75/FT.	$ 780.00
REAMING AND LANDING CASING	800 FT. @	3.75/FT.	3,000.00
CEMENTING AND REDRILLING	800 FT.	3.75/FT.	3,000.00
LANDING CASING WITHOUT REAMING	800 FT. @	0.50/FT.	400.00
STANDBY TIME (TO ALLOW PROBING)	12 HR. @	8.00/HR.	96.00
MOBILIZATION AND DEMOBILIZATION OF SECOND SURFACE RIG (UNLESS SECOND STAGE COMMENCES IMMEDIATELY AFTER COMPLETION OF FIRST STAGE)			350.00
	SECOND STAGE TOTAL		$7,626.00

ALL OF THE ABOVE ADDITIONAL DRILLING COSTS WILL NOT NECESSARILY OCCUR. REAMING, CASING AND CEMENTING WILL BE ACCOMPLISHED ONLY WHEN THE NATURE OF THE GROUND DEMANDS THEM. THE SHEARED NATURE OF THE ZONE TO BE DRILLED NECESSITATES THE ALLOWANCES FOR SUCH EXPENDITURES.

SUITABLE CONTAINERS FOR DRILL CORE WILL BE RROVIDED. IT IS PLANNED THAT A WOODEN BOX WITH DIMENSIONS OF 48 BY 11.5 INCHES WILL BE USED. SUCH A BOX WILL COST $5.00 AND WILL PROVIDE FOR STORAGE OF APPROXIMATELY 25 FEET OF AX CORE. CONSEQUENTLY THE COST OF CORE STORAGE WILL BE $.20 PER FOOT.

CORE CONTAINER COSTS

FIRST STAGE DIAMOND DRILLING	4550 FT. @	$.20/FT.	=	$ 910.00
SECOND STAGE DIAMOND DRILLING	3900 FT. @	.20/FT.	=	780.00
	TOTAL COST			1,690.00

TOTAL, FIRST STAGE	ITEM 6.(A)	$44,656.00
TOTAL, SECOND STAGE	ITEM 6.(A)	32,171.00
	TOTAL COST ITEM 6.(A)	76,827.00

6(B) PERSONAL SERVICES:

40% OF H. W. NORMAN'S TIME WILL BE ALLOCATED TO THE PROJECT FOR GENERAL SUPERVISION.

40% OF $700.00 PER MONTH = $280.00 PER MONTH.

FIRST STAGE --5 MONTHS X $280.00/MONTH	=	$1,400.00
SECOND " --5 MONTHS X 280.00/MONTH	=	1,400.00
	TOTAL	2,800.00

A GEOLOGIST OR GEOLOGICAL ENGINEER WILL BE HIRED PRIOR TO THE PROJECT'S INITIATION. HIS DUTIES WILL BE TO DIRECTLY SUPERVISE OPERATIONS AT ALL TIMES AND TO PERFORM NECESSARY GEOLOGIC DUTIES, INCLUDING THE LOCATION AND MAPPING OF DRILL HOLES, LOGGING AND STORING OF CORE, COLLECTION AND PREPARATION OF SAMPLES, AND RADIOMETRIC PROBING OF HOLES. HE WILL ASSIST MR. NORMAN IN MAINTAINING A RECORD OF ALL OPERATIONS BY MEANS OF MAPS, CROSS SECTIONS AND DRILLING LOGS.

FIRST STAGE --5 MONTHS @ $600.00/MONTH	=	$3,000.00
SECOND STAGE --5 MONTHS @ 600.00/MONTH	=	3,000.00
	TOTAL	6,000.00

IT IS DESIRABLE THAT A COMPETENT CONSULTING GEOLOGIST CONFER WITH THE OPERATORS OCCASIONALLY DURING THE COURSE OF THE PROJECT. MR. RAY WIMBER OF SALT LAKE CITY HAS BEEN CONTACTED AND HAS MADE HIMSELF AVAILABLE FOR THIS PURPOSE.

CONSULTING FEES DURING FIRST STAGE-6 DAYS @ $100.00/DAY	=	$ 600.00
CONSULTING FEES DURING SECOND " 6 DAYS @ 100.00/DAY	=	600.00
	TOTAL	1,200.00

TOTAL FIRST STAGE ITEM 6(B)	$5,000.00
TOTAL SECOND " " 6(B)	5,000.00
TOTAL COST 6(B)	10,000.00

(C) OPERATING MATERIALS AND SUPPLIES:

FIRST STAGE	
150 SAMPLE SACKS @ $.35 EACH =	52.50
SECOND STAGE	
50 SAMPLE SACKS @ .35 EACH =	17.50
TOTAL COST ITEM 6(C)	$ 70.00

6(D) BULLDOZING OPERATIONS WILL BE PERFORMED BY A D-8 CATERPILLAR, EQUIPPED WITH HYDRAULIC BLADE AND HYDRAULIC RIPPERS.

60 HRS. ACCESS ROAD CONSTRUCTION (AND REPAIR OF EXISTING ROADS)	@ $20.00/HR.	=	$1,200.00
40 HRS. DRILL SITE PREPARATION	@ 20.00/HR.	=	800.00
	TOTAL		2,000.00

TO AVOID THE POSSIBLE COST OF MOVING THE BULLDOZER IN AND OUT FOR EACH STAGE OF THE PROJECT THE SECOND STAGE DRILL SITES AND ACCESS ROADS WILL BE CONSTRUCTED DURING THE FIRST STAGE. ONLY 8 HOLES ARE INVOLVED AND THE ADDITIONAL EXPENDITURE IS COMPARATIVELY SMALL. TRANSPORTATION OF BULLDOZER FROM ITS PRESENT LOCATION TO LOWLEY LEASE, AND RETURN, WOULD ENTAIL 138 MILES. BEARDMORE TRANSFER LINE, INC. CALCULATED THE COST TO BE $429.54.

TRANSPORTATION OF BULLDOZER: 429.54

FLAG CARS WILL BE REQUIRED TO PRECEDE AND FOLLOW THE TRUCK AND TRAILER TRANSPORTING THE BULLDOZER. DAYBREAK URANIUM WILL PROVIDE SUCH VEHICLES AND DRIVERS.

COST WILL BE $0.20 PER MILE FOR EACH CAR, INCLUDING DRIVER.

138 MILES X 2 = 276 MILES @ $0.20 MILE = 55.20

PERSONNEL WILL COMMUTE FROM THE APPLICANT'S OFFICE IN OPPORTUNITY. IT IS NO MORE EXPENSIVE TO PAY TRAVEL EXPENSES THAN TO PROVIDE LIVING FACILITIES NEAR THE PROPERTY FOR THE PERIOD OF THE PROJECT.

IT IS ESTIMATED THAT SUPERVISING GEOLOGIST, GENERAL SUPERVISOR, OR BOTH WILL VISIT THE PROJECT FIVE DAYS PER WEEK.

43 WEEKS X 5 DAYS X 140 MILES = 30,100 MILES

A CONSERVATIVE ESTIMATE OF TRANSPORTATION COSTS INCLUDING FUEL, MAINTENANCE, INSURANCE AND DEPRECIATION WOULD BE $0.05 PER MILE.

FIRST STAGE

15,050 MILES @ $0.05 PER MILE = 752.50

SECOND STAGE

15,050 MILES @ $0.05 PER MILE = 752.50

TOTAL $1,505.00

THE PROBING EQUIPMENT TO BE USED CONSISTS OF A MODEL 720 BABBEL GEIGER COUNTER AND 500 FEET OF CABLE MOUNTED ON A REEL WITH A FOOTAGE COUNTER. TOTAL VALUE IS $750.00. BARRING LOSS OF A PROBE IN A CAVED HOLE THE ONLY COST WILL BE BATTERY REPLACEMENT AND MINOR REPAIRS SUCH AS TUBES.

FIRST STAGE

MAINTENANCE OF PROBING EQUIPMENT	$ 15.00

SECOND STAGE

MAINTENANCE OF PROBING EQUIPMENT	15.00
TOTAL	30.00

TOTAL FIRST STAGE	ITEM 6 (D)	=	$3,252.24
TOTAL SECOND STAGE	ITEM 6 (D)	=	767.50
	TOTAL COST ITEM 6 (D)	=	$4,019.74

6. (E) NONE

6. (F) NONE

6. (G) MAINTENANCE OF EQUIPMENT LISTED IN 6 (D) IS INCLUDED IN RENTAL CHARGES OR CONTRACT PRICES STATED.

ANALYTICAL WORK

IT IS ESTIMATED THAT 200 SAMPLES WILL BE COLLECTED FOR ASSAY. PETER MACK OF WALLACE, IDAHO WILL PERFORM THE CHEMICAL ANALYSES FOR U $3_0$8 CONTENT.

FIRST STAGE

150 CHEMICAL U $3_0$8 ANALYSES @ $4.00 EACH	=	600.00
150 SAMPLES PULVERIZED AND SPLIT @ $0.50 EACH	=	75.00
150 SAMPLES, POSTAGE @ $0.20 EACH	=	30.00
FIRST STAGE TOTAL		705.00

SECOND STAGE

50 CHEMICAL U 308 ANALYSES @ $4.00 EACH	=	200.00
50 SAMPLES PULVERIZED AND SPLIT @ $0.50 EACH	=	25.00
50 SAMPLES, POSTAGE @ $0.20 EACH	=	10.00
SECOND STAGE TOTAL		$ 235.00

TOTAL FOR PROJECT $ 940.00

ACCOUNTING CHARGES:

ACCOUNTING SERVICES WILL BE REQUIRED ONE DAY PER MONTH. THESE SERVICES WILL BE CONTRACTED.

FIRST STAGE

40 HOURS ACCOUNTING SERVICES @ $6.00 PER HR.	=	$ 240.00

SECOND STAGE

40 HOURS ACCOUNTING SERVICES @ $6.00 PER HR.	=	240.00
TOTAL COST		$ 480.00

PAYROLL TAXES

	SUPERVISOR GEOLOGIST @	GEN. SUPERVISOR @	
FIRST STAGE	$600.00/MO.	40% OF $700.00/MO.	
EMPLOYMENT SECURITY DEPT.	81.00	32.40	$ 113.40
F.I.C.A.	67.50	31.50	99.00
FEDERAL UNEMPLOYMENT	9.00	4.20	13.20
INDUSTRIAL INSURANCE	75.68	30.27	105.95
MEDICAL AID	24.08	9.63	33.71
TOTAL COST FIRST STAGE	$257.26	$108.00	$ 365.26

SECOND STAGE

THE SECOND STAGE, IF APPROVED, WOULD UNDOUBTEDLY BE COMPLETED IN 1959, AND THEREFORE THE ABOVE COSTS WOULD BE DUPLICATED.

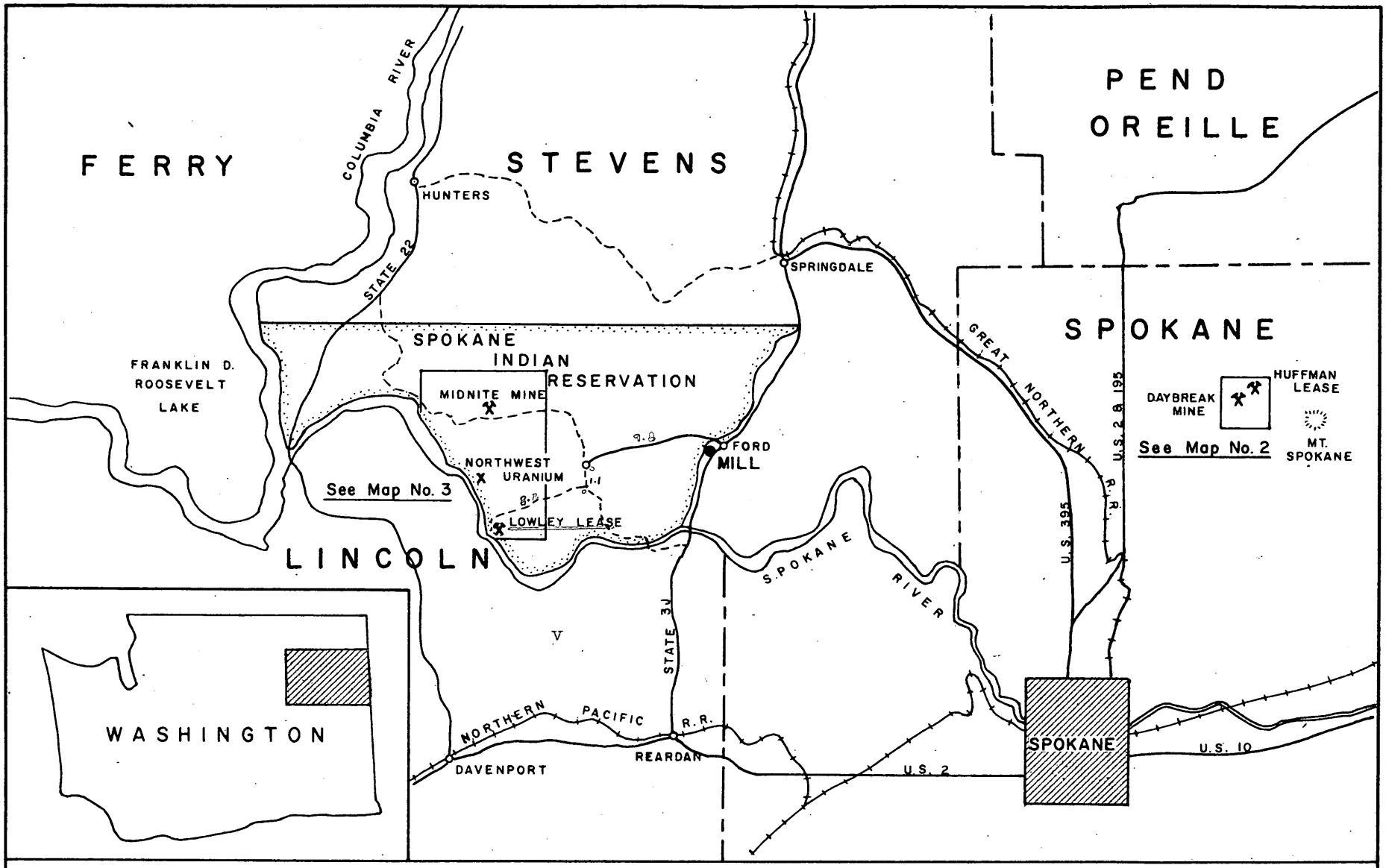
TOTAL COST SECOND STAGE $ 365.26

7. (A) THE APPLICANT IS PREPARED TO FURNISH ITS SHARE OF THE COST OF THE PROPOSED PROJECT IN ACCORDANCE WITH THE REGULATIONS ON GOVERNMENT PARTICIPATION STATED IN SEC. 7 OF DMEA ORDER 1, AMENDED.

(B) THE APPLICANT WILL FURNISH IT'S SHARE BY PROVIDING MONEY EXCEPT FOR THE BULLDOZER AND RADIOMETRIC PROBING EQUIPMENT LISTED IN 6 (D).

SUMMARY OF PROJECT COSTS

	First Stage	Second Stage	Total
6. (A)	$44,656.00	$32,171.00	$76,827.00
(B)	5,000.00	5,000.00	10,000.00
(C)	52.50	17.50	70.00
(D)	3,252.24	767.50	4,019.74
(E)	NONE	NONE	NONE
(F)	NONE	NONE	NONE
(G)	1,310.26	840.26	2,150.52
Totals	$54,271.00	$38,796.26	$93,067.26



MAP NO. 1

URANIUM DEPOSITS OF NORTHEASTERN WASHINGTON

Compiled by H.W. Norman

May 1957

Scale 1 inch = 8 miles

Fig. 1

DAYBREAK URANIUM INC.
22707 E. VALLEYWAY
OPPORTUNITY, WASH.

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DATE | INITIALS | CODE

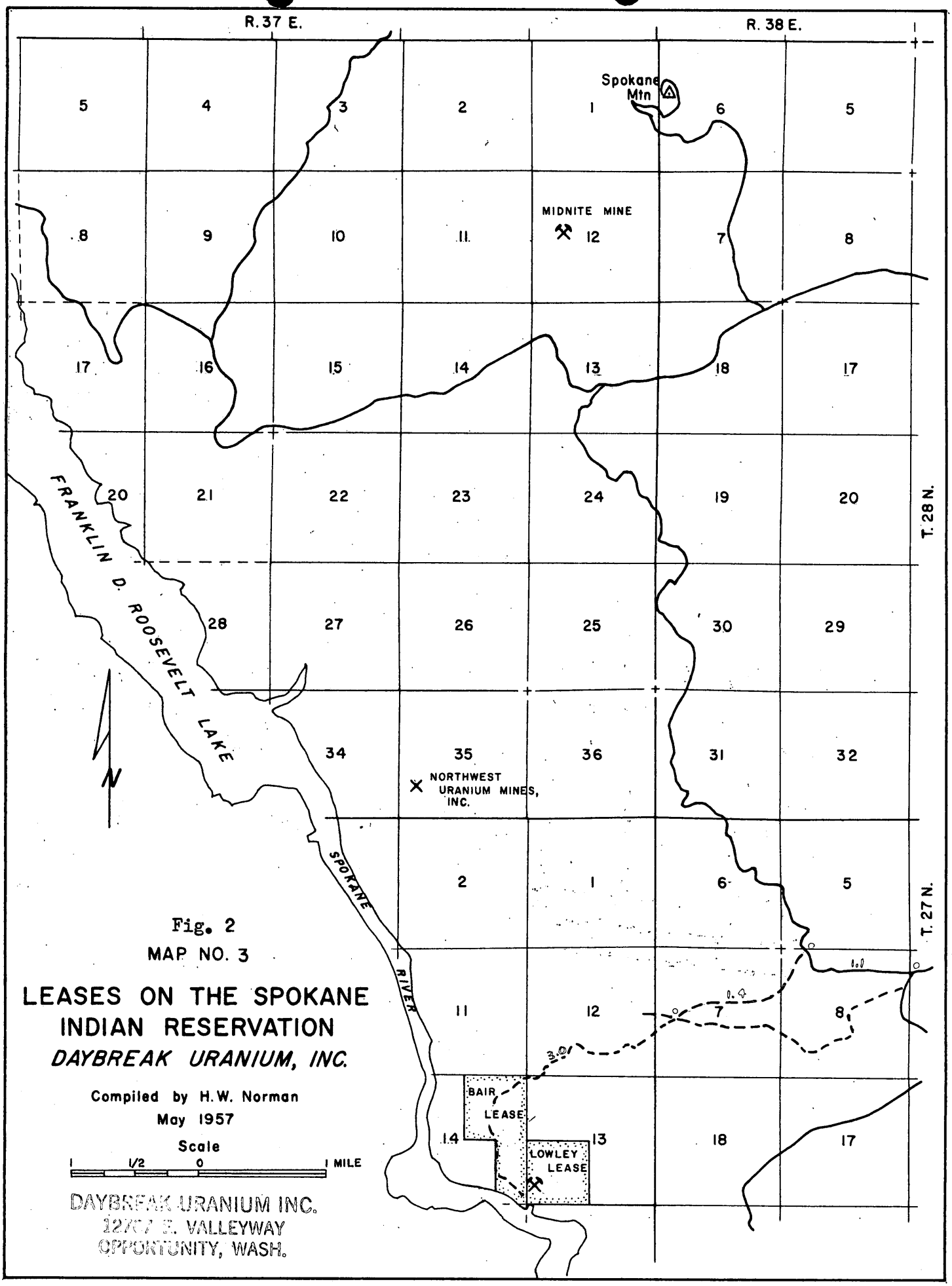

Fig. 2
MAP NO. 3

LEASES ON THE SPOKANE INDIAN RESERVATION
DAYBREAK URANIUM, INC.

Compiled by H.W. Norman
May 1957

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JUNE 19, 1956

Fig. 3

VITRO URANIUM COMPANY
COMPUTATION OF ORE RECEIVED FROM LOCKY LODE
CONTINENTAL URANIUM, INC. LEASE FOR MONTH FEB

		Wet Wt. Pounds	Dry Wt. Pounds	@ 2000	Pounds
4106	L-1	116700	114012	0.21	23940
4107	L-2	117820	112100	0.20	22420
4104	L-3	111700	107512	0.19	20427
4105	L-4	114800	110010	0.15	16502
4103	L-5	112520	108414	0.12	13010
TOTALS Pounds		578040	552948	0.1744	96302
TOTALS Tons		289020	276024		

USED

0.1740 %	96302	LBS @	2.00	$ 2700.37
DEVELOPMENT ALLOWANCE	96302	LBS @	.00	481.00
TOTAL USED VALUE				3277.00
HAULAGE	289020	DRY TONS @	6.00	1728.12
TOTAL VALUE				$ 5002.48

CERTIFIED TO BE A TRUE COPY

Caralyn J. Moz

NOTARY PUBLIC

Fig. 4

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 2550
BILLINGS, MONTANA

November 22, 1957

Re: 14-20-603-140

Mr. Ray H. Sowers
Baybrear Uranium, Inc.
S. 12707 Valleyway
Opportunity, Washington

Dear Mr. Sowers:

From the following computations you will note additional royalty due in the amount of $5.98 under uranium lease originally issued to William Lowley and assigned to your company.

Lot	Dry Weight Pounds	Percent U3O8	Pounds U3O8	Value per pound	Total Value	Value per ton of ore	Royalty Rate	Royalty
L-1	114,012	.21	239.43	$3.65	$873.92	$16.33	11.[illegible]	$96.13
L-2	112,100	.20	224.20	3.50	784.70	14.00	11.[illegible]	86.32
L-3	107,512	.19	204.27	3.30	674.09	12.54	11.[illegible]	74.16
L-4	110,610	.15	165.92	2.50	414.80	7.50	10.[illegible]	41.48
L-5	108,414	.12	130.10	1.90	247.19	4.56	10.[illegible]	24.72
	552,648		963.92		$2,994.70			$322.80
						Royalty Paid		316.82
						Balance Due		$5.98

During our recent interview you indicated that the company had on September 13, 1957 applied to the AEC for the initial production bonus which, when received, will necessitate payment of additional royalty as follows:

Lot	Value per Pound	Total Value	Value Per Ton of Ore	Royalty Rate	Royalty
L-1	$7.18	$1,711.92	$30.00	13.[illegible]	$222.55
L-2	7.00	1,569.40	28.00	12.[illegible]	188.33
L-3	6.60	1,348.18	25.08	12.[illegible]	161.70
L-4	5.00	829.00	15.00	11.[illegible]	91.26
L-5	3.80	494.38	9.12	10.[illegible]	49.44
		$5,953.40			$713.36
					322.80
Additional royalty payable upon receipt of the bonus					$390.56

CERTIFIED TO BE A TRUE COPY

Carolyn J. Moz
NOTARY PUBLIC

Very truly yours,

J. R. Lorwill
Regional Mining Supervisor

FAH

P. O. Box 808

Phone 8-3382

Fig. 5

CERTIFICATE OF ASSAY

FROM

PETER MACK

ASSAYER AND CHEMIST

Daybreak Uranium, Inc

Wallace, Idaho, May 13, 1957

MARKED	Gold oz. per ton	Silver ozs. per ton	Lead %	Zinc %	Copper %	Iron %	Insol. %	U_3O_8 %	%
Fox #1								1.046	
D-151								0.842	
D-152								0.451	

Charges

Peter Mack

3m 7.56 13

DAYBREAK URANIUM INC.
12707 E. VALLEYWAY
OPPORTUNITY, WASH.

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RECEIVED MAR 17 1958

DATE	INITIALS	CODE

P. O. Box 808

Fig. 6

Phone 8-3382

CERTIFICATE OF ASSAY

FROM

PETER MACK

ASSAYER AND CHEMIST

Daybreak Uranium, Inc

Wallace, Idaho, June 8, 1957

MARKED	Gold ozs. per ton	Silver ozs. per ton	Lead %	Zinc %	Copper %	Iron %	Insol. %	U_3O_8 %	%
# D-153								0.083	
# D-154								0.077	

Charges $8

Peter Mack

3/0 7 56 12

DAYBREAK URANIUM INC.
12707 E. VALLEYWAY
OPPORTUNITY, WASH.

P. O. Box 808

Fig. 7

Phone 8-3382

CERTIFICATE OF ASSAY

FROM

PETER MACK

ASSAYER AND CHEMIST

Daybreak Uranium, Inc

Wallace, Idaho, June 24, 1957

MARKED	Gold ozs. per ton	Silver ozs. per ton	Lead %	Zinc %	Copper %	Iron %	Insol. %	U_3O_8 %	%
Sample # D-155A								0.428	
D-157								0.170	
D-159								0.297	
D-160								0.393	

Charges

Peter Mack

Jn 7 56 13

DAYBREAK URANIUM INC.
12707 E. VALLEYWAY
OPPORTUNITY, WASH.

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P. O. Box 808

Fig. 8

Phone 1-5612

CERTIFICATE OF ASSAY

FROM

PETER MACK

ASSAYER AND CHEMIST

Daybreak Uranium

Wallace, Idaho, Oct. 25, 1957

MARKED	Gold ozs. per ton	Silver ozs. per ton	Lead %	Zinc %	Copper %	Iron %	Insol. %	U_3O_8 %	%
~~D-161 Lowley Lease~~								0.793	

Charges $4

Peter Mack

5m 9 57 JS

DAYBREAK URANIUM INC.
12707 E. VALLEYWAY
OPPORTUNITY, WASH.

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DATE	INITIALS	CODE

CLAIM Lowley Lease	PROJECT Daybreak Drilling	DRILLER Leaf	COUNTY Stevens STATE Washington
HOLE NO. L-1	LOCATION Plane table sta. E-51 + 30' S.44°W.	COORDINATES 5932 N 5191 E	COLLAR ELEV. 1400
STARTED 12-17-55	OVERBURDEN DEPTH 0.0'	TOTAL DEPTH 304.0'	ANGLE FROM HORIZ. -42°
FINISHED 1-13-56	DEPTH TO WATER 60' according to driller	LOGGED BY H.W.N.	BEARING N.80°E.

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.
AX		(Predominantly quartzite)	0-22 Frac., impure, gray qtzt. Calcite stgrs. in frac. More highly frac. 11'-12', 16'-20'.		10
10			22-24 Shd., highly altered, impure qtzt. (slickensides)		20
20			24-26 Same as 0'-22'.		
30			26-30 Apparent fault zone. No No core recovery.		30
40			30-46 Impure gray qtzt. with abundant talc. Mottled. Calcite coatings in frac. Gray fault gouge 40-41.		40
50			46-51 Frac., impure, gray qtzt. Abund. pyrite in frac. 51'		50
			51-53 Same as 30'-46'. 1" wh. qtz. 52'.		
60		Quartz Monzonite	53-59 Same as 46'-51'.		60
EX			59-70 Med.-gr., partially altered qtz-monzonite (?). Abund. biotite. Fractured. More highly alt. and/or gougey 61.5'-62.5'. Tight slips inclined 40°-50° to axis of hole.		
70		Quartzite			70
80		Talc & Quartzite			80
			70-75 Fairly hard, impure, gray qtzt. Frac. Some pyrite in frac.		
90		Quartzite			90
			75-85 Altered, impure gray qtzt. Abundant talc.		

RADIOMETRIC LOG % U_3O_8 RAD. EQUIVALENT

.20 .40 .60 .80

SAMPLE DATA

NUMBER	ASSAY (U_3O_8) RADIOMETRIC	CHEMICAL	OTHER CHEMICAL	WIDTH

REMARKS

0-5 ft. Cased EX

RECEIVED MAR 17 1958 D.M.E.A.

TYPE & SIZE OF HOLE	CORE RECOVERY	ROCK TYPE	GEOLOGY	SAMPLES NOS.	ELEV.	RADIOMETRIC LOG #11308 RAD. EQUIVALENT .20 .40 .60 .80
EX		Quartzite	Occ. pyrite in frac. Considerable shearing indicated by distortion and slickensides. Uraninite(?) at 80' in shear & frac. 85-86 Sheared & gougey. 86-90.5 Very argillaceous or impure qtzt. Fractured. 90.5-92.5 White qtz. vein and stgrs. in qtzt.			
		Metamorphics (Predominantly quartzite and talc)	92.5-99.5 Frac., hard, gray, impure qtzt. Banded and mottled with lighter colored material. Occ. pyrite in frac. 97.5'-99'. 99.5-137 Light gray, frac., fairly hard, impure qtzt. Occ. disseminated pyrite. 137-141.5 Similar to above, but darker in color and with more shearing evidenced. (slickensides and brecciation) More pyrite. Abund. gray-green to greenish-black sheared mineral. Soft and talcy. Maybe biotite & sericite or talc. 141.5-177 Frac., light gray qtzt. Hematite staining in some frac. (pink to red) 177-179 Greenish-gray fault gouge. 179-184 Highly frac., impure qtzt. Some hematite staining. 184-193.5 Appears to be a soft, very impure, dark-gray to black qtzt. Lenses of dark greenish-black talc (?) (shavings are light greenish-gray) Black radioactive mineral (uraninite?) in shd. zone 186'-187'. Sheared: 186-188, 191.5-193.5, 189-190, with occ. tight slips throughout.			
		Quartzite	193.5-204 Light gray, somewhat frac., impure qtzt. Calcite in frac. Frequent talc seams. (appears to be brown mica assoc. with talc. 204-210 Mostly greenish-gray talc. Sheared. Fine grained brown mica common. Fault gouge 208-209? 210-212 Same as 193.5-204. 212-227 Alternantely impure qtzt. and talc, as described above. No pyrite observed.			
		Quartz Monzonite				

RECEIVED MAR 17 1958 D.M.E.A.

TYPE & SIZE OF HOLE	CORE RECOVERY	ROCK TYPE	GEOLOGY	SAMPLES NO.	REV. 300	RADIOMETRIC LOG 341308 RAD. EQUIVALENT .20 .40 .60 .80
EX		Qtz-monz.	227-243.5 Same as 193.5-204.			
			243.5-253 Medium to dark gray impure qtzt. Frac. Somewhat harder than above. Reddish coloration 246-248. Radioactivity: 0.15 Mr/hr. at 248 in frac. red qtzt.			
			253-276 Light to medium gray, fairly hard, frac. qtzt. Frequent reddish coloration. Occ. pyrite. 3" wh. qtz. stgr. at 257. Fault gouge & breccia 264-265.			
			276-278 Intermixed qtzt. as above and medium-grained granitic rock.(qtz-monzonite probably)			
			278-304 Medium-grained qtz-monzonite (?). Occ. pyrite in frac. Sheared 289-292.5. Occ. tight slips throughout.			

10 20 30 40 50 60 70 80 90 00 10 20 30 40 50 60 70 80 90 00

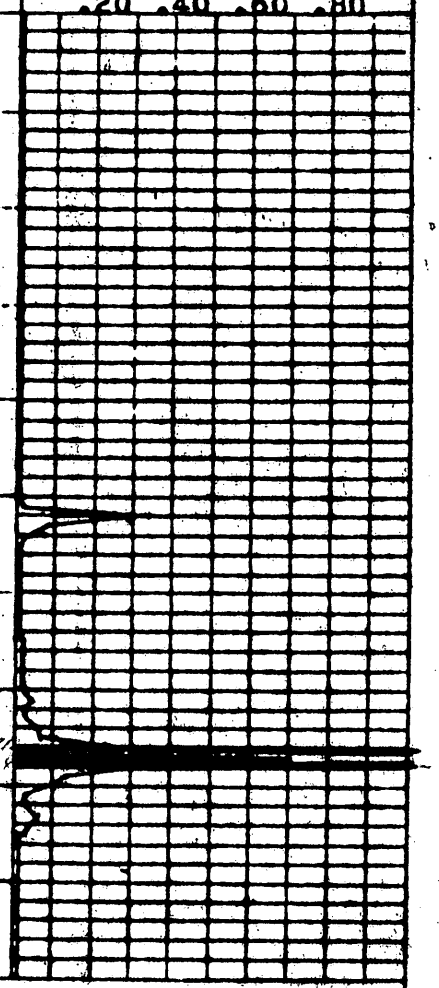
RECEIVED MAR 17 1958 D.M.E.A.

CLAIM Lowley Lease	PROJECT Daybreak Drilling	DRILLER Leaf	COUNTY Stevens STATE Washington
HOLE NO. L-2	LOCATION Sta. E-49 + 51.0' N.85°W.	COORDINATES 5700.0 N 5383.0 E	COLLAR ELEV. 1405'
STARTED 1-17-56	OVERBURDEN DEPTH 0.0'	TOTAL DEPTH 231.3	ANGLE FROM HORIZ. -50°
FINISHED 2-6-56	DEPTH TO WATER ± 55'	LOGGED BY H.W.N.	BEARING N.80°W.

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV
AX		Quartzite	0-5 Frac., dk.-gray, banded qtzt. Heavy iron-staining. Bedding variable- ± 90° to axis of hole.		10
			5-7 Appears to be partially granitized qtzt. Frac. Brownish pink to gray.		20
		Quartz Monzonite	7-8 Frac., soft, black sandstone.		
			8-8.5 Gray-brown, frac. qtzt.		30
		Quartzite	8.5-11.5 Soft, dark gray to black, banded sandstone. Bedding ± 60° to axis of hole.		40
			11.5-15 Hard, medium to dk-gray qtzt, Frac. Bedding irreg. 60°-70° to axis of hole.		50
EX			15-20 Intermixed qtzt. and qtz-monzonite (?). Hightly frac. & iron-stained. Siliceous stgrs.		60
		Marble	20-28 Altered qtz-monzonite. Abund. biotite.		70
		Quartzite & Talc	28-38.5 Medium to dark-gray, frac. qtzt. Soft, black, biotite-rich lense 35-35.5. Sheared 35-35.5, 37-37.5. White qtz. stgr. 38-38.2. Bedding 50°-60° to axis of hole.		80
			38.5-52 Lt.-gray to gray-green, frac. impure qtzt. Light		90

RADIOMETRIC LOG $\%U_3O_8$ RAD. EQUIVALENT

.20 .40 .60 .80



SAMPLE DATA

NUMBER	ASSAY ($\%U_3O_8$) RADIOMETRIC	CHEMICAL	OTHER CHEMICAL	WIDTH

REMARKS
7.0' EX Casing
Maximum radioactivity - 2.7% rad. equivalent (with probe) at 77.5 ft.

RECEIVED MAR 17 1958 D.M.E.A.

TYPE & SIZE OF HOLE	CORE RECOVERY	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV. 100	RADIOMETRIC LOG 2411308 RAD. EQUIVALENT .20 .40 .60 .30
EX		Talc	gray-green fault gouge 38.5-39. Bedding variable-60°-70° to axis of hole. Pale pink calcite stgrs. 39-40. Lt. green, soft & argillaceous 45.5-50.		10	
			52-60.5 Dark reddish-brown to gray impure qtzt. Radioactive black material 53.5-54.5, associated with pyrite. Bedding 77-90 degrees to axis of hole.		20	
		Quartzite & Talc	60.5-68.5 Green epidote(?), white calcite or marbelized dolomite, and gray-green argillaceous material. Marble.		30	
			68.5-70 Brownish-gray qtzt.		40	
			70-72 Gray-green talc or talcy qtzt.		50	
			72-84 Dk. gray to gray-green qtzt. Frac. Bedding irreg.- ± 70° to axis of hole. Uraninite assoc. with pyrite as frac. fillings or veinlets 77-81. Strongest zone at 77.5 1 inch wide, parallel to bedding.		60	
			84-92 Frac., gray to gray-green talc or talcy qtzt. Pyrite common.		70	
		Quartz-monzonite	92-96 Frac., impure, gray to brownish-gray qtzt.		80	
			96-101 Light gray-green impure qtzt. Bedding irreg. 40°-70° to axis of hole.		90	
			101-122 Gray to gray-green talc. Pyrite in frac.		200	
			122-131 Lt.-gray, frac. qtzt. with frequent talc zones. Bedding indistinct, 60°-70° to axis of hole.		10	
			131-132.5 Lt.gray fault gouge and breccia.		20	
			132.5-133.5 Gray qtzt. & white marbelized dolomite.		30	
			133.5-134.5 Gray fault gouge & breccia.		40	
			134.5-169 Frac., lt.-med.-gray, impure qtzt. Talcy zones. Dolomite strgs. common. Mottled appearance in part. Bedding indistinct ± 70° to axis of hole. 3" gray fault gouge & breccia 154.4.		50	
			169-174.5 Shear zone. Highly frac. & shd., impure qtzt. Talcy.		60	
			174.5-179.5 Same as 134.5-169.		70	
			179.5-182 Shear zone as 169-174.5, but less talcy.		80	
					90	
					300	

RECEIVED MAR 17 1958 D.M.E.A.

Drill Hole L-2 cont'd.

TYPE & SIZE OF HOLE	CORE RECOVERY	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.	RADIOMETRIC LOG 3U308 RAD. EQUIVALENT .20 .40 .60 .80
			182-191 Med. to dk.-gray impure qtzt. Talcy and with abund. fine-grained, tranparent to lt.-brown mica. Frac. and recemented with dolomite. Bedding indistinct, + 45° to axis of hole. Occ. fine-gr. pyrite.			
			191-196 Fine to med.-gr. qtz-monzonite(?) Abund. biotite. Frac.			
			196-208 Similar to above, but altered. Abund. lt.-green mineral. Numerous small biotite-deficient zones.			
			208-231.3 Hard, frac,. med.-gr. somewhat porphyritic qtz-monzonite. Pink to lt.-brown feldspars (orthoclase). Sparse biotite. Occ. pyrite.			

RECEIVED MAR 17 1958 D.M.E.A.

CLAIM Lowley Lease	PROJECT Daybreak Drilling	DRILLER Leaf	COUNTY Stevens STATE Washington
HOLE NO. L-3	LOCATION Sta. E-52 + 17.5' N.56°W.	COORDINATES 5807.5 N. 5374.0 E.	COLLAR ELEV. 1433
STARTED 2-8-56	OVERBURDEN DEPTH 0.0'	TOTAL DEPTH 265.2	ANGLE FROM HORIZ. -45°
FINISHED 2-23-56	DEPTH TO WATER Approx. 50'	LOGGED BY H.W.N.	BEARING West

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV
AX					
EX 10, 20, 30, 40, 50, 60, 70, 80, 90		Quartzite	0-11 Medium to fine-grained, lt. gray, hard, silicified, mosaic qtzt. Abund. biotite & muscovite, (causes granitoid texture). Bedding ± 80° to axis of hole. 11-27 Frac., fine-grained, lt. to medium-gray, banded qtzt. Little biotite, but abund. muscovite. Bedding irreg. + 80° to axis of hole. 27-32 White to gray, frac., gneissic qtzt.(recrystallized) 32-34.5 Unaltered, medium-grained granitic rock, composed of white qtz and biotite. (May be recrystallized qtzt).		10, 20, 30, 40, 50, 60, 70, 80, 90
		Quartz-Monzonite	34.5-38 Somewhat frac., fine-grained impure, banded qtzt. Frequent biotite-rich lenses. Pyrrhotite at 35'. Lenses high in small, red garnets(?) Bedding ± 80° to axis of hole. 38-50 Frac, gray mosaic and gneissic qtzt. Granitic 44.5 to 45.5. Abund. brown and black biotite.		
		Talcy Quartzite			
		Talc	50-52 Gray to gray-green dolomitic qtzt. Occ. pyrite. Bedding ± 70° to axis of hole.		

RADIOMETRIC LOG % U_3O_8 RAD EQUIVALENT .20 .40 .60 .80

SAMPLE DATA

NUMBER	ASSAY (% U_3O_8) RADIOMETRIC	CHEMICAL	OTHER CHEMICAL	WIDTH

REMARKS

Cased EX 0-7 ft.
Grouted 70-140 ft.

RECEIVED MAR 17 1958 D.M.E.A.

Drill Hole L-3 cont'd.

Sheet 2

TYPE SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV. 100	RADIOMETRIC LOG U308 RADIOEQUIVALENT .20 .40 .60 .80
		Talc	52-55 Gneissic and granitoid. (Qtz. & biotite) Some pyrite. 55-61 Lt. gray, impure (argillaceous?) qtzt. Black, radioactive mineral 60-61. .05-.50 mr/hr. on G.C. Finely disseminated pyrite.			
		Quartzite	61-84 Medium-grained qtz-monzonite(?) Abund. biotite. Badly frac. 77-78. 84-88 Talcy, banded gray qtzt. Bedding irreg. 60°-80° to axis of hole. Calcite or dolomite in frac. 88-123 Mottled, gray to dark gray-green talc. Hard, gray qtzt. bands 103.5-104.5, 121-122. Badly frac or shd. 96-103.5, 115-116, 120.5-121.			
		Quartzite & Talc	123-146 Gray to gray-brown, impure to hard qtzt. Calcite in frac. Abund. pyrite. Bedding ± 60° to axis of hole. 6" white qtz. stgr at 132'. 146-148 Decomposed, med-grained qtz-monzonite(?) Abund. pyrite. 148-162 Hard, gray to gray-brown qtzt. Calcite in frac. Pyrite common. Bedding indistinct 60°-80° to axis of hole.			
		Quartz-Monzonite	162-175 Intermixed qtzt, talc & talcy qtzt. Abund. brown mica especially in talcy zones. Occ. pyrite. Abund. pyrrhotite 166.5-167.5. Sheared 168-171. Calcite in frac. Bedding irreg. and indistinct ± 70° to axis of hole. 175-187 Greenish-gray to brownish-gray qtzt. Calcite in frac. Bedding 65°-80° to axis of hole. 187-197 Greenish-gray to brownish-gray qtzt, mottled talc & talcy qtzt. Calcite in frac. Occ. pyrite. Bedding indistinct ± 70° to axis of hole. 197-199 Wh. qtz vein in qtzt. 199-202 Brecciated & recemented contact zone. Qtz., qtzt., calcite or dolomite.			
			202-219 Med.-gr. qtz-monzonite(?) Greenish near contact. Abund. pyrite & biotite. 219-265.2 Porphyritic qtz-monz. Less biotite than above. Occ. pyrite 219-230. Both pink & white feldspars. Frac. & recemented (calcite) 221-222. Faulted 248-250. ½" gray gouge. Fault 30° to axis of hole.			

RECEIVED MAR 17 1958 D.M.E.A.

CLAIM Lowley Lease	PROJECT Daybreak Drilling	DRILLER Leaf	COUNTY Stevens STATE Washington
HOLE NO. I-4	LOCATION Sta. E-49 +110' S.10°W.	COORDINATES 5587.5 N 5413.5 E.	COLLAR ELEV. 1399
STARTED 2-25-56	OVERBURDEN DEPTH 5.0'	TOTAL DEPTH 153.6	ANGLE FROM HORIZ. -50°
FINISHED 3-6-56	DEPTH TO WATER Unknown. Drilling water standing at 48'	LOGGED BY H.W.N.	BEARING West

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV	RADIOMETRIC LOG %U_3O_8 RAD. EQUIVALENT .20 .40 .60 .80
Cased			5-12 Fine to medium-grained, gray to brownish-gray, frac. & silicified qtzt. Abund. muscovite & some biotite. Slightly calcareous (in frac.?) Somewhat granitoid texture in part. Moderate iron stain. Bedding + 70° to axis of hole.			
10		Quartzite			10	
20					20	
30		Quartz Monzonite	12-30 Frac., fine-grained, light to medium gray, banded qtzt. Numerous biotite-rich bands. Some muscovite. Iron stain in frac. Bedding ± 60°-80° to axis of hole.		30	
40					40	
50			30-35 Medium-grained, altered qtz-monzonite(?). Abund. biotite. Calcite stgrs.		50	
60		Quartzite	35-57 Similar to 12-30 ft., but with less biotite 35-53.		60	
70			57-88 Frac. light gray qtzt. Abund. muscovite. Bedding + 60° to axis of hole. Biotite-rich zone 67.5-71. Altered qtz-monzonite stgr. 71-72. Pinkish-white calcite or dolomite 74.5-75.		70	
80					80	
90			88-115 Frac., medium to dark gray qtzt. Varies from hard to soft and impure.		90	

SAMPLE DATA

NUMBER	ASSAY (%U_3O_8) RADIOMETRIC	CHEMICAL	OTHER CHEMICAL	WIDTH
D-100	0.645 (U.S.A.&C.)			0.7' (118.8-119.5)

REMARKS

Grouted: 20-50
122-153 (grout would not hold walls 123-140)

Not considered worth expense to case entire hole in order to drill remaining distance to qtz-monzonite.
Probe readings low compared to radioactivity of core. Hole probed twice and calibration checked.

RECEIVED MAR 17 1958 D.M.E.A.

Drill Hole L-4 cont'd

Sheet 2

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV. 100
EX		Quartzite	Abund. muscovite. Occ. pyrite & pyrrhotite. Radioactivity (up to 0.3 mr/hr)noted in thin, hematite-stained frac. coatings at 93. Bedding ± 60° to axis of hole.	D-100	
		Quartzite & talcy quartzite	115-120 Frac., gray-green, (banded) argillaceous qtzt. Occ. tight bedding slips and cross slips. Disseminated uraninite(?) 118.8-119.5. Occ. pyrite.		
		Talc	120-130 Frac., impure (argillaceous and/or talcy qtzt. Frequent zones rich in brown mica. Mottled zones.		
			130-140 Sheared zone in impure, qtzt., talc and talcy qtzt. Abund. fault breccia and gouge. Poor core recovery.		
			140-149 Frac., sheared & gougey, gray to gray-green talc.		
			149-153.6 Massive, gray-green to gray talc.		

RADIOMETRIC LOG
%U3O8 RAD. EQUIVALENT
.20 .40 .60 .80

Level to 153.6

RECEIVED
MAR 17 1958
D.M.E.A.

CLAIM Lowley Lease	PROJECT Daybreak Drilling	DRILLER Leaf	COUNTY Stevens STATE Washington
HOLE NO. L-5	LOCATION Sta. 'D' + 138' N.01°W.	COORDINATES 5496.5 N. 5402.0 E.	COLLAR ELEV. 1385
STARTED 3-8-56	OVERBURDEN DEPTH 3.0'	TOTAL DEPTH 174.4'	ANGLE FROM HORIZ. -50°
FINISHED 3-16-56	DEPTH TO WATER + 50'	LOGGED BY H.W.N.	BEARING West

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV
EX			3-50 Frac., gray, fine-grained qtzt. Abund. muscovite. Numerous biotite-rich bands. Light brown iron staining. Calcite or dolomite stgrs: 15-17.5, 21-22, 33.5-37. Thin frac. coatings of similar material common. Qtz.-monzonite lense 26-26.5 Bedding variable: 60°-90° to axis of hole.		10
10					
20		Quartzite			20
30					30
40			50-58 Medium-grained qtz.-monzonite. Abund. biotite. Some muscovite. Much of the feldspar is pale geen in color.		40
50		Quartz Monzonite	58-75 Gray to brownish-gray, impure, frac., biotite-rich qtzt. Numerous calcite stgrs. up to 1" thick. Bedding ∠ 70° to axis of hole.		50
EX 60					60
70			75-109 Alternately banded & mottled, frac., hard, gray qtzt. Slightly argillaceous(?). Calcite or dolomite in frac.		70
80		Quartzite	109-110 Mostly fault gouge & breccia. Qtz. & calcite stgrs.		80
90			110-142 Frac., hard, gray to brownish-gray, biotite-rich, impure qtzt. Some muscovite. Alternately banded & mosaic.		90

RADIOMETRIC LOG $\%U_3O_8$ RAD. EQUIVALENT .20 .40 .60 .80

SAMPLE DATA

NUMBER	ASSAY ($\%U_3O_8$) RADIOMETRIC	CHEMICAL	OTHER CHEMICAL	WIDTH

REMARKS

0-8' ft. cased EX
Grouted: 15-27, 125-145.
Hole caved 130-174.4. Lost probe at 130'.

RECEIVED MAR 17 1953 D.M.E.A.

Drill Hole L-5 Cont'd.

Sheet 2

TYPE & SIZE OF HOLE	CORE RECOVERY	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.	RADIOMETRIC LOG 3-11-308 RAD. EQUIVALENT .20 .40 .60 .80
EX		Quartzite	Frac. fillings & stgrs of calcite or dolomite. Frac., sheared & gougey 123-130, 132-142. 130-132 gray-green, argillaceous qtzt. 142-167 Medium-grained qtz.-monzonite. Abund biotite. Pale greenish coloration of some feldspars. 167-174.4 Similar to above, but somewhat porphyritic, with pink orthoclase felspars. Gougey and/or altered: 169-169.5, 174-174.4.			Caved
		Quartz Monzonite				

RECEIVED MAR 17 1958 D.M.E.A.

CLAIM Lowley Lease	PROJECT Daybreak Drilling	DRILLER Leaf	COUNTY Stevens STATE Washington
HOLE NO. L-6	LOCATION Sta. 'D' ∠ 61' N.85°W.	COORDINATES 5364.0 N. 5345.5 E	COLLAR ELEV. 1340
STARTED 3-17-56	OVERBURDEN DEPTH	TOTAL DEPTH 124.9	ANGLE FROM HORIZ. -50°
FINISHED 3-21-56	DEPTH TO WATER ∠ 20'	LOGGED BY H.N.N.	BEARING West

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.	RADIOMETRIC LOG %U_3O_8 RAD EQUIVALENT .20 .40 .60 .80
AX			3-13 Frac., hard, gray, mottled & banded qtzt. Calcite or dolomite in frac. Bedding ∠ 60° to axis of hole. Slight iron staining. Small amount of muscovite & biotite.			
EX		Quartzite	13-18 Highly frac. & somewhat sheared brown (iron stain) qtzt.			
			18-20 Predominantly vuggy, white calcite stgrs. in gray qtzt.			
			20-46 Highly frac. & somehat shd. hard, gray, impure qtzt. Very abundant calcite or dolomite with stgrs up to several inches in thickness. Disseminated calcite creates zones of what might be called calcareous or dolomitic qtzt. Abund. muscovite. Some biotite. Bedding ∠ 60° to axis of hole.			
			46-78 Similar to above, but with occasional biotite-rich zones along bedding planes. Less frac. Occ. pyrite.			
		Talcy Quartzite	78-85 Fault gouge & breccia. Fragments of talcy(?) qtzt.			
			85-104.5 Gray to brownish-gray (brown mica), impure, talcy(?) qtzt.			

10 20 30 40 50 60 70 80 90

SAMPLE DATA					REMARKS
NUMBER	ASSAY (%U_3O_8) RADIOMETRIC	CHEMICAL	OTHER CHEMICAL	WIDTH	0-10 ft. cased EX Grouted 20-28 ft.

DNRA

D.D.H. L-6 cont'd

Sheet 2

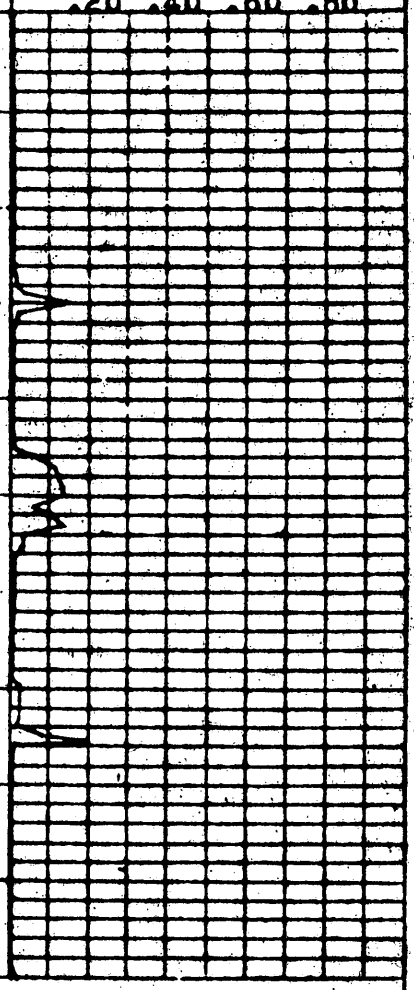
TYPE SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.	RADIOMETRIC LOG 3U308 RAD. EQUIVALENT .20 .40 .60 .30
10			Numerous small calcite or marbelized dolomite stgrs. Bedding indistinct, ∠ 40° to axis of hole. ∠ 2" fault gouge at 102'. Altered qtz-monzonite stgr. 102-103.		10	
20		Quartz Monzonite	104.5-124.0 Partially altered, porphyritic qtz.-monzonite. Pale green coloration in some feldspars. Deficient in mafics. Occ. pyrite & gray metallic mineral.		20	Cored 122-124.9
30					30	
40					40	
50					50	
60					60	
70					70	
80					80	
90					90	
00					00	
10					10	
20					20	
30					30	
40					40	
50					50	
60					60	
70					70	
80					80	
90					90	
00					00	

RECEIVED
MAR 17 1958
D.M.E.A.

CLAIM Lowley Lease	PROJECT Daybreak Drilling	DRILLER Leaf	COUNTY Stevens STATE Washington
HOLE NO. L-7	LOCATION Sta. 'C' ∠ 89' West	COORDINATES 5213.0 N. 5341.0 E	COLLAR ELEV. 1316
STARTED 3-22-56	OVERBURDEN DEPTH 7.5'	TOTAL DEPTH 110.1'	ANGLE FROM HORIZ. -50°
FINISHED 3-30-56	DEPTH TO WATER ∠ 25'	LOGGED BY H.H.H.	BEARING West

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV
AX			7.5-25.5 Hard, frac., gray to brownish-gray, banded, impure qtzt. Numerous biotite-rich (brown) lenses along bedding. Bedding ∠ 60° to axis of hole. Light limonite coatings & staining in frac. Abund. muscovite or sericite. Occ. calcite or dolomite stgrs. & frac. coatings. Abund vuggy calcite or marbelized dolomite 24-25.5'.		
EX		Quartzite	25.5-48 As above, but more uniformly gray in color. Bedding less distinct. Less limonite stain. Hematite staining 46-48'. Radioactivity 29.5-31. No secondary U minerals observed. Slightly radioactive 46-48, in black frac. coatings. (2x background.)		
			48-53 Hematite-stained, indurated fault breccia. Radioactive, (up to .15 Mr/hr.		
			53-57 Sheared & brecciated gray qtzt. Hematite staining in frac. Calcite in frac. Occ. pyrite. Bedding, where observed, 60° to axis of hole.		

RADIOMETRIC LOG — % U_3O_8 RAD. EQUIVALENT



SAMPLE DATA

NUMBER	ASSAY (% U_3O_8) RADIOMETRIC	CHEMICAL	OTHER CHEMICAL	WIDTH

REMARKS
0-10 ft. cased EX
Grouted 15-33.

RECEIVED MAR 17 1958 D.M.E.A.

D.D.H. L-7 cont'd

Sheet 2

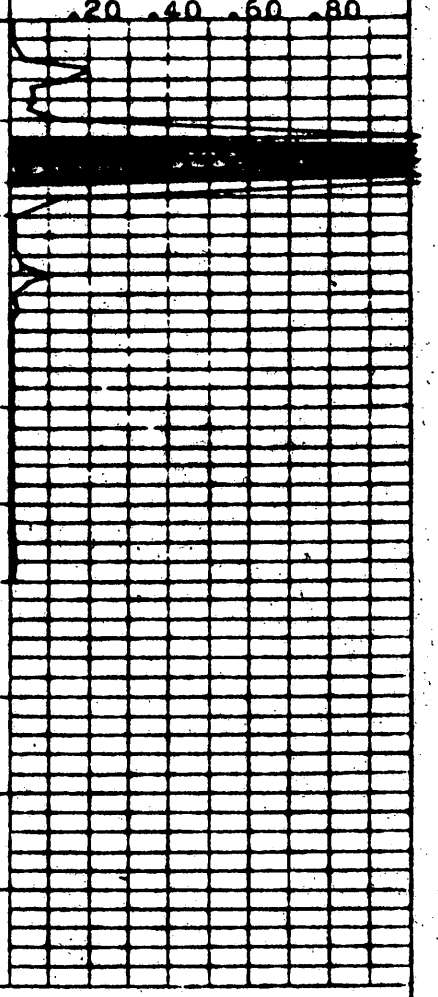
TYPE & SIZE OF HOLE	CORE RECOVERY	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.	RADIONETRIC LOG 311308 RAD. EQUIVALENT .20 .40 .60 .80
		Quartz Monzonite	57-58.4 Gray fault gouge & breccia. Abund. calcite or dolomite.			
			58.4-96 Frac., hard, gray, impure qtzt. Calcite stgrs. & frac. coatings. Abund. muscovite or sericite. Frequent biotite-rich (brown) zones. Very high in biotite 75-77, 84-88. Shd. & gougey 88-89. White qtz. 94.5-95. Bedding 30°-40° to axis of hole. Radioactive black frac. coatings 74.5-76. (up to 1.0 Mr/hr at 75.			
			96-110.1 Medium-grained, partially altered, porphyritic qtz.-monzonite(?). Abund. light green phenocrysts. Somewhat sheared. Greenish-black coatings in frac., slightly radioactive 101-104.(up to .12 Mr/hr at 103. Few mafics. Occ. pyrite in frac.			

RECEIVED MAR 17 1958 C.M.E.A.

CLAIM Lowley	PROJECT Daybreak Drilling	DRILLER Leaf	COUNTY Stevens STATE Wash.
HOLE NO. L-8	LOCATION Sta E-51 421' N 77° E	COORDINATES	COLLAR ELEV. 1407
STARTED 4-10-56	OVERBURDEN DEPTH 0.0	TOTAL DEPTH 58.2	ANGLE FROM HORIZ. -90°
FINISHED 4-12-56	DEPTH TO WATER 1.0' Perched water table	LOGGED BY H.W.N.	BEARING -

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV
10		Quartzite	0-18 Sheared and fractured gray, talcy impure quartzite. Micaceous - Abundant brown biotite and apparently muscovite or sericite. Abundant uraninite, often associated with pyrite. Hard gray quartzite lense 6.5-7.0. Mottled appearance, bedding indistinct.		10
20		Qtz-monz.			20
30					30
40		Quartzite	18-19 Hard gray quartzite 19-23 Sheared gray talcy, impure quartzite.		40
50		Quartz Monzonite	23-26 Fractured, medium-grained quartz-monzonite. Abundant biotite. 26-27.5 Hard, fractured, brownish-gray quartzite. Abundant pyrite. Slight radioactivity 26'.		50
60			27.5-46 Sheared and fractured, impure, talcy quartzite. Mottled - color varies from reddish brown to gray to green. Abundant reddish-brown mica, possibly sericite or muscovite.		60
70					70
80					80
90			46-58.1 Medium-grained, siliceous quartz-monzonite(?). Abundant green stain in feldspar. Many rounded crystals resembling		90

RADIOMETRIC LOG % U_3O_8 RAD. EQUIVALENT



SAMPLE DATA

NUMBER	ASSAY (U_3O_8) RADIOMETRIC	CHEMICAL	OTHER CHEMICAL	WIDTH
D-101	0.56		.686	6.5 (11.5-18.0)

REMARKS

0-5 Cased EX

Incomplete core recovery where sampled

13.5-16.0 read +3.0% on counter

14.0' = 3.5%

1.0-2.0%

2.0-3.0%

3.0-4.0%

RECEIVED MAR 27 1958 D.M.E.A.

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.	RADIOMETRIC LOG MR / HR 0.0 0.25 0.50 0.75 1.00 1.25 1.50 1.75 2.0
			quartzite. Pegmatitic 49-50. Frequent sheared and altered zones. No mafics. Occasional pyrite.			

CLAIM Lorley PROJECT Daybreak Drilling DRILLER Leaf COUNTY Stevens STATE Wash.

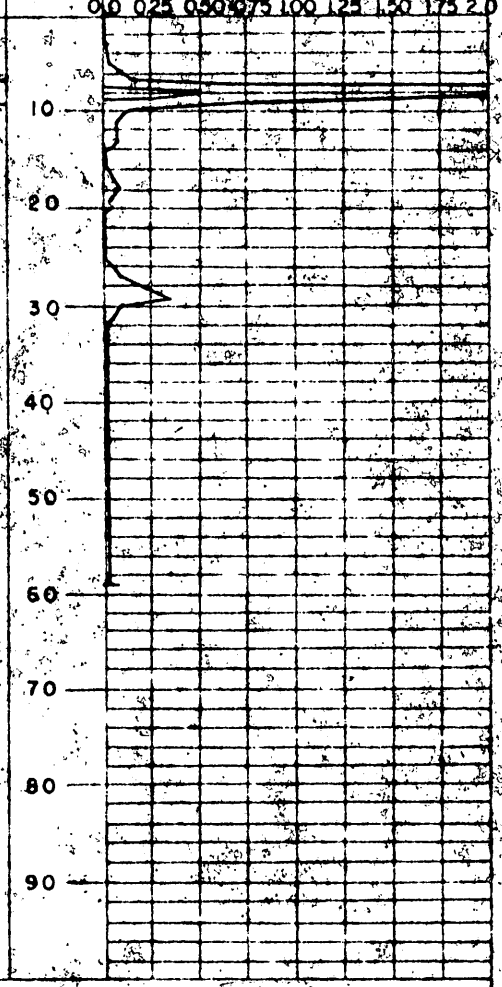
HOLE NO. L-2 LOCATION Sta B 51 +55' S 45° E COORDINATES COLLAR ELEV. 1401

STARTED 4-12-56 OVERBURDEN DEPTH 0.0 TOTAL DEPTH 61.8 ANGLE FROM HORIZ. -20°

FINISHED 4-14-56 DEPTH TO WATER 1.0 Perched water table LOGGED BY H.W.N. BEARING -

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.
AX		Quartzite	0-7.5 Fractured, gray mottled, talcy quartzite. Abundant brown biotite. Occasional tight slips. Bedding indistinct. Sheared 6'-7'.	D-102	
EX			7.5-14 Sheared and fractured, hard gray quartzite. Uraninite associated with fine-grained pyrite 7-9.5. Occasional pyrrhotite 9.5-14.		
			14-16 Medium-grained fresh to partially altered quartz monzonite. Abundant biotite.		
			16-18 Sheared greenish-gray, talcy quartzite.		
			18-31 Hard, gray to greenish-gray quartzite. Occasional calcite in fractures. Occasional pyrite. Occasional tight slips. Sheared 22-22.5. Bedding indistinct dipping ± 40° to axis of hole where observed. Numerous small quartz stringers. Random orientation. Talcy zone 23-23.5, 26.5-27.		
			31-32 Partially altered medium-grained quartz-monzonite. Abundant pink orthoclase. Some green stain in feldspar.		

RADIOMETRIC LOG %U_3O_8 Rad. Equivalent



ASSAYS

	Radiometric % U_3O_8	Chemical	
D-102	0.51		3.0' (6.5-9.5')

MISC. REMARKS

Cased EX 0-13.

RECEIVED MAR 17 1958 D.M.E.A.

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.	RADIOMETRIC LOG MR./HR. 0.0 0.25 0.50 0.75 1.00 1.25 1.50 1.75 2.0
			32-61.8 Hard, fractured gray to brownish-gray mottled quartzite. Sheared 36-41, quartz-monzonite stringer 42-43. Abundant pyrite. Occasional pyrrhotite. Bedding ± 40° to axis of hole. Muscovite common. Numerous small quartz stringers. Occasional calcite coatings on fractures.			

RECEIVED MAR 17 1958 D.M.E.A.

CLAIM Lowley	PROJECT Daybreak Drilling	DRILLER Leaf	COUNTY Stevens STATE Wash.
HOLE NO. L-10	LOCATION Sta E51 +101' S 35° E	COORDINATES	COLLAR ELEV. 1399(?)
STARTED 4-16-56	OVERBURDEN DEPTH 0.0	TOTAL DEPTH 50.7	ANGLE FROM HORIZ. -50°
FINISHED 4-17-56	DEPTH TO WATER 0.0 perched w.t.	LOGGED BY [illegible]	BEARING N 81° W

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.	RADIOMETRIC LOG $\%U_3O_8$ Rad. Equivalent 0.0 0.25 0.50 0.75 1.00 1.25 1.50 1.75 2.0
AX		Quartz Monzonite	Non coring Collared in quartz-monzonite, bottomed in quartzite. Contact ± 20'			
10					10	
20					20	
30 EX		Quartzite			30	
40					40	
50					50	
60					60	
70					70	
80					80	
90					90	

ASSAYS

MISC. REMARKS

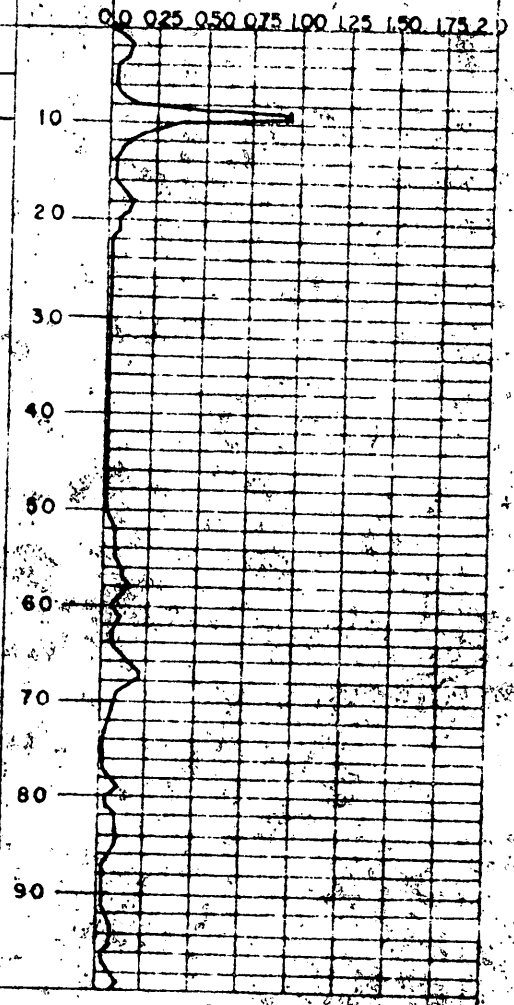
0-5 Cased EX

Hu

CLAIM Lowley	PROJECT Daybreak Mine	DRILLER Leaf	COUNTY Stevens STATE Wash.
HOLE NO. L-11	LOCATION Sta E-51 424.5' N 09° E	COORDINATES	COLLAR ELEV. 1411'
STARTED 4-17-56	OVERBURDEN DEPTH 0.0'	TOTAL DEPTH 125.5	ANGLE FROM HORIZ. -90°
FINISHED 4-19-56	DEPTH TO WATER 0.0 (Perched)	LOGGED BY H.W.N.	BEARING -

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.
AX		Quartzite	Non coring Predominantly quartzite (apparently sheared frequently). Abundant red-brown iron stain in sludge 0-20, 80-85, 105-125 Light gray sludge 25-50 Remainder brownish-gray	D-103	
EX					

RADIOMETRIC LOG $\%U_3O_8$ Rad. Equivalent



RECEIVED MAR 25 1958 MINERAL

ASSAYS

	Radiometric	
D 103 (sludge)	0.14	5.0' (5.0'-10.0')

MISC. REMARKS

Other sludge not sufficiently radioactive to justify assaying (hot zones distributed too widely in sludge)

D.D.H. L-11 cont'd

Sheet 2

TYPE OF SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.	RADIOMETRIC LOG 2011308 RAD. EQUIVALENT .20 .40 .60 .80
10					10	
20					20	
30					30	
40					40	
50					50	
60					60	
70					70	
80					80	
90					90	
00					00	
10					10	
20					20	
30					30	
40					40	
50					50	
60					60	
70					70	
80					80	
90					90	
00					00	

CLAIM Lowley Lease	PROJECT Daybreak Drilling	DRILLER Leaf	COUNTY Stevens STATE Wash.
HOLE NO. L-12	LOCATION Sta E-51 +31' S 18° W	COORDINATES	COLLAR ELEV. 1405
STARTED 4-19-56	OVERBURDEN DEPTH 0.0'	TOTAL DEPTH 120.0'	ANGLE FROM HORIZ. -90°
FINISHED 4-23-56	DEPTH TO WATER 9'	LOGGED BY H.W.N.	BEARING -

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.	RADIOMETRIC LOG $\%U_3O_8$ Radiometric Equiv. 0.0 0.25 0.50 0.75 1.00 1.25 1.50 1.75 2.0
AX		Quartzite with some Quartz-monzonite	Plug bit (no core). Mostly gray quartzite with sheared zones of talcy quartzite. At least one narrow quartz-monzonite dike.	D-104	10, 20, 30, 40, 50, 60, 70, 80, 90	Caved 95-120.
EX						

ASSAYS

D104 Rad. 0.05 chemical .05 5' (45'-50')
sludge

MISC. REMARKS

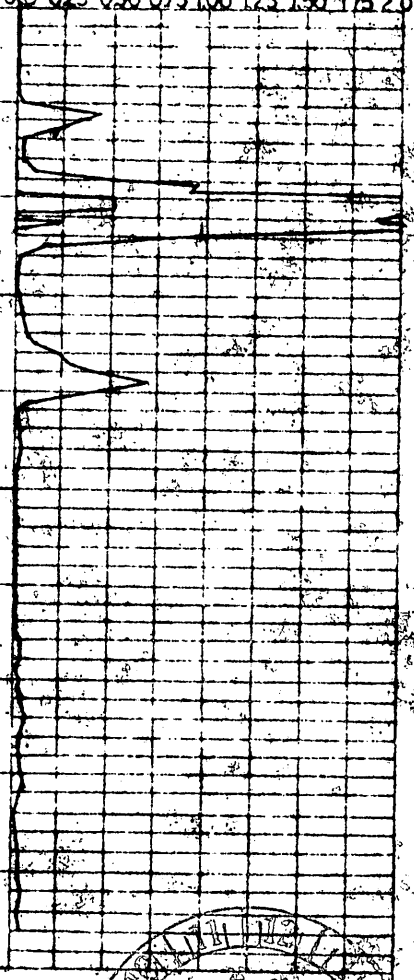
CLAIM Lowley Lease	PROJECT Daybreak Drilling	DRILLER Leaf	COUNTY Stevens STATE Washington
HOLE NO. L-13	LOCATION Sta E51 409' S 62° E	COORDINATES	COLLAR ELEV. 1408
STARTED 4-23-56	OVERBURDEN DEPTH 1.0'	TOTAL DEPTH 98.2	ANGLE FROM HORIZ. -45°
FINISHED 4-26-56	DEPTH TO WATER 4.0' perched water table	LOGGED BY H.W.N.	BEARING N. 55° E.

TYPE & SIZE OF HOLE	CORE REC-OVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.
AX		Qtzt.	1.0-9.0 Hard, gray, fractured impure qtzt. Gray to greenish-gray. Slight limonite stain in fractures 0-5. Occasional calcite in fractures. Bedding indistinguishable.		
10					10
20		Talc	9-27.5 Green to greenish-gray "talc". Abundant brown mica and calcite stringers. Fractured, frequently sheared and gougey (poor core recovery). Abundant uraninite, associated with fine-grained pyrite.		20
30		Qtzt. Qtz-Monz.			30
40		Qtzt.			40
		Talc	27.5-31.0 Fractured, gray impure (talcy?) quartzite. Abundant brown biotite and pyrite.		
50			31-35 Decomposed quartz-monzonite.		50
60		Qtzt.	35-42 Dark gray, fractured, talcy quartzite. Sheared and gougey 38-41. Bedding 20°-40° to axis of hole.		60
EX 70			42-48 Same as 9-27.5		70
80		Qtz-Monz.	48-49 Decomposed medium-grained quartz monzonite.		80
		Talc	49-76.5 Fractured, sheared and gougey, impure gray quartzite. Abundant sericite and muscovite.		
90		Qtzt.	76.5-80.5 Partially altered, medium-grained quartz-monzonite.		90

RADIOMETRIC LOG

$\%U_3O_8$ Rad. Equivalent

0.0 0.25 0.50 0.75 1.00 1.25 1.50 1.75 2.0



ASSAYS

MISC. REMARKS

0-5 EX casing

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D.M.E.A.

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.	RADIOMETRIC LOG MR/HR 0.0 0.25 0.50 0.75 1.00 1.25 1.50 1.75 2.0
00			80.5-88 Gray-green talc with abundant brown biotite. Occasional pyrrhotite. Occasional tight slips.		00	
10			88-93 Hard gray fractured quartzite.		10	
20			93-98.9 Hard, fractured pinkish quartzite. Granitoid texture. Occasional pyrite. 2" fine-grained pink granitic stringer at 93' with abundant pyrite. Abundant light green mineral (apatite?).		20	
30					30	
40					40	
50					50	
60					60	
70					70	
80					80	
90					90	
00					00	
10					10	
20					20	
30					30	
40					40	
50					50	
60					60	
70					70	
80					80	
90					90	
00					00	

CLAIM Lowley Lease	PROJECT Daybreak Drilling	DRILLER Leaf	COUNTY Stevens STATE Washington
HOLE NO. L-14	LOCATION Sta. 'H' + 182' N.88°W.	COORDINATES	COLLAR ELEV. + 1470
STARTED 4-27-56	OVERBURDEN DEPTH 0.0'	TOTAL DEPTH 175	ANGLE FROM HORIZ. -90°
FINISHED 5-3-56	DEPTH TO WATER + 30'	LOGGED BY H.W.N.	BEARING —

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.
AX			Plug bit - No core.		
10			0-118 Quartz monzonite. 118-165 Quartzite 165-175 Quartz-monzonite.		10
20			Above depths approximate only.		20
30					30
40		Quartz-Monzonite			40
50					50
60					60
EX 70					70
80					80
90					90

RADIOMETRIC LOG % U_3O_8 RAD. EQUIVALENT

.20 .40 .60 .80

SAMPLE DATA

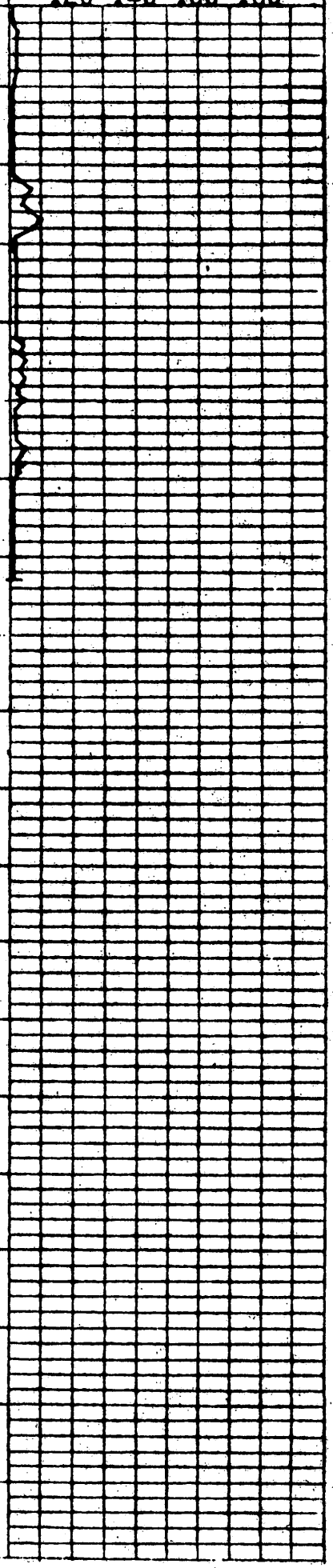
NUMBER	ASSAY (% U_3O_8) RADIOMETRIC	CHEMICAL	OTHER CHEMICAL	WIDTH

REMARKS

RECEIVED MAR 17 1958 D.M.E.A.

TYPE & SIZE OF HOLE	CORE RECOVERY	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.
10		Quartz-monzonite			10
20					20
30					30
40		Quartzite			40
50					50
60					60
70		Quartz-monzonite			70
80					80
90					90
00					00
10					10
20					20
30					30
40					40
50					50
60					60
70					70
80					80
90					90
00					00

RADIOMETRIC LOG
#1308 RAD. EQUIVALENT
.20 .40 .60 .80



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MAR 17 1958
D.R.E.E.A.

CLAIM Lawley Lease | PROJECT Daybreak Drilling | DRILLER Leif | COUNTY Stevens | STATE Wash.

HOLE NO. L-15 | LOCATION Sta. "H" + 262' S 50° E | COORDINATES | COLLAR ELEV. Approx. 1450'

STARTED 5-4-56 | OVERBURDEN DEPTH 0.0' | TOTAL DEPTH 378.3' | ANGLE FROM HORIZ. -50°

FINISHED 6-1-56 | DEPTH TO WATER 10' (?) (perched) | LOGGED BY W.W.H. | BEARING West

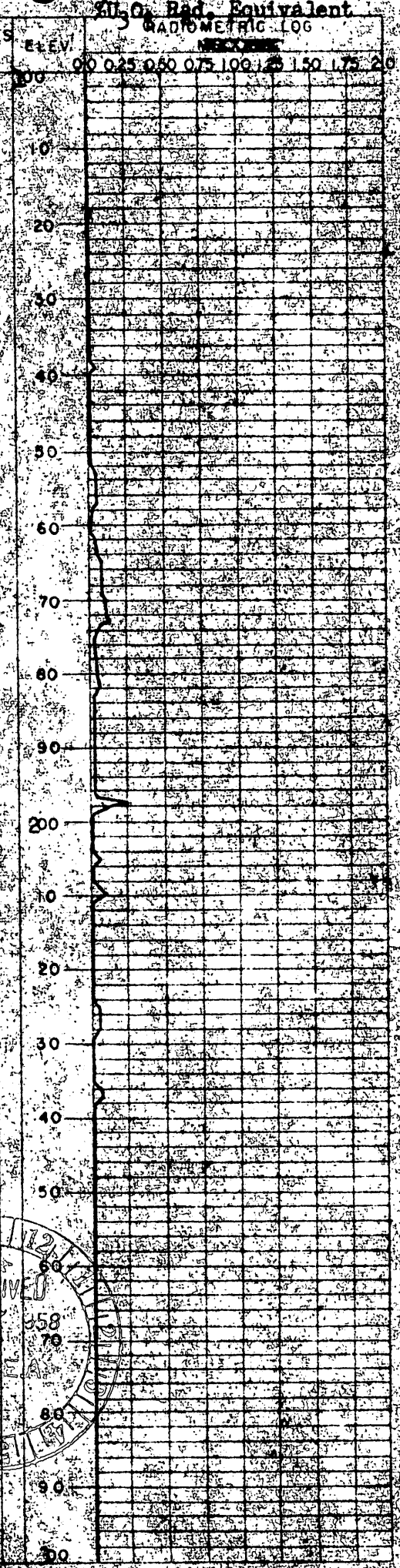
TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.	RADIOMETRIC LOG $\%U_3O_8$ Rad. Equivalent (0.0 0.25 0.50 0.75 1.00 1.25 1.50 1.75 2.0)
AX 10 20 30 40 50 60 EX 70 80 90		Qtzt.	0-18 Hard gray, fractured, impure quartzite. Abundant muscovite, less biotite. Limonite stain in fractures. Bedding 50°-60° to axis of hole (somewhat distorted). 18-85.5 As above but with no limonite staining. Bedding 40°-60° (predom. 60°) to axis of hole (distorted in places). Occasional calcite in fractures. Less muscovite. Abundant biotite-rich zones. 85.5-137 Fractured, medium-grained quartz-monzonite. Abundant biotite (most common mafic) and greenish hornblende (altered). Occasional calcite in fractures. Occasional tight slips at various attitudes. Sheared and altered 125-128'. 137-139 Dark gray, fine-grained, impure quartzite. Bedding 55° to axis of hole. 139-172.0 Intermixed impure quartzite and partially altered mafic deficient quartz monzonite (?). Frequently sheared and gouge. Pink calcite at 140'.		10 20 30 40 50 60 70 80 90	
		Qtz-monz.				

ASSAYS

MISC. REMARKS
0-5 Cased AX
5-33 Grouted
165-333 "

RECEIVED MAR 13 1958 D.M.E.A.

TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.	ELEV.
		Qtz-monz.	172.0-185 Greenish-gray to gray, (argillaceous, fine-grained) fractured, fine-grained impure quartzite. Occasional tight bedding slips, with green coatings, 3" fault breccia at 183. Shearing 182-183. Bedding 50°-60° to axis of hole. Gray zones high in fine-grained white and brown mica.		
			185-193.5 Fractured, medium-grained quartz monzonite. Abundant biotite. Occasional tight faults or slips of varying attitudes.		
		Qtzt. & Qtz-m.	193.5-195.5 Fault gouge and breccia in brownish-gray impure quartzite.		
			195.5-226 Hard, gray, fractured, impure quartzite. Veinlets of uraninite associated with pyrite 197.5-198, 210-210.5, apparently along bedding (40°-70° to axis of hole). (Cross bedding varies from 40°-90°.) Pyrite common. Frequent shearing (of generally ±60°) evidenced by fault gouge and breccia.		
		Qtzt.			
		Qtz-monz.	226-253 Similar to above but more intensely sheared. Frequent green coloration. Gray-green gouge 226-226.5. Gray-green gouge and breccia 230-231, 233.5-237, 239-240, 249-250. Hematite staining 240-253. Occasional pyrite.		
		Qtzt.	253-256 Quartzite as above interbedded with gray 'talc' and talcy quartzite. Abundant brown biotite with 'talc'. Abundant muscovite. Sheared and gougey 253.5-255.		
		Talc	256-269.5 Predominantly gray-green talc with occasional quartzite lenses. Abundant muscovite. Abundant brown biotite in 'talc'. Fault gouge and breccia 264-264.5, 265.5-265.7, 266.5-269.5. Occasional pyrite.		
			269.5-306 Moderately fractured, hard, gray impure quartzite. Bedding ± 55° to axis of hole. Somewhat sheared. Fault gouge & breccia: 286-288, 298.6-298.9, 302-302.5. Calcite in fractures. Occasional pyrite.		
			306-310 Greenish-gray to red (hematite-stained) fault gouge and breccia.		



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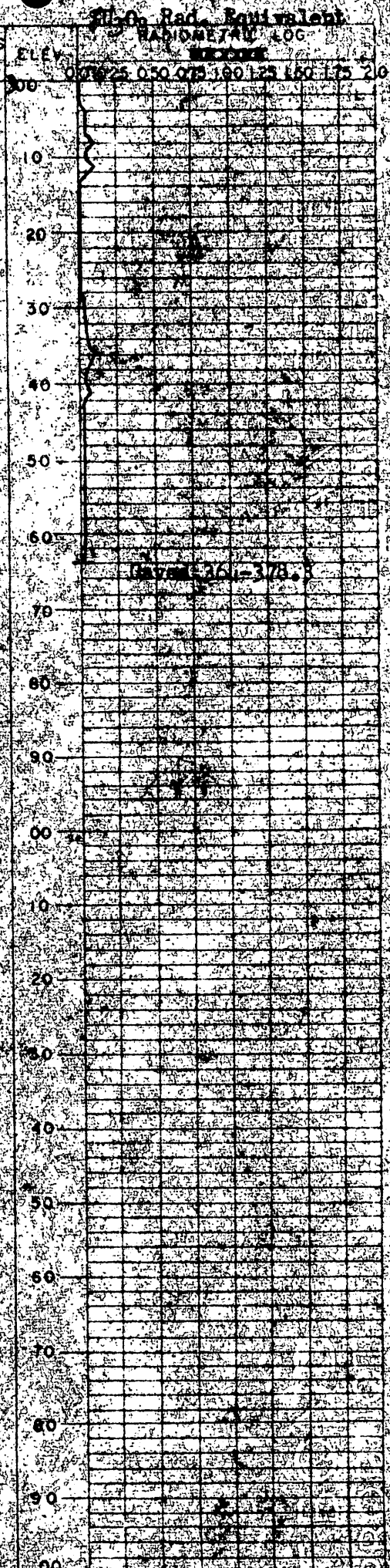
TYPE & SIZE OF HOLE	CORE RECOVERY %	ROCK TYPE	GEOLOGY	SAMPLES NO.
			310-321.5 Lt gray to white highly fractured, decomposed, medium-grained granitoid textured rock. Appears to be a partially granitized quartzite. Occasional pyrite.	
			321.5-348 Fractured, brownish-gray to greenish gray, impure quartzite. Numerous zones of shearing. Occasional quartz stringers. Bedding 40°-50° to axis of hole.	
			348-350 Highly altered and fractured medium-grained quartz-monzonite.	
			350-351.5 Mostly black biotite	
			351.5-361 Fractured biotite-rich, impure quartzite. Altered quartz-monzonite lens 353-354 (also biotite-rich). Sheared and altered 359.5-360.5. Bedding 40°-50° to axis of hole.	
		Qtz-mona.	361-369 Highly altered and fractured, medium-grained quartz-monzonite. Occasional pyrite.	
			369-378.3 Hard, somewhat fractured medium-grained quartz-monzonite.	



MAR 12 1958

R. S. McClintock DIAMOND DRILL COMPANY

CONTRACTING • DIAMOND DRILLS AND SUPPLIES • DIAMOND BITS

COPY

DMEA
RECEIVED MAR 17 1958
CODE

TE. 8-3588
PHONE [redacted]
W. 418 2ND AVE.
SPOKANE, WASH.

February 21, 1958

Daybreak Uranium Inc.
East 12707 Valley Way
Opportunity, Washington

Attention: Mr. Hubert W. Norman

Dear Mr. Norman:

We wish to furnish our proposal for your company's contemplated diamond drilling program on the Lowley Lease near Wellpinit, Washington.

We understand that the drilling will be in two stages, and that the first stage consists of approximately 3500' of surface drilling in angle holes approximately 220' to 390' deep, plus approximately 1050' of underground drilling in four holes approximately 200' to 290' deep.

It is understood that your company will provide adequate access roads and drill stations to facilitate moving and setting up, and that an underground station approximately ten feet in diameter has been cut.

We propose to furnish personnel, diamond core drill, pumps, waterline, drill rods, casing and other necessary accessories to perform this work except core boxes and sample bags and to operate this equipment 2 shifts per day, 6 days a week for the following prices per foot:

Surface Drilling

Earth overburden	0' - 10'	$5.85 per foot
Gravel overburden	0' - 70'	9.75 " "
AX Size w/ball bearing corebarrels	0' - 250'	5.35 " "
AX Size " " "	250' - 500'	5.85 " "
BX Size " " "	0' - 250'	5.85 " "
Wire Line drilling BX-OD-AX Core	0' - 250'	5.85 " "
" " " " " " "	250' - 500'	6.35 " "
" " " NX-OD-BX "	0' - 250'	6.35 " "

Underground Drilling

AX Size	0' - 200'	$7.00 per foot
AX Size	0' - 300'	7.50 " "

Above prices include cost of mobilization and demobilization from and to Spokane and the furnishing and operating of a compressor for underground drilling.

If the second stage, consisting of approximately 3900' of surface drilling, is drilled immediately after the first stage is completed, so that no further mobilization or demobilization is necessary, above prices will be reduced 15¢ per foot.

In the event more than one surface drill is required each additional rig will be mobilized and demobilized for the lump sum of $350.00.

In the event loose or caving material or water courses are encountered which in the contractor's opinion tend to make drilling impractical without the use of casing or cement a charge of $3.75 per foot will be made for reaming and landing the casing or placing cement and redrilling the cemented section of the hole. Should it be necessary to reduce the size of the hole a charge of $.50 per foot will be made for landing casing.

In the event of delays for the convenience of the mining company, or for reasons not attributable to the contractor or breakdown of equipment, contractor shall expect to be reimbursed at the rate of $8.00 per hour.

Our employees will be covered by Workmens Compensation to comply with the Washington State Act and the job will be covered by Public Liability Insurance in the amount of $100,000.00 and $300,000.00 and property damage in the amount of $100,000.00.

We wish to thank you for the opportunity of furnishing our quotation.

Very truly yours,

R. S. McCLINTOCK COMPANY

T. M. Welsch
Drilling Supt.

TMW:erb

E. A. MESSER & ASSOCIATES, INC.
ENGINEERS CONTRACTORS

TELEPHONES:
PORTLAND, OREGON: CAPITOL 2-4800
HILLSBORO, OREGON: 4441

MAIN OFFICE:
SECOND & WALNUT STREETS
HILLSBORO, OREGON

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RECEIVED MAR 17 1958
CODE

February 26, 1958

Mr. H. W. Norman
Daybreak Uranium, Inc.
East 12709 Valleyway
Opportunity, Washington

Dear Mr. Norman:

The following serves as our contract proposal for performing approximately 5,000 lineal feet of core drilling on your lease located within the Spokane Indian Reservation near Wellpinit, Washington.

SCHEDULE A. SURFACE DRILLING:

1. NX wireline coring at $ 7.80 per foot.
2. BX wireline coring at $ 6.75 per foot.
3. Installing surface casing or standpipe (30 ft. per hole maximum) at $ 4.50 per foot.
4. Running casing when necessary to reduce hole size at $ .75 per foot.
5. Reaming for casing at $ 6.50 per foot.
6. Cementing time at $18.00 per hour. Includes time necessary for drilling out cement.
7. Location moves at $ 100.00 per move. No charge for locations occupied at the time of original move in to start job.
8. Stand by time at $ 12.50 per hour.
9. 30 foot capacity wooden core boxes with lids at $ 3.00 each.

SCHEDULE B. UNDERGROUND DRILLING:

1. Contractor to furnish and install Air, Lights, Hoist, Air and Water lines and etc. at no additional cost.
2. BX or AX coring at $ 5.25 per foot.
3. Running casing at $ 1.50 per foot.
4. Cementing time at $ 18.00 per hour. Includes time necessary for drilling out cement.
5. Location moves, from one station to another at $ 40.00 each.
6. Reaming for casing at $ 6.50 per foot.
7. Stand by time at $ 12.50 per hour.
8. 30 foot capacity wooden core boxes with lids at $ 3.00 each.

MOBILIZATION AND DE-MOBILIZATION: $ 850.00

E. A. MESSER & ASSOCIATES, INC.

The following conditions are understood and agreed to by both parties:

1. The Company shall furnish access roads to and level drill sites at each surface location.

2. Maximum depth of any hole will not exceed 400 feet and minimum depth will not be less than 150 feet. It is anticipated the total footage to be drilled is approximately 5,000 lineal feet, of which approximately 1,050 lineal feet will be underground, the minimum footage guaranteed to the contractor will be 1,050 lineal feet underground drilling and 1,450 lineal feet surface drilling.

3. It shall be the Company's responsibility to dewater and clean up the underground workings previous to start of drilling and to continue any further dewatering, timbering or enlarging of stations as may become necessary during the drilling program.

4. Stand by time shall constitute any time during the drilling shifts when work is not allowed to proceed under the contractors supervision for any reason beyond the contractors control. Stand by time shall also include time waiting for cement to set when in the opinion of the contractor or his representative cementing was necessary. This setting time not to exceed 3 hours per cement job.

5. The contractor shall exert all possible effort toward maximum core recovery and shall work closely with the company's representative to this end.

6. The contractor has available two surface rigs and one underground rig. The number of rigs to be used and the number of shifts to be worked shall be determined by mutual agreement between the company and the contractor at the time of commencing work.

Very truly yours,

E. A. MESSER & ASSOCIATES, INC.

By J. D. Straughan

J. D. Straughan, Vice President

Accepted by Daybreak Uranium Inc.

By_____ Dated_____

MOREHEAD & LEAF

DIAMOND DRILL CONTRACTORS

N. 5345 Fairmount Place
Spokane 15, Washington

FILE COPY
DMEA
RECEIVED MAR 17 1958
DATE | INITIALS | CODE

February 10, 1958.

Daybreak Uranium Inc.
E.12709 Valley Way
Opportunity, Washington

Attention: Mr. Hugh Norman

Dear Mr. Norman:

You will find below our bid for diamond drilling on your Lowley Lease on the Spokane Indian Reservation. It is understood that you contemplate drillin g 10 angle and 10 vertical holes on surface averaging 230 to 500 feet in depth with a total footage of approximately 7,400 lineal feet, and 4 holes underground with depths from 200 to 300 feet with a total footage of approximately 1,050 lineal feet. The following items outline our bid and the equipment we propose to use.

1. Drill sites shall be selected and prepared for drill setups by the Mining Company. Access roads shall be made and maintained to each surface drill site by the Mining Company. For the undergroung drilling sufficient rock shall be removed by the Mining Company at each drill site so that there will be at least seven or more feet of room for drill rods behind the feed mechanism of the drill when in a drilling position.

2. All holes shall be drilled with a standard size double tube core barrel. Drill crews will exercise every care to recover as high percentage of core as the nature of the ground drilled will permit, and shall deliver all such core at the drill site to the person or persons designated by the Company.

3. RATES FOR DRIVING STANDPIPE THROUGH OVERBURDEN IN VERTICAL HOLES:
For driving standpipe to a depth of 50 feet at the rate of $8.00 per foot. From a depth of 50 feet to a depth of 100 feet $9.00 per foot.

4. RATES FOR DRIVING STANDPIPE THROUGH OVERBURDEN IN ANGLE HOLES:
For driving standpipe to a depth of 50 feet at the rate of $10.00 per foot. From the depth of 50 feet to the depth of 100 feet $14.00 per foot.

5. RATES FOR DRILLING NX SIZE HOLE: (SURFACE)
For holes to a depth of 50 feet at the rate of $8.50 per foot. From a depth of 50 feet to a depth of 100 feet $9.00 per foot.

6. RATES FOR DRILLING BX SIZE HOLES: (SURFACE)
For holes to a depth of 100 feet at the rate of $8.00 per foot. From the depth of 100 to 200 feet at the rate of $8.50 per foot.

7. RATES FOR DRILLING AX SIZE HOLE ON SURFACE:
For holes to a depth of 200 feet at the rate of $7.05 per foot.
From the depth of 200 feet to 400 feet at the rate of $7.50 per foot.
From the depth of 400 feet to 600 feet at the rate of $8.25 per foot.

8. RATES FOR DRILLING BX SIZE HOLES UNDERGROUND:
For holes to a depth of 100 feet at the rate of $7.50 per foot.
From the depth of 100 feet to the depth of 200 feet $7.85 per foot.

9. RATES FOR DRILLING AX SIZE HOLES UNDERGROUND:
For holes to a depth of 200 feet at the rate of $7.00 per foot.
From the depth of 200 feet to a depth of 300 feet $7.50 per foot.
From the depth of 300 feet to a depth of 400 feet $8.00 per foot.

10. RATES FOR CASING OF HOLES:
At the rate of $3.00 per foot for each line of casing necessary to a depth of 100 feet, and at the rate of $4.00 per foot for each line of casing necessary thereafter. The contractor shall be reimbursed at the rate of $0.50 per foot for setting casing in the event of reduction of the hole size. Upon completion of hole or holes the Contractor shall be at liberty to recover and remove all standpipe or casing unless purchased by the Company.

11. RATES FOR CEMENTIN OF HOLES:
At the rate of $3.00 per foot for the placing and drilling of cement.

12. TIME FOR DELAYS:
Any time of delays not the fault of the Contractor shall be paid for at the rate of $8.00 per hour.

13. The prices quoted above for the underground drilling (Number 8 and 9) are with the assumption that air and water will be furnished to each underground drill station by the Mining Company. It is essential that 90 pounds air pressure be maintained at each drill station through a 2 inch pipe line.

A. V. Morehead

A. V. Morehead

PHONE
6401

Vivian Bros., Inc.

DIAMOND CORE DRILLING CONTRACTORS

OFFICE AND SHOP
209 WEST CAMERON
KELLOGG, IDAHO

MAILING ADDRESS
P. O. BOX 780
KELLOGG, IDAHO

February 24, 1958

Daybreak Uranium Inc.
E. 12709 Valley Way
Opportunity, Washington

Mr. Hugh Norman

Dear Sir:

The following is a quotation for drilling on the Lowley Lease on the Spokane Indian Reservation.

Overburden Drilling (vertical)	
0' to 50'	$8.00 per ft.
50' to 100'	$10.00 per ft.
Overburden Drilling (angle)	
Holes to be drilled minus 45 degrees or steeper	
0' to 50'	$10.00 per ft.
50' to 100'	$12.00 per ft.
Core Drilling	
BX 0' to 150'	$ 8.50 per ft.
AX 0' to 250'	$ 7.00 per ft.
AX 250' to 500'	$ 8.50 per ft.
Drilling with wire line equipment where feasible 25% higher	
Reaming for BX casing	60% of BX coring price
Reaming for AX casing	60% of AX coring price
Cementing	$8.00 per hr. plus cost of cement
Waiting for cement to set when during regular shift hours	$6.50 per hr.
Drilling cement	$9.00 per hr.
Casing holes and removing casing from holes	$8.00 per hr.

Drill stations and roads to drill stations to be prepared by the mining company.
Stations underground shall have an inline with the hole length of at least 17 feet. Surface and underground stations to be made satisfactory to the drill operator.

PHONE
6401

Vivian Bros., Inc.

DIAMOND CORE DRILLING CONTRACTORS

OFFICE AND SHOP
209 WEST CAMERON
KELLOGG, IDAHO

MAILING ADDRESS
P. O. BOX 780
KELLOGG, IDAHO

Compressed air and water to be furnished to the drill stations by the Mining Company. Air pressure to be at least 85 P S I while drill is in operation.

Should there be less than 2,000 feet of drilling, the mobilization charge would be $300.00 and demobilization $200.00.

Yours truly,

VIVIAN BROS. INC.

H. H. Vivian

H. H. Vivian, President

Elk, Washington
Feb.11,1958

I hereby submit the following bid for percussion drilling on the Lowley Lease Of Daybreak Uranium

SW¼ Sec.13
T.27 N.R.37
Stevens County, Wash.

0'-50' $1.25 Per ft.
50'-100' $1.40 Per ft.
100'-150' $1.60 Per ft.
150'-200' $1.80 Per ft.

Casing holes up to 10 ft. No charge..
Casing beyond 10 ft.will be $1.00 Per ft.

Herbert D Sam

QUOTATION

OFFICES AND WAREHOUSES
SAN FRANCISCO, CALIF.
SACRAMENTO, CALIF.
SALT LAKE CITY, UTAH
POCATELLO, IDAHO
SPOKANE, WASH.
DENVER, COLO.
PHOENIX, ARIZONA
CHICAGO, ILLINOIS
HIBBING, MINNESOTA
NEW YORK, N. Y.
JEFFERSONVILLE, IND.

WESTERN MACHINERY COMPANY

CONSTRUCTION — INDUSTRIAL — MINING MACHINERY

PHONE FAirfax 8-3240

808 N. Division Street
Spokane 2, Wash.

ESTABLISHED SINCE 1917

"WEMCO PRODUCTS"

To: DAYBREAK URANIUM INC. (Company Name) Date: 2-10-58

Address: E12707 (No.) VALLEY WAY (Street) Salesman: OMAN

OPPORTUNITY (City) (Zone) WASH. (State) Branch:

Mr. H. W. NEAMAN Telephone: C.r. Check:

Terms: F.O.B.: Approximate Time of Shipment:

Item No.	Quant.	Description	Price		Shipping Weight
		QUOTATION FOR DRILLING			
		ANYTHING UP TO 50' DEEP - 2 3/4"			
		HOLE - PER FOOT	1	50	
		ANYTHING FROM 50' TO 100' DEEP - 2 3/4" p/ft	1	75	
		" " 100' TO 150' " - 2 3/4" p/ft.	1	95	
		" " 150' TO 200' " - 2 3/4" p/ft.	2	20	

Accepted this day of , 19

Company

By:

Signature

WESTERN MACHINERY COMPANY

By: E. G. Oman

The above Quotation is subject to the following conditions:

Prices subject to change without notice, and offers from stock subject to prior sale and applying to this proposal only. Orders accepted only at our office and subject to credit approval and execution of one of our form contracts. If unable to furnish goods specified, privilege is reserved to cancel such items and deduct purchase price thereof from contract. All promises of shipment are estimated as closely as possible. We use our best efforts in every case to ship within the time promised, but cannot guarantee to do so. Orders for special goods and factory shipments are not subject to cancellation under any circumstances. Contracts made contingent upon accidents, strikes and other causes unavoidable and beyond our control. Any tax upon sales, or any tax or charge of a similar nature, imposed by any law now or hereafter in force, shall be added to the price hereunder and be charged to and paid for by the buyer.

5-154e
(May 1949)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

CONTRACT No. 14-20-503-144

RECEIVED MAR 17 1956 D.M.E.A.

ASSIGNMENT OF MINING LEASE

WHEREAS, the Secretary of the Interior has heretofore approved A mining lease, dated DECEMBER 12, 1955, entered into by and between THE SUPERINTENDENT OF THE COLVILLE INDIAN AGENCY, FOR AND ON BEHALF OF THE SPOKANE TRIBE OF INDIANS, lessor, and WILLIAM LOWLEY, AN INDIVIDUAL, MEMBER OF THE SPOKANE TRIBE, lessee, covering the following-described lands in the SPOKANE INDIAN RESERVATION, STEVENS COUNTY (Insert name of Reservation, Pueblo, Nation, etc., as needed) in the State of WASHINGTON, MORE PARTICULARLY DESCRIBED AS SW¼ OF S13 T27N, R37, E.W.M., EXCEPTING THE LANDS THEREIN HELD OR CONTROLLED BY THE U. S. BUREAU OF RECLAMATION

NOW, THEREFORE, for and in consideration of THE COVENANTS CONTAINED IN THE ATTACHED AGREEMENT dollars ($_____), the receipt of which is hereby acknowledged, the said WILLIAM LOWLEY the owner of the above-described lease, hereby bargains, sells, transfers, assigns, and conveys ALL OF HIS right, title, and interest in and to said lease, subject to the approval of the Secretary of the Interior, to DAYBREAK URANIUM, INC., of E. 12707 VALLEYWAY, OPPORTUNITY, SPOKANE, WASHINGTON

Said assignment to be effective from date of approval hereby by the Secretary of the Interior.

IN WITNESS WHEREOF, the said assignor has hereunto set OUR hand and seal, this 2ND day of MAY, 1956

S/ WILLIAM LOWLEY

CERTIFIED TO BE A TRUE COPY

Carolyn J. Mary
NOTARY PUBLIC

16—11683-2

[OVER]

ACKNOWLEDGMENT OF CORPORATION

STATE OF WASHINGTON
COUNTY OF SPOKANE } ss:

Before me, a notary public, in and for said county and State on this 2ND day of MAY, 1956 personally appeared JAMES W. FOX AND KAE H. SOWERS to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its PRESIDENT AND SECRETARY-TREASURER and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

S/ JOHN F. CAMPBELL
Notary Public.

My commission expires 6/9, 1956

ACKNOWLEDGMENT OF INDIVIDUAL

STATE OF WASHINGTON
COUNTY OF SPOKANE } ss:

Before me, a notary public, in and for said county and State, on this 2ND day of MAY, 1956 personally appeared WILLIAM LOWLEY, to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that HE executed the same as HIS free and voluntary act and deed for the uses and purposes therein set forth.

S/ JOHN F. CAMPBELL
Notary Public.

My commission expires 6/9, 1956

ACCEPTANCE BY ASSIGNEE

The assignee in the above and foregoing assignment, made subject to the approval of the Secretary of the Interior, hereby accepts such assignment and agrees to fulfill all the obligations, conditions, and stipulations in said described indenture of lease, when assigned, and the rules and regulations of the Secretary of the Interior applicable thereto, and to furnish proper bond guaranteeing a faithful compliance with said lease and this agreement.

IN WITNESS WHEREOF, the said assignee has hereunto set hand and seal this day of MAY, 1956

DAYBREAK URANIUM, INC.
BY S/ JAMES W. FOX
S/ KAE H. SOWERS

CONSENT OF SURETY

The HARTFORD ACCIDENT AND INDEMNITY COMPANY, of HARTFORD, CONN., surety for WILLIAM LOWLEY on the bond accompanying the lease above described, hereby consents to the assignment and transfer of said lease as above made and agrees that said bond shall remain in force and effect covering obligations of assignee.

Dated at SPOKANE, WASHINGTON this 2ND day of MAY, 1956

HARTFORD ACCIDENT AND INDEMNITY CO.
BY: S/ L. G. MEYERS
L. G. MEYERS, ATTORNEY IN FACT

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS
~~XXXXXXXXXXXX~~
PORTLAND AREA OFFICE, PORTLAND, OREGON
APPROVED: PURSUANT TO AUTHORITY DELEGATED BY THE COMMISSIONER, BUREAU OF INDIAN AFFAIRS, PER TELETYPE DATED JULY 3, 1956
~~XXXXXXXXXXXXXXXXXXXX~~
S/ JUL 6 1956

UNDECIPHERABLE
AREA DIRECTOR

certified to be a true copy

Caroline J. Morey
Notary Public

Form 5-1070
(April 1940)

14-20-503- 144
CONTRACT NO. I..... IND. .....

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF INDIAN AFFAIRS

SEXTUPLET

RECEIVED
MAR 17 358
J.M.E.A.

MINING LEASE—TRIBAL INDIAN LANDS

(FOR MINERALS OTHER THAN OIL AND GAS)

SPOKANE Tribe, State of WASHINGTON

THIS INDENTURE OF LEASE, made and entered into in quintuplicate this ..... day of DEC 12 1955, 19....., by and between THE SUPERINTENDENT OF THE COLVILLE INDIAN AGENCY, FOR AND ON BEHALF OF THE SPOKANE TRIBE OF INDIANS,

of NESPELEM, State of WASHINGTON

for and on behalf of the SPOKANE Tribe of Indians, designated herein as lessor, and WILLIAM LOWLEY, AN INDIVIDUAL, MEMBER OF THE SPOKANE TRIBE,

of WELLPINIT, State of WASHINGTON

herein designated as lessee:

BUREAU OF INDAAN AFFAIRS
RECEIVED
JAN. 26, 1956
874
WASHINGTON D.C.

WITNESSETH

1. That the lessor , for and in consideration of $1, receipt whereof is hereby acknowledged, and of the royalties, covenants, stipulations, and conditions hereinafter contained and hereby agreed to be paid and observed by the lessee, doth hereby demise, grant, and lease unto the said lessee, the following-described tract of land lying and being within the SPOKANE INDIAN Reservation, County of STEVENS and State of WASHINGTON, to wit: SW¼, EXCEPTING THE LANDS THEREIN HELD OR CONTROLLED BY THE U. S. BUREAU OF RECLAMATION.

of section 13, township 27NORTH, range 37 EAST, WILLAMETTE meridian, and containing 160 acres, more or less, for the full term of 10 years from the date of approval hereof, AND AS MUCH LONGER AS THE SUBSTANCES HEREIN SPECIFIED ARE PRODUCED ON PAYING QUANTITIES, for the sole purpose of prospecting for and mining minerals, as follows: URANIUM AND ASSOCIATED MINERALS

THE TERMS AND CONDITIONS OF THIS LEASE SHALL BE SUBJECT TO REASONABLE ADJUSTMENT BY THE SECRETARY OF THE INTERIOR AT THE END OF THE FIRST AND EACH SUCCESSIVE 10 YEAR PERIOD.

the lessee to occupy so much only of the surface of said land as may be reasonably necessary to carry on the work of prospecting for, mining, milling, storing, and removing such minerals.

2. The term "Superintendent" as used herein shall refer to the superintendent or other official in charge of the Indian Agency having jurisdiction over the lands leased.

3. In consideration of the foregoing, the lessee hereby agrees:

(*a*) ROYALTY.—To pay, or cause to be paid, to the Superintendent, for the use and benefit of the lessor, or to the Treasurer of said Tribe where the tribe is organized under the act of June 18, 1934 (48 Stat. 984), as royalties, the sums of money as ~~xxxxxxxxxxxx~~ SHOWN ON THE ATTACHED SCHEDULE OF ROYALTY

All royalties accruing for any month shall be due and payable on or before the ~~25th~~ 15TH day of the month succeeding.

(*b*) ANNUAL RENTAL.—To pay, or cause to be paid, to the Superintendent for the use and benefit of the lessor, or to the Treasurer of said Tribe where the tribe is organized under the act of June 18, 1934 (48 Stat. 984), in advance beginning with the date of approval of the lease, as annual rental, the following: ~~25 cents per acre for the first calendar year or fraction thereof, 50 cents per acre per annum for the second and third years, and~~ $1 per acre per annum in advance for each and every ~~calendar~~ year ~~thereafter~~ during the continuance of the lease; it being understood and agreed that said sum so paid shall be a credit on the royalties accruing during the year for which the payment of annual rental is made, and that said annual rental when paid shall not be refunded to the lessee because of any subsequent surrender or cancelation hereof.

(*c*) DILIGENCE, PREVENTION OF WASTE.—To exercise diligence in the conduct of prospecting and mining operations; to carry on development and operations in a workmanlike manner and to the fullest possible extent; to commit no waste on the said land and to suffer none to be committed upon the portion in his occupancy or use; to comply with all the requirements of the laws of the State in which the land is located; to take appropriate steps for the preservation of the property and the health and safety of workmen; promptly to surrender and return the premises upon the termination of this lease to whomsoever shall be lawfully entitled thereto, in as good condition as received, excepting for the ordinary wear and tear and unavoidable accidents in their proper use; not to remove therefrom any buildings or permanent improvements erected thereon during the said term by the said lessee, but said buildings and improvements shall remain a part of said land and become the property of lessor, excepting the office fixtures and records, personal property, tools, pumping and drilling outfits, boilers, engines, and mining machinery, which shall remain the property of the lessee and may be removed at any time prior to 60 days after the termination of the lease by forfeiture or otherwise, provided the payments agreed upon by this lease have been made and the lease terms and regulations applicable thereto have been fully complied with, but not otherwise; not to permit any nuisance to be maintained on the premises under lessee's control, nor allow any intoxicating liquors to be sold or given away for any purpose on such premises; and not to use such premises for any other purposes than those authorized in this lease.

(*d*) DEVELOPMENT.—The land described herein shall not be held by the lessee for speculative purposes, but in good faith for mining the minerals specified; and the failure by the lessee in the diligent development and continued operation of the mine or mines, except when operations may be interrupted by strikes, the elements, or casualties not attributable to the lessee, shall be held as a want of compliance with the purposes of this lease and shall render it subject to cancelation: *Provided*, That whenever the Secretary of the Interior shall consider the marketing facilities inadequate or the economic conditions unsatisfactory, he may authorize the suspension of operations for such time as he may deem advisable, but such action will not release the lessee from the payment of the advance annual rental.

(*e*) MONTHLY STATEMENTS.—To keep an accurate account of all mining operations, showing the sales, prices, dates, purchasers, and the whole amount of minerals mined, the amount removed, and the gross receipts derived therefrom, and to furnish the Superintendent or the Treasurer of said Tribe if payments are made to him, sworn

* Here insert the royalties agreed upon in accordance with applicable regulations.

The following royalty shall apply for uranium and other minerals associated therewith

Mine Value per Dry Ton	Royalty Percentage of Mine Value per Dry Ton
$ 0.01 to $10.00 inclusive	10%
10.01 to $20.00 "	11%
20.01 to $30.00 "	12%
30.01 to $40.00 "	13%
40.01 to $50.00 "	14%
50.01 to $60.00 "	15%
60.01 to $70.00 "	16%
70.01 to $80.00 "	17%
80.01 to $90.00 "	18%
90.01 to $100.00 "	19%
100.01 or more	20%

"MINE VALUE PER DRY TON", wherever used herein, is hereby defined as the dollar value per dry ton of crude ores at the mine as determined by the application to the valuable metal content of such ore of the price schedules for such ores established and currently in effect by the Atomic Energy Commission or other government authorized agencies before allowance for transportation and development. It is specifically understood that any mine production bonuses shall be included in the "mine value per dry ton". However, if the Government at any time hereafter does not establish or have in effect a price schedule for the purchase of such ores on a fixed or scheduled dollar value per dry ton of crude ores at the mine, or said ores contain salable minerals, some, or all, of which are disposed of to a custom treatment plant or smelter for the treatment and beneficiation of uranium bearing ores to be mined then mine values per dry ton shall be the gross value per dry ton of said crude ores as paid for by the Atomic Energy Commission, or other Government authorized agency, mill or other buyer, less any allowances or reimbursements for the following specific items:

(1) Transportation of ores,

(2) Allowances paid to Lessee by the Atomic Energy Commission or other Government authorized agency for exploration for or development of ores.

(3) Treatment or beneficiation of ores,

which specific items shall, in such event, be deducted from the gross sale price received from the metal content of said ores by the seller before said percentage royalty is calculated and paid. Any cost of treatment or beneficiation shall be the actual cost without any milling profit. It is specifically understood that any mine production bonuses shall be included in the mine value per dry ton.

10. The lessee may use existing roads if any, on the land and shall have the privilege of constructing and maintaining at its own expense any additional roads or transportation facilities across lessor's lands that are necessary in carrying on the actual mining, prospecting and exploration work, PROVIDED that the location of such roads be approved in writing by the Officer in Charge of the COLVILLE Indian Agency. No part of any such road or roads shall inure to the benefit of the public and the public shall obtain no rights thereon, but upon termination of this lease for any cause whatsoever or if at any time it shall become unnecessary for the lessee to use any such road for conducting the operations authorized under this lease, the right to use said road shall thereupon cease and all the rights shall revest in lessor in accordance with law. The lessee shall hold the lessor and the United States harmless and indemnify them against any and all loss or damage that might result from the construction or maintenance by the lessee of said roads in a negligent manner. Any installations made in connection with roads or transportation facilities by the lessee may be removed by the lessee.

11. Applications for rights of way will be made by the lessee pursuant to the requirements of 25 CFR 256.

12. The lessee shall have the right at its own expense to drill and equip water wells on said premises and agrees at the termination of the lease by expiration of its term or otherwise all wells be left intact and properly cased. Lessee shall have the right to remove all mechanical pumping equipment installed by it at any wells. If any of said wells shall produce water surplus to the needs of the lessee, said water shall be available to the members of the lessor.

13. The lessee agrees that on termination of operations under this lease taken thereunder it will make provisions for conservation and protection of the property and leave all of the areas on which it has worked in a condition that will not be hazardous to life or limb.

14. The lessee shall, and hereby agrees to indemnify, protect, and save harmless said lessor and the United States of America from and against the following specific claims, demands and damages (and none other) arising out of the lessee' negligence or actionable faults in connection with the lessee's work and operations, hereunder, to wit:

(a) To property of third persons, including the lessor.

(b) To third persons, including SPOKANE Tribe, the lessor, for injury and death.

(c) To livestock of the lessor and its members and to the permanent buildings and stuctures of the lessor and its members situated on the property covered by this lease.

(d) Liens or lien claims on account of labor performed upon or material furnished to the property covered by this permit at the instance of the lessee.

15. The lessee agrees to carry such insurance covering all persons working in, on, or in connection with said property for the lessee as will fully comply with the provisions of the statutes of the State of WASHINGTON covering workmen's compensation and occupational disease, as are now in force or as they may hereafter be changed or amended. Further, the lessee agrees to comply with all of the terms and provisions of all applicable laws of the State of WASHINGTON and of the United States of America as now exist or as hereafter amended, pertaining to Social Security, Unemployment Compensation, wages, hours and conditions of labor, and to indemnify and hold the lessor and the United States harmless from payment of any damages occasioned by the lessee's failure to comply with said laws. The lessee shall pay all taxes lawfully assessed against its property or operations.

~~16. The lessee shall employ Indian labor in all positions for which they are qualified including truck drivers. Lessee agrees to make special efforts giving priority to members of the _____ Tribe, and the skilled, technical and other higher jobs in connection with the lessee's operations under this lease.~~

16. THERE SHALL BE EXPENDED ANNUALLY IN ACTUAL MINING OPERATIONS, DEVELOPMENTS OR IMPROVEMENTS UPON THE LEASED LANDS, FOR THE BENEFIT THEREOF, A SUM WHICH, WITH RENTAL SHALL AMOUNT TO NOT LESS THAN FIVE AND NO/100 DOLLARS, ($5.00), PER ACRE.

CERTIFIED TO BE A TRUE COPY

Carolyn J. May

NOTARY PUBLIC

THE TERM OF THE SURETY BOND, ATTACHED HERETO AND MADE A PART HEREOF, IS LIMITED TO THE FIRST FIVE (5) YEAR PERIOD OF THE MINING LEASE COMMENCING WITH THE EFFECTIVE DATE THEREON. IT IS UNDERSTOOD AND AGREED THAT THE LESSEE SHALL FURNISH A BOND, SATISFACTORY TO THE SECRETARY OF THE INTERIOR OR HIS AUTHORIZED REPRESENTATIVE, COVERING THIS LEASE PRIOR TO THE EXPIRATION DATE OF THE BOND ATTACHED HERETO, AND THAT FAILURE TO DO SO WILL CAUSE AUTOMATIC TERMINATION OF THIS LEASE.

monthly reports thereon not later than the ~~25th~~ 10TH of the succeeding month; and all sums due as royalty and advance rental shall be a lien on all implements, tools, movable machinery, and all other personal chattels used in operation upon said property, and upon all of the unsold minerals obtained from the land herein leased, as security for payment of said sums. An audit of the lessee's accounts and books shall be made annually or at such times as may be directed by the Superintendent by certified public accountants approved by the Secretary of the Interior and at the expense of the lessee. The lessee shall furnish free of cost a copy of such audits to the Secretary of the Interior through the Superintendent within 30 days after the completion of each auditing.

(*f*) REGULATIONS.—To abide by and conform to any and all regulations of the Secretary of the Interior now or hereafter in force relative to such leases: *Provided*, That no regulations hereafter approved shall effect a change in rate of royalty, the annual rental herein specified, or the term of this lease, without the written consent of the parties to this lease.

(*g*) ASSIGNMENT OF LEASE.—Not to assign this lease or any interest therein by an operating agreement or otherwise nor to sublet any portion of the leased premises, except with the approval of the Secretary of the Interior. If this lease is divided by the assignment of an entire interest in any part of it, each part shall be considered a separate lease under all the terms and conditions of the original lease.

(*h*) BOND.—To furnish such bond as may be required by the regulations of the Secretary of the Interior conditioned upon compliance with the terms of this lease.

4. MILLING.—~~All ores mined on said land shall be collected and prepared for market exclusively, and no other materials shall be removed therefrom to be cleaned or prepared for market without the written consent of the Secretary of the Interior.~~

4. INSPECTION.—The leased premises and producing operations, improvements, machinery, and fixtures thereon and connected therewith and all books and accounts of the lessee shall be open at all times for inspection by agents of the lessor or any duly authorized representative of the Secretary of the Interior.

5. DISPOSITION OF SURFACE.—The lessor expressly reserves the right to lease, sell, or otherwise dispose of the surface of the lands embraced within this lease under existing law or laws hereafter enacted, such disposition to be subject at all times to the right of the lessee herein to the use of so much of said surface as is necessary in the extraction and removal of the minerals from the land herein described in accordance with this lease.

6. SURRENDER AND TERMINATION.—The lessee shall have the right at any time during the term hereof to surrender and terminate this lease or any part thereof upon the payment of all rentals, royalties, and other obligations due and payable to the lessor, and the further sum of $1, upon a showing satisfactory to the Secretary of the Interior that full provision has been made for the conservation and protection of the property, the lease to continue in full force and effect as to the lands not so surrendered. If this lease has been recorded lessee shall file a recorded release with his application to the Superintendent for termination of this lease.

7. CANCELATION AND FORFEITURE.—When, in the opinion of the Secretary of the Interior, there has been a violation of any of the terms and conditions of this lease before restrictions are removed, the Secretary of the Interior shall have the right at any time after 30 days' notice to the lessee, specifying the terms and conditions violated, and after a hearing, if the lessee shall so request within 30 days of receipt of notice, to declare this lease null and void, and the lessor shall then be entitled and authorized to take immediate possession of the land.

8. HEIRS AND SUCCESSORS IN INTEREST.—It is further covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

9. GOVERNMENT EMPLOYEES CANNOT ACQUIRE LEASE.—No lease, assignment thereof, or interest therein will be approved to any employee or employees of the United States Government whether connected with the Indian Service or otherwise, and no employee of the Interior Department shall be permitted to acquire any interest in such leases by ownership of stock in corporations having leases or in any other manner.

IN WITNESS WHEREOF, the said parties have hereunto subscribed their names and affixed their seals on the day and year first above mentioned.

SPOKANE TRIBE OF INDIANS

Two witnesses to execution by lessor:

s/ FRED GOODE REALTY OFFICER
P. O. NESPELEUM, WASHINGTON
s/ CHAS. A. HALL
P. O. NESPELEUM, WASHINGTON

BY: s/ FLOYD H. PHILLIPS [SEAL]
SUPERINTENDANT, COLVILLE INDIAN AGENCY.
[SEAL]

Two witnesses to execution by lessee:

s/ GLENN F. GALBRAITH
P. O. WELLPINIT, WN.
s/ R. E. HARRIS
P. O. WELLPINIT, WASH.

s/ WILLIAM LOWLEY [SEAL]
WILLIAM LOWLEY
WELLPINIT, WASHINGTON

Attest: _____

ACKNOWLEDGMENT OF LESSOR

STATE OF _____
COUNTY OF _____ } ss:

Before me, a notary public, on this _____ day of _____, 19____ personally appeared _____, to me known to be the identical person, who executed the within and foregoing lease, and acknowledged to me that _____ executed the same in _____ official capacit_____ as _____ as _____ free and voluntary act and deed for the uses and purposes therein set forth.

_____
Notary Public.

My commission expires _____

UNITED STATES DEPARTMENT OF THE INTERIOR

PORTLAND AREA OFFICE,
~~Washington, D.C.~~, PORTLAND, OREGON, ~~19~~

The within lease is hereby ~~_____~~ approved. PURSUANT TO AUTHORITY DELEGATED BY THE COMMISSIONER OF INDIAN AFFAIRS MARCH 1, 1956.

_____
~~Assistant Secretary of the Interior~~

ACTING PERRY E. SKAWEA ? APR 24 1956
AREA DIRECTOR, PORTLAND AREA OFFICE,
BUREAU OF INDIAN AFFAIRS, U.S. DEPT. OF THE INTERIOR.

Filed for record this _____ day of _____, 19____

at _____ o'clock _____ m.

_____
By _____

Rental received, $_____

U. S. GOVERNMENT PRINTING OFFICE : 1947 O - 748054

This MF-205 executed by
Daybreak is not necessary.
Jmm

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

RECEIVED MAR 17 '58 U.S.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of STEVENS, State of WASHINGTON, described as follows: 2/

SW¼, SEC. 13, T. 27N., R. 37E., WILLAMETTE MERIDIAN

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government," in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

NO ENCUMBRANCES EXCEPT SUBJECT TO TERMS AND CONDITIONS OF THE MINERAL LEASE FROM THE DEPARTMENT OF INTERIOR--BUREAU OF INDIAN AFFAIRS, A COPY OF WHICH IS ATTACHED TO THIS APPLICATION

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

2/ 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.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: NONE (State "None" or "See Annex No.____")

Dated this 28 day of FEBRUARY, 1950.

	[Seal]		[Address]
Rae H. Sawers	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, Rae H. Sawers certify that I am the Sec.-Treas. (Secretary, etc.) of the corporation named herein; that James W. Fay, who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

[Corporate Seal]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

MAR 17 1913

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of STEVENS, State of WASHINGTON, described as follows: 2/

SW¼, Sec. 13, T. 27N., R. 37E, WILLAMETTE MERIDIAN

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government," in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

NO ENCUMBRANCES EXCEPT SUBJECT TO TERMS AND CONDITIONS OF THE MINERAL LEASE FROM THE DEPARTMENT OF INTERIOR--BUREAU OF INDIAN AFFAIRS, A COPY OF WHICH IS ATTACHED TO THIS APPLICATION

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

2/ 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.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: NONE (State "None" or "See Annex No.____")

Dated this 21 day of FEBRUARY, 1958.

x _____	[Seal]	_____	[Address]
Kae H. Sowers	[Seal]	Opportunity Wash.	[Address]
_____	[Seal]	_____	[Address]
_____	[Seal]	_____	[Address]
_____	[Seal]	_____	[Address]
_____	[Seal]	_____	[Address]

I, Kae H. Sowers certify that I am the Secretary - Treas. (Secretary, etc.) of the corporation named herein; that James W. Fox who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

x Kae H. Sowers
[Corporate Seal]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

RECEIVED
MAR 17 1956
D.M.E.A.

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of STEVENS, State of WASHINGTON, described as follows: 2/

SW¼, Sec.13, T.27N., R.37E., WILLAMETTE MERIDIAN

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

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NO INCUMBRANCES EXCEPT SUBJECT TO TERMS AND CONDITIONS OF THE MINERAL LEASE FROM THE DEPARTMENT OF INTERIOR--BUREAU OF INDIAN AFFAIRS, A COPY OF WHICH IS ATTACHED TO THIS APPLICATION

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6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: NONE (State "None" or "See Annex No.____")

Dated this 21 day of FEBRUARY, 1950.

_____ [Seal] _____ [Address]

Kae H. Sowers [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, Kae H. Sowers certify that I am the Secy, Treas. (Secretary, etc.) of the corporation named herein; that Kenneth W. Fox who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

RECEIVED MAR 15 DMEA

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of [illegible], State of WASHINGTON, described as follows: 2/

[illegible]

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

[illegible]

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

2/ 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.

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6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: NONE (State "None" or "See Annex No.____")

Dated this 21 day of FEBRUARY, 1950.

_____ [Seal] _____ [Address]

Kae H. Sawers [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, Kae H. Sawers certify that I am the Sec.-Treas. (Secretary, etc.) of the corporation named herein; that James W. Fox who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

Docket Copy

Known

PROJECT SUMMARY REPORT

By F. M. Murphy

May 4, 1959

1. Docket No. DMEA-4958 (Uranium)
   Contract No. Idm-E1203

   Operator - Daybreak Uranium, Inc.
   12707 E. Valleyway
   Opportunity, Washington

   Operator's Property Rights: Lessee of 160 acres, more or less, situate in the SW¼ of Sec. 13, T. 27 N., R. 37 E., W.M., on the Spokane Indian Reservation, Stevens County, Washington. A small part of the ¼ section adjoining the F. D. Roosevelt Lake, controlled by the U.S. Bureau of Reclamation, is excluded.

   A Performance Bond was accepted by the Government in lieu of the tribal consent to lien on the property.

2. Contract dated June 11, 1958

   Amendment No. 1, September 24, 1958, revised the method of calculating cost of bulldozer transportation.

   Termination Agreement dated Nov. 7, 1958, effective October 27, 1958.

   Work under the contract started July 9, 1958 and was completed October 27, 1958.

   Final Reports

   Operator's, received in Washington November 10, 1958, is considered acceptable as fulfilling the requirements of a final report in accordance with Article 7(c) of the contract.

   Field Team's, received April 13, 1959, transmitting field examiner's final report.

3. Work Authorized

   Stage I - Percussion drilling 15 holes aggregating 2,120 feet.

   Stage II - Core drilling 10 holes aggregating 2,750 feet.

Work Completed

Stage I - 15 holes

Stage II - 6 holes

Summary of Costs

Stage I	Units Authorized	Units Completed	Unit Cost	Total Cost
Bulldozing	39 hrs.	39 hrs.	$16.00/hr.	$ 624.00
Transportation of Dozer	Job	Job	$112.00	112.00
Percussion drilling	2,120 feet	1,794 feet	1.378/ft.	2,472.70
Personal services	$785.00	$761.84	761.84	761.84
Operating materials and supplies	125.60	223.90	223.90	223.90
Operating equipment	125.00	105.00	105.00	105.00
Miscellaneous	417.00	70.27	70.27	70.27
Total accepted cost Stage I				$4,369.71
Stage II				
Bulldozing	30 hrs.	30 hrs.	$10.217/hr.	$ 306.51
Transportation of Dozer	$112.00	$112.00	112.00	112.00
Core drilling	2,750 feet	1,444 feet	6.056/ft.	8,744.95
Personal services	$1,670.00	$1,223.84	1,223.84	1,223.84
Operating materials and supplies	517.57	118.03	118.03	118.03
Operating equipment	250.00	185.00	185.00	185.00
Miscellaneous	548.83	48.44	48.44	48.44
Total accepted cost Stage II				$10,738.77
Total accepted cost - Stages I and II				$15,108.48
Total amount authorized by contract				$28,946.00
Government participation @ 50%				$14,473.00

4. Audit Report of Review, dated November 30, 1958

Total cost as billed by Operator	$16,439.07
Exceptions 1/	1,330.59
Total accepted cost	$15,108.48
Government participation @ 50%	$ 7,554.24

1/ Represents bulldozer transportation, costs of drilling charged for incomplete holes, supervision salaries, and some minor disallowance on transportation by station wagon.

5. Certification not recommended by Field Team.

6. Excerpts from Joint Final Engineering and Geologic Report, dated March 1959, by E. G. Erickson, USBM, and R. D. Sample, USBM:

The project was designed to explore for deposits of uranium ore by percussion and core drilling along the contact of a quartzite and metasediment sequence, probably Precambrian in age, and the Loon Lake granite of Cretaceous age. The strike of the contact ranges from N. 15° W. at the southern edge of the exposure to about N. 50° E. at the northern end. Observed dips vary from 40° to 85° easterly. The strike and dip of the bedding are approximately parallel to the contact.

Geologic justificationfor the project was based primarily on: (1) the similarity in geologic environment between the uranium occurrences on the Lowley Lease and that on the successful Midnight and Northwest Uranium mines a few miles to the north, and (2) the sporadic occurrence of uranium mineralization for about 2000 feet along the shattered contact zone which exceeds 200 feet in width.

Prior to the contract the operator diamond-drilled 15 holes aggregating 2,435 feet along the southern portion of the faulted contact. Of these, 3 holes were barren, 8 mineralized, and 4 showed mineralization of ore grade. In addition, a 60-foot incline shaft was sunk in the sheared zone and 400 feet of crosscutting and drifting was completed from the bottom of the shaft. This underground exploration resulted in the production of 287.52 tons of rock containing 0.1744% U_3O_8.

Anomalous radioactivity was metered in 13 of the 15 holes drilled under Stage I of the contract. Chemical assays taken from 4-foot intervals in holes No. W_3 and W_9 showed a content ranging from 0.128 to 0.321% U_3O_8. Radiometric readings recorded for samples in the other holes did not indicate that chemical assaying was justified.

Under Stage II six (6) diamond drill holes were strategically located to test the possibility of any worthwhile ore occurrence in the areas indicating a potential by the percussion drilling. Uranium mineralization was detected in the drill core and in each hole by probing; however, the magnitude of the readings was too low to warrant chemical analyses of the core.

Conclusions and Recommendations

The Operator was technically, administratively, and financially able to conduct the project and the work was done in a competent manner.

Core recovery was over 80 percent, which is considered satisfactory in the type of ground drilled. The cuttings from percussion drilling were removed by compressed air and the recovery from wet holes was poor.

The target area was adequately explored and there are no targets presently evident that warrant further exploration. Since only sporadic occurrences of uranium mineralization were found, a Certification of Discovery or Development is not recommended.

F. M. Murphy

F.M.Murphy/fw-5/4/59
cc: Docket
Dir. Read. File
~~Mr. F. E. Johnson~~
Mr. Murphy

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

After final audit or review report is received, prepare original only and file in official docket

Operator: Daybreak Uranium, Inc.		Actual Cost	✓
State: Washington		Agreed Unit Cost	
Final Report of Audit		Commodity: Uranium	Docket No. DMEA-4958
Final Report of Review	✓		Contract No. Idm-E1203

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost $	Units	Cost	
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Diamond Core BX	1794'	22848.39	1444'	10959.89	10959.89
Drilling (Specify) Percussion	2120'	4448.10	1794'	2986.08	2986.08
Surface Excavation					
Underground Excavation					
Roads and Trails (Bulldozing (includes transportation of dozers))		1154.51		1154.51	1154.51
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Analyses U3O8 150 samples @ $4.00		600.00		8.00	8.00
Totals		$ 28,946.00		$ 15,108.48	* $ 15,108.48

* Net cost total must agree with final report of audit or review.

Prepared by F. M. Murphy Date 1/14/59

Incomplete

31390

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 25 1959

DATE	INITIALS	CODE
5/26	a	220
5/26	[illegible]	800
5/27	[illegible]	700

So. 157 Howard Street
Spokane 4, Washington

May 21, 1959

Miss Betty Gronning
Surety Department
Hartford Fire Insurance Company Group
711 Dexter Horton Building
Seattle 4, Washington

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington
Contract No. Idm-E1203

Dear Miss Gronning:

In reply to your letter of May 19, 1959, we refer you to a letter dated May 6, 1959 from Frank E. Johnson, Acting Director, Office of Minerals Exploration, Washington, D. C., to Mr. Gerald L. Parry, Attorney in Fact, Hartford Accident and Indemnity Co., at your Seattle address, in which Mr. Johnson states: "In the absence of certification, the Government retains no claim against the bonding company that assumed the responsibility for performance under the contract." This notice that the Government retains no claim against the bonding company is effective May 6, 1959.

We hope this is the information you desire.

Sincerely yours,

A. E. Weissenborn
Executive Officer, OME
Field Team Region I

cc: OME (2) w/2 cys incoming
USBM (2) "
USBM(AD) w/1 cy "

HARTFORD FIRE INSURANCE COMPANY GROUP

PACIFIC DEPARTMENT

May 19, 1959

United States Dept. of Interior
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

Gentlemen:

Re: Bond No. [illegible] - Docket No. DMEA 4958 (Uranium)
DEVONIAN URANIUM, INC. Lowley Lease, Stevens County, Wa.

We have been advised by our agent that the captioned bond, which was executed with an effective date of June 11, 1958 in the amount of $[illegible],473.00, is no longer needed.

We shall appreciate your giving us a letter authorizing termination of our liability under the captioned bond as of some current date, or as of anniversary date of bond, June 11, 1959.

Thank you.

Yours very truly,

Betty Greening
Surety Department

bg

OFFICIAL FILE COPY
D. M. E.
RECEIVED MAY 25 1959

DATE	INITIALS	CODE

RECEIVED
MAY 20 1959
D.M.E.
SPOKANE, WASH.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/5	Murphy	700
5/5	Nuckels	700
5/5	Talbot	800
5/6	Selfridge	120
		110
		~~100~~
		220

MAY 6 1959

Mr. William Lowley
Wellpinit, Washington

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington
Contract No. Idm-K1203

Dear Mr. Lowley:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the above-cited contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on June 10, 1958.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

M.Murphy/fw-5/4/59

cc: Docket
Dir.Read.File
~~Operating Committee~~
OME Field Team, Reg. I (2)
~~E.D.Lamb, Rm. 3608~~
T.H.Kiilsgaard, Rm. 5224
~~F.E.Johnson~~
F.Murphy (2)
Chron.
Cont.Admin.&Audit Div.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/5	Murphy	700
5/5	Kusnke	700
5/5	Talbot	800
5/6	Selfridge	120
		110
		~~100~~
		220

MAY 6 1959

Mr. Gerald L. Perry
Attorney in Fact
Hartford Accident & Indemnity Co.
711 Dexter Horton Building
Seattle, Washington

Re: Docket No. DMEA-4953 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington
Contract No. Idm-E1203

Dear Mr. Perry:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the above-cited contract.

The property as set forth in the contract is covered by your Performance Bond, executed June 11, 1958, under the captioned name and contract number.

In the absence of certification, the Government retains no claim against the bonding company that assumed the responsibility for performance under the contract.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

FMurphy/fw-5/4/59
cc: Docket
Dir.Read.File
F.E.Johnson
F.D.Lamb, Rm. 3608
T.H.Kiilsgaard, Rm. 5224
Field Team, Reg. I (2)
Audit Div.
F.Murphy (2)
Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/5	Murphy	700
5/5	Kuhnel	700
5/5	Jaffert	800
5/6	Selfridge	120
		110
		~~100~~
		220

MAY 6 1959

Daybreak Uranium, Inc.
12707 E. Valleyway
Opportunity, Washington

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington
Contract No. Idm-11203

Gentlemen:

Reference is made to your terminated exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

We appreciate your interest and participation in the DMEA exploration program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Copies to:
Mr. William Lowley
Hartford Accident & Indemnity Co.

FMMurphy/fw-5/4/59
cc: Docket
Dir. Read. File
Div. of Contract Adm. & Audits
FMMurphy (2)
OME Field Team, Reg. I (2)
Chron.
F.E.Johnson
F.D.Lamb, Rm. 3608
T.H.Kiilsgaard, Rm. 5221

8623

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 16 1959

DATE	INITIALS	CODE
4-16	C	220
		700

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Washington 25, D. C.

Date April 16, 1959
DMEA Docket No. 4958
DMEA Contract No. Idm-E1203
Commodity Uranium
Name of Applicant Daybreak Uranium, Inc.
Location of property Stevens County, Wash.
Estimated cost of project $15,108.48

Memorandum

To: Frederick L. Knouse, Acting Director, OME
Rare and Misc. Minerals Division

From: James Paone, Bureau of Mines Member JP
Uranium Commodity Committee

Subject: Review of Final Report
(Application, Field Team Report, etc.)

1. Date of subject document: 4/7/59. 2. Date received by reviewer: 4/15/59.

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked 'yes' above:

8. Factors needing special consideration:

a. Location ☐
b. Ownership ☐
c. Evidence of mineralization ☐
d. Geology ☐
e. Proposed exploration method ☐
f. Alternate exploration method ☐
g. Costs
h. _____ ☐

9. Action advised:

a. Obtain information from applicant ☐
b. Refer to Field Team ☐
c. Denial ☐
d. Agree with Field Team ☒
e. Disagree with Field Team ☐
f. Suggest alternate plan ☐
g. Request another examination ☐
h. Approval ☐
i. Consult with Mr. _____ at _____ AEC Office.

10. Remarks: (Use back of page if necessary). Certification of discovery or development not recommended.

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS F ORATION

TO:	DATE	INITIALS
1. ~~110~~	4/17	JEJ
2. ~~800~~	4/21	EWJ
3. 700		
4.		
5.		
FROM:		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

INT.-DUP. SEC., WASH., D.C. M50943

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

1201 N. Division St.
Spokane 2, Washington

April 7, 1959

4-13	C	220
4-13		130
4-17		130
4-17	C	220
4-21	Murphy	700

Memorandum

To: Chairman, Operating Committee, OME

From: OME Field Team, Region I

Subject: Docket No. DMEA-4958 (uranium), Daybreak Uranium, Inc., Lowley Lease, Stevens County, Washington, Contract No. Idm-E1203

Enclosed are three copies of a Field Team final report on this project by R. D. Sample, Geologist, Geological Survey, and Eric G. Erickson, Mining Engineer, Bureau of Mines.

The exploration consisted of 15 percussion drill holes totaling 1,794 feet and 6 core drill holes totaling 1,444 feet. The total accepted cost of the project was $15,108.48, and the Government's participation at 50 percent was $7,554.24.

Results of the project were disappointing. The area explored was adequately probed and was found to contain only sporadic occurrences of uranium mineralization.

A Certification of Discovery or Development is not recommended.

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

cc: USGS (2)
AEC (2), Grand Junction

Reviewed by
OME OPERATING COMMITTEE
4-17-59
(date)

FINAL E.T. REPORT

DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION

FIELD TEAM, REGION I

FINAL REPORT

Contract Idm-E1203

Eric G. Erickson
Mining Engineer
U. S. Bureau of Mines

R. D. Sample
Geologist
U. S. Geological Survey

DAYBREAK URANIUM, INC.
12707 E. Valleyway
Opportunity, Washington

OFFICIAL FILE COPY
RECEIVED APR 13 1959

DATE	INITIAL	
4-17	JHB	130
		220

Docket No.:	DMEA-4958
Commodity:	Uranium
Contract date:	June 11, 1958
Termination date:	October 27, 1958

LOWLEY LEASE
Spokane Indian Reservation
Stevens County, Washington

Spokane, Washington

March 1959

Reviewed by
OME OPERATING COMMITTEE
4-17-59
(date)

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FINAL REPORT

DAYBREAK URANIUM, INC.
Lowley Lease
Spokane Indian Reservation
Stevens County, Washington

Contract Idm-E1203

* * * *

INTRODUCTION

This report describes an exploration project conducted jointly by the Daybreak Uranium, Inc. and the Defense Minerals Exploration Administration, to explore for uranium on the Lowley Lease, Stevens County, Washington.

Summary

The exploration project was designed to explore for deposits of uranium ore by percussion and core drilling along the contact of a quartzite and metasediment sequence, probably Precambrian in age, and the Loon Lake granite of Cretaceous age. Previous core drilling near the contact and drifting from an incline shaft sunk on the contact indicated there was a possibility of disclosing a significant ore zone by probing along the contact.

The project was outlined in two stages. Stage I authorized 15 percussion drill holes with a total of 2,120 feet of drilling, and Stage II allowed 2,750 feet of core drilling in 10 holes.

The contract was terminated by mutual agreement after the completion of 15 percussion drill holes totaling 1,794 feet and 6 core drill holes totaling 1,444 feet. The total accepted cost of the project was $15,108.48, and the Government participation at 50 percent was $7,554.24.

Results of the project were disappointing although high radiometric readings were recorded in a few holes. The area explored was adequately probed and was found to contain only sporadic occurrences of uranium mineralization of no commercial significance.

Recommendations

A Certification of Discovery or Development is not recommended.

The target area was adequately explored and there is no geologic evidence or other guide to ore indicated that would justify further exploration of the property.

LOCATION AND ACCESSIBILITY

The property is situated within the Spokane Indian Reservation, about 7 miles south of Wellpinit, Washington, the main village on the reservation (fig. 1). It may be reached from Ford, Washington, located at the junction of State Highway No. 3J and the paved Indian Reservation road by traveling west 9.7 miles to Wellpinit, thence south 1.1 miles on a graveled road to the "Y", thence right 3.8 miles over a graded dirt road to a church set on a temporary block foundation, thence turn left at a fence corner and travel southerly about 3 miles to the Lowley Lease situated on the north bank of the Spokane River. Roads west of the "Y" are impassable at times during the winter due to snow and are very muddy during spring and fall rains.

The soil is sandy for the most part and the area is grassland suitable for grazing. There are a few groves of coniferous trees that are of lumber quality.

Summers are warm and dry but the area may be covered with snow from late November to early April.

PROPERTY

The land included in the contract is situated within the Spokane Indian Reservation, Stevens County, Washington, and consists of 160 acres, more or less, in the SW¼ sec. 13, T. 27 N., R. 37 E., W.M., excluding the lands therein held or controlled by the U. S. Bureau of Reclamation. In general, the excluded land adjoins the Franklin Roosevelt Lake and lies below elevation 1,310 feet.

The land was leased to William Lowley by the U. S. Department of Interior, Bureau of Indian Affairs, by a Mining Lease dated December 12, 1955, Contract No. 14-20-503-144. The lease was assigned to the Operator under an Assignment of Mining Lease, dated May 2, 1956, approved on July 6, 1956, by Don C. Foster, Area Director, Bureau of Indian Affairs.

History, Production and Facilities

Initial exploration of the property was started in 1956 by Daybreak Uranium, Inc. A total of 2,435 feet of core drilling was completed in the southwest portion of the property. A 60-foot incline shaft was sunk in the sheared zone on the contact between the Precambrian (?) quartzites and metasediments and the Cretaceous Loon Lake granites. A total of 400 feet of crosscutting and drifting was completed from the bottom of the shaft. Prior to the core drilling, shaft sinking, crosscutting and drifting, about 700 feet of a sheared mineralized zone along or near the contact had been exposed by bulldozing.

During the progress of the underground exploration prior to the DMEA contract a total of 287.52 tons of rock containing 0.1744 percent U_3O_8 was sorted and shipped to Vitro Uranium Co., Salt Lake City, Utah. Daybreak received a total of $5,953.48, including the Initial Production Bonus for the shipment. Stockpiled near the shaft site are about 75 tons of rock containing an estimated 0.10 percent U_3O_8.

There is no equipment on the property and the only facilities are a small frame tool shed, a timber headframe at the shaft site and an old trailer house.

The 60-foot shaft is reported to be timbered throughout and tight-lagged for about the first 30 feet. The drifts and crosscuts were unsupported for the most part and all workings are flooded.

GEOLOGY

Regional Geology

The Lowley Lease lies in southwestern Stevens County, Washington, and within the Turtle Lake quadrangle which was mapped in 1955 and 1956 by G. E. Becraft, P. L. Weis, and E. L. Boudette of the Survey. The area is underlain by Precambrian and Paleozoic metamorphic rocks that have been intruded by a batholith of probable Cretaceous age. Intermediate and basic lavas of Tertiary age unconformably overlie the batholith and older rocks in places. Much of the area was glaciated during Pleistocene time and locally thick glacial deposits cover the bedrock. Contacts are almost impossible to follow for any great distance because of this overburden.

C. E. Weaver in "The Mineral Resources of Stevens County" (Wash. Geol. Survey Bull. 20, 1920) states that the metamorphic rocks of the area are slate, argillite, phyllite, dolomitic limestone, quartzite, and limestone. He believed that they were of Paleozoic age and named them the Stevens series. They are commonly referred to as the Magnesite Belt because they contain magnesite deposits near Chewelah. The lowermost stratigraphic unit described by Weaver is called the Deer Trail argillite. Weaver also describes the granitic batholith, which he named the Loon Lake granite. He recognized a variety of textures in the batholith and stated that its composition ranges from granite to diorite.

W. A. G. Bennett mapped the metamorphic rocks of the magnesite belt in greater detail (Preliminary report on magnesite deposits of Stevens County, Washington: Wash. Conserv. and Devel., Geol. Div., Rept. Inv. 5, 1941). He subdivided the Deer Trail argillite into several units which he called collectively the Deer Trail group. Because the Deer Trail group is overlain unconformably by rocks containing Lower Cambrian fossils, he considered the entire group Precambrian in age.

Ian Campbell and John S. Loofbourow, Jr. (Geology of the magnesite belt of Stevens County, Washington: Geol. Soc. America Bull., v. 57, 1946) support Bennett's view that the Deer Trail group is of Precambrian age and observe that it resembles the Coeur d'Alene and Purcell facies of the Belt series. They state:

> "This group is a series of metasediments, probably of Beltian age, composed dominantly of fine-grained clastics, with minor amounts of quartzite and dolomite, and totaling 5,000 feet in thickness. Formations mapped within the Deer Trail group were the Togo formation (oldest), Edna dolomite, McHale slate, Stensgar dolomite, and Buffalo Hump formations."

Several workers of the area have called attention to the similarity between the "Togo" formation and the "Pritchard" formation of the Belt series in the Coeur d'Alene Mining District, Idaho.

Local Geology

The metamorphic rocks of the Lowley Lease area are very similar to the "Togo" formation described by Campbell and Loofbourow. The predominant rock of the metamorphic series appears to be bedded quartzite, with some of the beds containing argillaceous material. Relatively pure quartzite beds are typically fine-grained, light brown, massive, and very hard. These quartzites, in the vicinity of the Lowley Lease, probably represent roof pendants of indeterminable size in the Loon Lake granite.

The contact between the granitic intrusion and the quartzites can be traced across part of the property along a narrow, steep-walled canyon that is probably an erosional expression of a faulted and sheared zone along and near the contact (pl. 1). From the southern part of the property the contact can be traced northerly for about 700 feet to an area where it is covered, for a distance of about 300 feet, by a glacially derived terrace deposit of sand and gravel. Beyond the terrace deposit the contact can be traced northeasterly for about 1,000 feet to where it is covered by recent alluvium.

The strike of the contact ranges from about N. 15° W. at the southern end of the exposure to about N. 50° E. at the northern end. Observed dips vary from 40° to 85° easterly. The strike and dip of the bedding are approximately parallel to the contact (pl. 1).

A faulted and sheared zone at the contact is largely confined to the quartzite. Surface and underground exploration shows that this zone exceeds 200 feet in width, and that small, randomly oriented deposits of uranium-bearing material occur within it.

Aside from the Loon Lake granitic intrusion the only other evidence of an intrusive rock is a small sill or dike of anthophyllite which was found in the underground workings (pl. 3) and in a few small pieces on the dump (pl. 1). Its age is not known but, because it was found in rocks presumed to be Precambrian, it is tentatively considered Precambrian in age.

Mineralogy

Minor amounts of secondary uranium minerals, uranophane and autunite occur on the outcrops, but within a few feet below the surface the uranium minerals are uraninite and coffinite. However, no primary uraninite mineralized bodies have been recognized at depth. Anomalous radioactivity is detectable in varying degrees along a large part of the exposed contact and shear zone. The individual mineralized zones at the surface cannot be traced with a Geiger counter for more than a few feet, but there are a large number of such zones that range from 5 to 40 times background.

The secondary uranium minerals occur as coatings along joints and fractures at or near the contact between the quartzite and granitic intrusion. None of the mineralization appears to have

extended very far into the granite or massive quartzite, but rather to have been deposited only in open spaces. There is no evidence of replacement deposition.

As there is no evidence to show that secondary uranium minerals have formed from the alteration of a primary mineral in place, it is suggested that much of the uranium has been transported at least a short distance by ground water solutions following the fractured and broken contact zone.

THE PROJECT

Geologic justification for the DMEA project was based primarily upon two major concepts of the property: (1) the similarity in geologic environment between the uranium occurrences on the Lowley Lease and that on the successful Midnight and Northwest Uranium mines a few miles to the north, and (2) the sporadic occurrence of uranium mineralization for about 2,000 feet along the shattered contact zone between Precambrian metasediments and the Cretaceous igneous intrusion.

Both the Midnight and Northwest Uranium mines are important ore producers and supply the uranium mill at Ford, Washington, with its major supply of raw material. Both these mines are on faulted structures very similar to the faulted structure found at the Lowley Lease. There was no geological reason to believe that the faulted structure at the Lowley Lease would not be as important as either the Midnight or Northwest mines.

Only a relatively small portion of the Lowley Lease had been explored prior to the DMEA contract. The results of the exploration were encouraging but inconclusive. Prior to the contract the Daybreak Uranium, Inc. diamond drilled 15 exploratory holes totaling 2,435 feet (pl. 1) along the southern portion of faulted contact. Of these, 3 holes were barren of mineralization, 8 holes were mineralized, and 4 holes showed mineralization of ore grade. In addition, a 60-foot incline shaft was sunk in the sheared zone and 400 feet of crosscutting and drifting was completed from the bottom of the shaft. This underground exploration resulted in the production of 287.52 tons of rock containing 0.1744 percent U_3O_8 worth $5,953.48 at the mill.

These encouraging results were sufficient justification for further exploration with Government participation.

The Operator's original application contained a proposal to explore the sheared, mineralized metasediments adjacent to the granitic contact by percussion and core drilling. The project was outlined in two stages. Stage I included 2,690 feet of percussion drilling from the surface in 19 holes and 17 core holes with a total of 4,550 feet. Four of the core holes aggregating 1,050 feet were to be drilled from the underground workings off the incline shaft, and the remainder of the drilling would be from surface sites. The estimated cost of Stage I was $54,271.00, including all related costs.

Stage II, contingent on results of Stage I, included 8 core holes from the surface with a total of 3,900 feet of drilling. The total estimated cost of this stage was $38,796.26, making the total estimated cost of the project $93,067.26. The estimated time to complete the project was 10 months.

The Operator's proposed program was judged to be overly ambitious and a modified project including 15 percussion holes with drilling totaling 2,120 feet and 10 core holes with drilling totaling 2,740 feet was recommended. The total estimated cost of this program was $32,364.03.

The contract resulting from the Field Team recommendation included the recommended amount of drilling but set it up in two stages. Some of the related work, such as dozing, accounting, etc., was reduced or omitted, resulting in a total estimated cost of $28,946.00.

Mobilization of operating equipment was completed by July 9, 1958 and preparation of drill sites and drilling started immediately. The 15 percussion drill holes authorized in Stage I were completed August 6, 1958; the total feet drilled was 1,794.

Anomalous radioactivity was metered in 13 of the 15 holes drilled. Chemical assays of the better samples taken from 4-foot intervals in holes No. W3 and W9 showed a U_3O_8 content ranging from 0.128 to 0.321 percent U_3O_8 (pl. 1). Radiometric readings recorded for samples in other holes did not indicate that chemical assaying was justified.

Six of the 10 core holes authorized in Stage II were approved by the Field Team. These 6 holes were strategically located to test the possibility of any worthwhile ore occurrence in the areas indicating a potential by the percussion drilling.

Core drill hole sites were prepared. Drilling started September 2, 1958 and was terminated by mutual agreement on October 27, 1958. Six holes had been completed with a total of 1,444 feet drilled (pl. 1). Overall core recovery was 83.3 percent.

Uranium mineralization was detected in the drill core and in each hole by probing; however, the magnitude of the readings was too low to warrant sampling for chemical analysis.

Results of the project were negative as far as disclosing any significant reserves of uranium.

Drill logs are not included with this report but copies of the logs will be found with the Operator's Narrative Reports on Stages I and II work submitted with his voucher, form MF-104.

Summary of Factual Data

The following tabulation shows the work items, units authorized, units approved, and costs:

Stage I	Units Authorized	Units Approved	Unit Cost	Total Cost
Bulldozing	39 hrs.	39 hrs.	$ 16.00/hr.	$ 624.00
Transportation of dozer	Job	Job	112.00	112.00
Percussion drilling	2,120 ft.	1,794 ft.	1.378/ft.	2,472.70
Personal services	$785.00	$761.84	761.84	761.84
Operating materials and supplies	125.60	223.90	223.90	223.90
Operating equipment	125.00	105.00	105.00	105.00
Miscellaneous	417.00	70.27	70.27	70.27
Total accepted cost - Stage I				$4,369.71

Stage II				
Bulldozing	30 hrs.	30 hrs.	$ 10.217/hr.	$ 306.51
Transportation of dozer	$112.00	$112.00	112.00	112.00
Core drilling	2,750 ft.	1,444 ft.	6.056/ft.	8,744.95
Personal services	$1670.00	$1223.84	1223.84	1,223.84
Operating materials and supplies	517.57	118.03	118.03	118.03
Operating equipment	250.00	185.00	185.00	185.00
Miscellaneous	548.83	48.44	48.44	48.44
Total accepted cost - Stage II				$10,738.77
Total accepted cost - Stages I and II				$15,108.48

Total amount of contract	$28,946.00
Government participation at 50 percent	14,473.00
Total amount expended	15,108.48
Government participation	7,554.24
Total amount unexpended	13,837.52
Government's share unexpended	6,918.76
Net value of production during contract period	none

The Government did not acquire an equity in any of the operating equipment.

Discussion of Conclusions

There were no unusual factors that affected the performance of the contract work. The core recovery was over 80 percent, which was considered very satisfactory for the type of ground drilled. The cuttings from percussion drilling were removed by compressed air and the recovery from wet holes was poor.

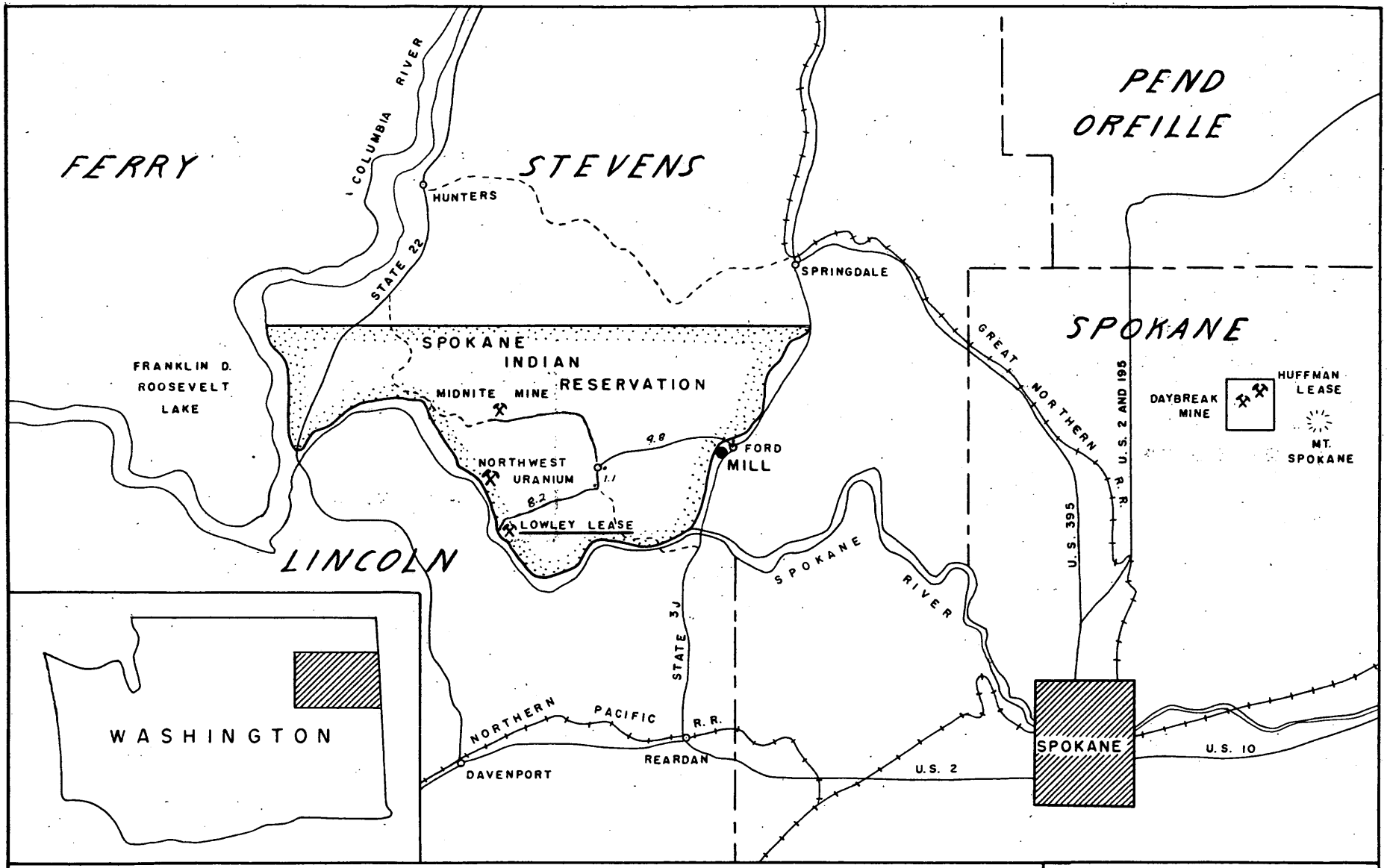
The Operator was technically, administratively, and financially able to conduct the project and the work was done in a workmanlike manner.

The target area was adequately explored and there are no targets presently evident that warrant further exploration.

Certification of Discovery or Development is not recommended, nor is Government participation in further exploration of the immediate area.

Enclosures

Distribution:
OME (3)
USBM (5)
USGS (SRO)
Docket
Sample
AEC, Grand Junction



INDEX MAP
showing location of
LOWLEY LEASE
DAYBREAK URANIUM INC.
STEVENS COUNTY, WASH.

0 4 8 MILES
R.D. SAMPLE

MARCH 1959

FIG. 1

Standard Form No. 1081 Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

JAN 29 1959 O.M.E.

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. 2275

U. S. .....
(Department, bureau, or establishment)

Voucher prepared at Spokane, Washington 1/23/59
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E1203

To Daybreak Uranium, Inc.
(Payee)

E. 12707 Valleyway Opportunity Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	Aug. 7 - Oct. 31, 1958	Funds withheld under Voucher No. 2248, dated November 17, 1958, adjusted to audit.				1,127	96
PAYMENT: Complete ☐ Partial ☐ Final ☐		FINAL PAYMENT					
		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	1,127	96

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

(Sign original only)

Date ..... *Payee .....
(This certificate not required when a like certificate is made by payee on attached bill or bills)

Per ..... Title .....

(Payee must NOT use this space)

Differences .....

Account verified; correct for 1,127 96

(Signature or initials) D. L.

Contract No.	Date	Req. No.	Date	Invoice Rec'd.

Pursuant to authority vested in me, I certify that this account is correct and proper for payment.

† Approved for $ .....

By .....

Title .....

SIGN ORIGINAL ONLY

† .....
(Authorized Certifying Officer)

Title .....

Date .....

THE REVERSE OF THIS FORM MUST BE EXECUTED WHEN PURCHASES ARE MADE OR SERVICES SECURED WITHOUT WRITTEN AGREEMENT IN ANY FORM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19..... Payee .....
(Sign original only)

* 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.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign on the line below "Approved for $.....", and over his official title.

Per .....

Title .....

16—22900-3

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

16—22900-2 ☆ U. S. GOVERNMENT PRINTING OFFICE : 1950—O-75806

So. 157 Howard Street
Spokane 4, Washington

January 20, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 26 1959

DATE	INITIALS	CODE
1/26	C	220
1/27	[illegible]	800
1/22	[illegible]	700

Daybreak Uranium, Inc.
12707 E. Valleyway
Opportunity, Washington

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington
Contract No. Idm-E1203

Gentlemen:

Enclosed for your information and files is a copy of a Report of Review dated November 30, 1958 covering an exploration project at the Lowley Lease during the period July 1958 to October 1958, inclusive.

The audit discloses that there is a balance of $1,127.96 due you. This amount will be scheduled for payment some time this week and you should have a check soon thereafter.

Sincerely yours,

A. E. Weissenborn
Executive Officer, OME
Field Team Region I

cc: OME (2)
USBM (2)
USBM(AD)

1201 N. Division St.
Spokane 2, Washington

January 19, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 26 1959
INITIALS CODE
1/26 C 220
1/27 800
1/27 700

Mrs. Dorothy Long, Certifying Officer
OME Field Team, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-4958 (uranium)
Daybreak Uranium, Inc.
Contract No. Idm-21203

Dear Mrs. Long:

The work completed under the contract was done to the satisfaction of the Government. The contract was terminated by mutual agreement on November 7, 1958, effective as of October 27, 1958. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

The Government has no interest in supplies or equipment purchased for use on the project.

A Certification of Discovery or Development will not be recommended.

A final Report of Review dated November 30, 1958 by OME Auditor George Mayer has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely yours,

A. H. Weissenborn, Exec. Officer
OME Field Team, Region I

cc: OME (2)
USGS (2)

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/12	Talbert	800
1/13	c	220
1/14	Murphy	700

JAN 13 1959

Via Air Mail

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

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Contract No. Idm-E1203

Dear Mr. Mavor:

Your Report of Review covering the referenced project is acceptable and normal distribution is authorized.

In the future please date your reports of review as of the date of your signature. It is to be noted that this report of review is dated November 30 whereas it incorporates information contained in Mr. Weissenborn's January 5 letter.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert
Contract Administration
and Audit Division

EDTalbert/GMcC
January 13, 1959

cc: Docket
Director's Reading File
Mr. Chambers

8623

OFFICIAL FILE COPY		
O. M. E.		
RECEIVED JAN 7 1959		
DATE	INITIALS	CODE
1/7	C	220
	Murphy	700

1202 N. Division St.
Spokane 2, Washington

AIR MAIL

January 5, 1959

Mr. George Mayer
OME Auditor
420 Custom House
555 Battery Street
San Francisco 11, Calif.

Re: Docket No. DMEA-4958 (uranium)
Daybreak Uranium, Inc.
Lindley Lease
Stevens County, Washington

Dear Mr. Mayer:

This is in reply to your letter of December 11, 1958 concerning the cost of dozer transportation from the Daybreak mine to the Lindley Lease, a distance of 69 miles, and return.

In his application for DMEA assistance, the Operator states "transportation of bulldozer from its present location to Lindley Lease, and return, would entail 138 miles. Beardmore Transfer Line, Inc. calculated the cost to be $479.54." Because this figure seemed to be a bit high, we telephoned Andrews Equipment Service and asked what they would charge for transporting a dozer weighing 16 tons a distance of 138 miles, 69 miles each way. They quoted us $0.35 per 100 lbs. each way, or $112.00 one way and $224.00 round trip. We used this quotation as a basis on which to establish a rate for our cost analysis. It was not a formal bid but an estimate made to us for our guidance in appraising the costs of the project. The use of the term "actual bid" in our letter of September 9, 1958 to George C. Selfridge was misleading; we should have said "informal telephone quotation made to the Field Team."

The price actually charged by Wallace was closer to the bid by the Beardmore Transportation Company and we have no reason to doubt that it was the actual cost of doing the job. Since we try not to favor any particular operator over another, we did not inform Daybreak Uranium, Inc. of the Andrews Equipment Service quotation and we do not know whether Daybreak contacted Andrews. Daybreak Uranium has not been too "flush" and in general has been very careful in its expenditures. Possibly had Andrews Equipment Service been making a formal bid they might have found that there were factors that they did not consider in their informal quotation to us.

In any event, our disallowance was based not so much on our belief that the cost was out of line but on Amendment No. 1 of the contract which allows $0.35 a hundred pounds for transporting the bulldozer 69 miles. If your interpretation of Amendment No. 1 is that the rate is $0.35 per 100 pounds per mile, then the maximum has not been exceeded and we have no real objection to paying the $453.20 claimed. However, it was our understanding that the contract sets a rate of $0.35 a hundred pounds for 69 miles and therefore the transportation allowance of $113.00 each way is a maximum. On this basis the disallowance is valid.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: Mr. Chambers
OGE (2)
UMRE (AB)
UBOE (2)

DMEA-Form-7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/8	Talbot	800
12/9	C	220
12/9	~~[illegible]~~	~~[illegible]~~

DEC 8 1958

VIA AIR MAIL

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

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Contract No. Idm-81203

Dear Mr. Mavor:

Your Report of Review on the referenced project is not acceptable and the Washington copies are returned herewith for revision after your further review and consideration.

The schedule attached to your report indicates your concurrence with the Certifying Officer's disallowance of $144.00 for bulldozing in excess of the $480.00 "allowable maximum per contract", but under the provisions of this contract the $480.00 estimate is not a maximum. Only the unit cost of $16.00 an hour is a maximum. Accordingly, the entire amount of $624.00 claimed by the Operator for Stage I bulldozing appears to be allowable, provided the actual costs were at least $16.00 an hour and the 39 hours is accepted by the Executive Officer as being reasonable and necessary.

Your schedule also shows concurrence with the Certifying Officer's disallowance of $229.20 for transportation of the bulldozer in excess of the "allowable maximum" of $224.00 ($112.00 in each stage), but, in this case also, the estimated total amount for the item is not a maximum. The contract, as revised by Amendment No. 1, provides that only the rate of $.35 a hundred pounds per mile is a maximum. Thus, it would appear that the amount allowable is the Operator's actual cost not in excess of an amount computed on the basis of the dozer's weight, the reasonable and necessary mileage, and the maximum rate of $.35/100 pounds.

8623

However, the Field Team's letter of September 9, 1958 to the Operating Committee states that the $112.00 estimate for one way transportation was an actual bid by Andrews Equipment Service. Thus it appears that your disallowance may be proper, not as an excess over an allowable maximum, but as an excess over the reasonable and necessary cost. Before a determination can be made it may be necessary for the Executive Officer to request the Operator to justify his failure to use the bidder's services.

In connection with both of the foregoing items it is suggested that you review Article 6 of the contract and the interpretation guide, which follows page 21 of the audit manual.

On page 2 of your schedule the amount of $1.68, previously disallowed by the Certifying Officer, is reinstated because "discount was not taken by the Operator". I cannot concur with this reinstatement. The amount of an offered discount, which an Operator failed to take advantage of, cannot be construed as a reasonable and necessary cost. In this connection reference should be made to the first paragraph on page 15 of the audit manual.

From page 3 of your schedule it appears that under Category (4) the Certifying Officer allowed only depreciation, whereas you are allowing as a unit rate the maximum of $5.00 a day. Allowable under the contract, as revised by Amendment No. 1, are all necessary actual costs (for example, depreciation and repairs), except for the gasoline, oil, and lubrication, provided under Category (3), but not in excess of $5.00 a day. Possibly further review, and certainly further explanation, is necessary.

The first disallowance listed on your schedule is for "uncompleted drilling footage". Presumably you mean drilling footage of incompleted holes. Clarification appears in order.

The factual portion, i.e., the 4th paragraph, of your report is not stated in accordance with instructions. Also, you have not included a summary as required in reviews of this nature. Please refer to the third and fifth indented paragraphs under (L) on page 71 of the audit manual.

From the condition of the forms MF-104 on file in this Division I know this must be a "messy" project to review. However, since none of the cost details appear in the Washington files it is most important that your report clearly state the audit findings.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

Enclosures

EDTalbert/GMcC
December 8, 1958

cc: Docket
Director's Reading File
Mr. Chambers
Mr. Weissenborn (2)
Mrs. Dorothy Long

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. 110	TJ	11/29
2. ~~700 Murphy~~		11/25
3.		
4.		
5.		
FROM:		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

INT.-DUP. SEC., WASH., D.C. M25803

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

Budget Bureau No. 42-R1036.5

RECEIVED NOV 24 1958 O.M.E.

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

Month of AUG. 7-OCT. 31, 1958 Docket No. DMEA 4958 Contract No. 4DM-E 1203
Operator's Name DAYBREAK URANIUM, INC. Minerals URANIUM
Address E. 12707 VALLEYWAY, OPPORTUNITY, WN.
Contract Amount, $28,946.00 Government Participation: 50% Amount, $ 14,473.00

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:						
Stage I Drilling (Percussion)	9053.35	2472.70	11,526.05		2472.70	2472.70
" I+II Bulldozing	306.51	624.00	930.51	786.51	—	786.51
Stage II Crosscutting Drilling (core)				8533.95	—	8533.95
" II Drifting Standpipe				68.25	—	68.25
" I+II TRANSPORT BULLDOZER	—	453.20	453.20	28.75	—	28.75
" II Standby Time				224.00	—	224.00
(2) Labor and Supervision:				64.00	—	64.00
Labor Engr's Helper	23.84	161.84	185.68	23.84	161.84	185.68
Supervision	1763.49	700.00	2463.49	1200.00	600.00	1800.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Stage II Pipe CORE BOXES	168.19	—	168.19	166.51	—	166.51
" I+II Truck GASOLINE	106.63	50.61	157.24	157.24	—	157.24
" I+II LUBE, OIL, ETC.	11.40	5.50	16.90	16.90	—	16.90
" I SAMPLE SACKS	—	1.28	1.28		1.28	1.28
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	278.50	105.00	383.50	178.09	—	178.09
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Stage I Sampling and Analysis	—	8.00	8.00		8.00	8.00
" I+II Payroll Taxes	53.32	91.71	145.03	.54	40.00	40.54
" I+II Liability Insurance				39.90	30.27	70.17
(8) Contingencies (specify):						
TOTALS	11766.23	4673.84	16439.07	11538.48	3314.09	14852.57

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

Date 11-1-58 *Payee DAYBREAK URANIUM, INC.

Per Kae H. Sowers Title SECRETARY-TREASURER
KAE H. SOWERS

*When a check is signed or endorsed 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:

$ 4769.24

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 11/17/58 Vou. No. 2248
(See other side)

5769.24
(Withheld 1000.00)
Pay $4769.24

(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. E 1203 in accordance with the terms of the contract.

Signature /s/ Eric L. Erickson Title Mining Engr. Date 11/10/58

APPROVAL BY ~~DMEA~~ OME EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Nov. 14, 1958

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 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED NOV 24 1958 O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of AUG. 7-OCT. 31 58 Docket No. DMEA 4958 Contract No. 10M-E-1203
Operator's Name DAYBREAK URANIUM, INC. Minerals URANIUM
Address C. 12707 VALLEYWAY, OPPORTUNITY, WH.

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	Ft.	11,458.72	1444	11,458.72	1444	7.94	2750	5.43
Churn								
PERCUSSION Auger	Ft.	—	—	3,596.64	1794	2.00	2120	2.24
Stripping								
Trenching								
Test Pits								
Roads and Trails	Hr.	306.51	30	1,383.71	69	20.05	60	20.43
Total Distributed Costs		11,765.23		16,439.07				Total Costs Authorized by Contract
Operating Equipment Purchased		—						
Initial Rehabilitation and Repairs		—						
New Buildings, Improvements, etc.		—						
Total Costs		11765.23		16439.07				28,246.00

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 11/1/58 Operator DAYBREAK URANIUM, INC.

Per Kae H. Sowers Title SECRETARY-TREASURER
KAE H. SOWERS

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)

/s/ Eric L. Erickson, 11/10/58

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

1201 N. Division St.
Spokane 2, Washington

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 24 1958

DATE	INITIALS	CODE
11-24	C	220
"		110
11/24		800
11/25	Murphy	700

October 30, 1958

MEMORANDUM

To: OME Field Team, Region I

From: E. G. Erickson, Mining Engineer, U. S. Bureau of Mines

Subject: Final inspection, Docket No. DMEA-4958 (uranium), Daybreak Uranium, Inc., Lowley Lease, Stevens County, Washington, Contract No. Idm-E1203

The final inspection of this property was made October 30, 1958, with R. D. Sample and H. F. Albee, geologists, U. S. Geological Survey.

The Operator had completed the 6 core drill holes authorized under Stage II of the contract. The drill hole sites were inspected and the holes found to be located as authorized. The core is boxed in cardboard core boxes and each box is properly marked to identify the hole number, core interval, inclination of hole, etc. The contact between the granite and the argillaceous rocks was readily noted in the cores. No significant amounts of uranium mineralization were detected.

The results of the project work were negative insofar as finding any significant mineralization although "good kicks" were registered in a few holes. The area probed by percussion and core drilling was found to contain only weak and sporadic uranium mineralization. The findings indicate that further exploration of the target area is not warranted. A certification of discovery or development is not recommended.

The drilling completed under the contract was as follows:

Stage I - Percussion Drilling

Hole No.	Total depth	Inclination	Hole No.	Total depth	Inclination
1	108	- 50°	9	104	- 70°
2	100	- 50°	10	94	- 70°
3	96	- 50°	11	104	- 70°
4	96	- 80°	15	108	- 60°
5	112	- 75°	16	160	- 70°
6	124	- 70°	17	170	- 60°
7	124	- 60°	19	180	- 60°
8	114	- 70°			
			Total feet drilled	1794	

Stage II - Core Drilling

Hole No.	Total depth	Inclination	Contact point - ft.
5	322	- 63½° W.	283.0
6	370	- 60° W.	339.0
12	159	- 78° N. 60° W.	116.0
13	146	- 85° N. 70° W.	125.0
14	134	- 80½° N. 45° W.	111.0
19	313	Vertical	222.8
Total feet drilled	1444 (includes 7 ft. of standpipe)		

The status of the contract is:

Date of contract: June 11, 1958
Termination date: December 1, 1958
Amount of contract: $28,946.00

Stage I	Authorized	Completed
Independent contracts:		
Bulldozing	30 hrs.	39 hrs.
Transportation (dozer)	$112.00	$453.20
Percussion drilling:		
0 - 50 feet	1120 750 ft.	750 ft.
50 - 100 "	750 ft.	736 ft.
100 - 150 "	540 ft.	248 ft.
150 - 200 "	80 ft.	60 ft.
Casing	300 ft.	none
Personal services:		
Supervision	1 mo.	1 mo.
Consultant	2 days	none
Engineer's aide	40 hrs.	97 hrs.
Materials and supplies:	$125.60	$57.39
Operating equipment:		
Jeep or pickup	25 days	21 days
Miscellaneous:	$417.00	$78.27 ? assays or payroll taxes @ what rate

unit costs ?

cannot use to prepare work analysis report

Stage II	Authorized	Completed
Independent contracts:		
Bulldozing	20 hrs.	30 hrs.
Transportation dozer	$112.00	none 1/
Core drilling:		
0 - 250 ft.	2,440 ft.	1,182 ft.
250 - 500 ft.	310 ft.	255 ft.
Standpipe	60 ft.	7 ft.
Reaming and landing casing, or cementing and redrilling	800 ft.	21 ft.
Landing casing	400 ft.	none 1/
Standby time	20 hrs.	8 hrs.
Personal services:		
Supervisor	2 mos.	2.52 mos.
Consultant	6 days	none 1/
Engineer's aide	10 days	1 day
Materials and supplies:	$517.57	$286.22
Operating equipment:		
Jeep or pickup	50 days	37 days
Miscellaneous:	$548.83	$ 53.32

1/ None invoiced.

Distribution:
OME (4)
USGS (2)
USBM (AD)
Docket
Erickson

OFFICIAL FILE COPY O. M. E. RECEIVED NOV 24 1958		
DATE	INITIALS	CODE
11/24	C	220
"	[illegible]	700

1201 N. Division St.
Spokane 2, Washington

November 20, 1958

CERTIFIED MAIL

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

Re: Docket No. DMEA-4958 (uranium)
Daybreak Uranium, Inc.
Lowley Lease
Contract No. Idm-21203

Dear Mr. Mavor:

Enclosed herewith is a memorandum from the Field Team, Region I, requesting final audit of the subject contract. In addition, we are transmitting the following material needed to complete your audit:

(1) Contract and Correspondence File (Includes Annex I, Exhibit "A", Amendment No. 1 and Termination Agreement).

(2) Voucher File (MF-104's and 104A's, with attachments).

The sum of $1,000 was withheld from the August 7- October 31, 1958 voucher, pending final audit.

Sincerely yours,

Dorothy F. Long
Authorized Certifying Officer

Enclosures

cc: Mr. Chambers
OME (2)
USGS (2)
USBM (AD)

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 24 1958

DATE	INITIALS	CODE

1201 N. Division St.
Spokane 2, Washington

November 18, 1958

Mr. George Mayer, OME Auditor
Room 420, Custom House
555 Battery Street
San Francisco 11, Calif.

Re: Docket No. DMA-4958 (uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington
Contract No. DMA-81203

Dear Mr. Mayer:

The referenced contract was terminated by mutual agreement on November 7, 1958, effective as of October 27, 1958.

The number of units of work satisfactorily completed by the Operator and accepted by the Field Team are:

Stage I	Authorized	Completed
Independent contracts:		
Bulldozing @ 160/hr 480.00	30 hrs.	39 hrs.
Transportation (dozer) 112.00	$112.00	$453.20 ?
Percussion drilling:		
0 - 50 feet @ 1.25	750 ft.	750 ft.
50 - 100 feet @ 1.40	750 ft.	736 ft.
100 - 150 feet @ 1.60	540 ft.	248 ft.
150 - 200 feet @ 1.80	60 feet	60 ft.
Casing	300 ft.	none
Personal services:		
Supervision 600	1 mo.	1 mo.
Consultant 350	2 days	none
Engineer's aide @ 7.00/day 280	40 hrs.	97 hrs.
Materials and supplies:	$125.60	$57.39
Operating equipment:		
Jeep or pickup @ 5.00/day	25 days	21 days
Miscellaneous: 117.00	$417.00	$78.27
Payroll taxes & 14%		
75 lb O_2 cylinders @ 4.00/cylinder 300.00		
47.20		

costs?

Stage II	Authorized	Completed
Independent contracts:		
Bulldozing	20 hrs.	30 hrs.
Transportation (dozer)	$111.00	none 1/
Core drilling:		
0 - 250 ft.	2,440 ft.	1,182 ft.
250 - 500 ft.	310 ft.	255 ft.
Standpipe	60 ft.	7 ft.
Reaming and lining, or cementing and redrilling	800 ft.	21 ft.
Lining casing	400 ft.	none 1/
Standby time	20 hrs.	8 hrs.
Personal services:		
Supervisor	2 mos.	2.52 mos.
Consultant	6 days	none 1/
Engineer's aide	10 days	1 day
Materials and supplies:	$517.57	$886.22
Operating equipment:		
Jeep or pickup	50 days	37 days
Miscellaneous:	$548.83	$ 53.32

1/ None invoiced.

The Operator's final engineering and geological report was received on November 6, 1958. This report meets the requirements of Article 7(e) of the contract.

A Certification of Discovery or Development is not recommended.

The total amount paid to date to the Operator is $6,436.28.

A Report of Review in lieu of a final audit is in order and requested.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: Mr. Chambers
OMM (2)
USGS (2)
USBM (AD)

OFFICIAL FILE COPY O. M. E. RECEIVED NOV 24 1958		
DATE	INITIALS	CODE
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11/24	[illegible]	800
	[illegible]	~~700~~

1201 N. Division St.
Spokane 2, Washington

November 18, 1958

Daybreak Uranium, Inc.
12707 E. Valleyway
Opportunity, Washington

Re: Docket No. DMEA-4958 (uranium)
Daybreak Uranium, Inc.
Lowley Lease
Contract No. Idm-E1203

Gentlemen:

The subject monthly operating report has been processed and forwarded to the Disbursing Officer for payment.

We are withholding an amount of $1,000 pending a final audit by a representative of the Contract Administration and Audit Division of Office of Minerals Exploration. This is the customary procedure and is applicable to all contracts.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing S. Agnew, Member
U. S. Bureau of Mines

cc: OME (2)
USGS (2)
USBM (AD)

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 18 1958

DATE	INITIALS	CODE
11/18	[illegible]	225
11/18	[illegible]	800
"	Murphy	700

So. 157 Howard Street
Spokane 1, Washington

November 14, 1958

Daybreak Uranium, Inc.
12707 E. Valleyway
Opportunity, Washington

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lewley Lease
Stevens County, Washington
Contract No. Lab-E1203

Gentlemen:

In accordance with your request of October 20, 1958, our Washington office has prepared the original and four copies of a proposed Termination Agreement, which are enclosed. If the agreement meets with your approval, would you please sign all copies, retain that copy marked for the Operator, and return the rest to this office.

If it does not meet with your approval, please return all copies, unsigned, to this office with your comments.

We have received your final report and final voucher; therefore, Item 3 of the Termination Agreement has been fulfilled.

Sincerely yours,

A. E. Weissenborn
Executive Officer, OME
Field Team Region I

cc: OME (2)
UMRM (2)
UMRM(AD)
Sample

P. S. The Office of Minerals Exploration mentioned in the agreement is the successor agency to DMEA.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

1201 N. Division St.
Spokane 2, Washington

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 10 1958

DATE	INITIALS	CODE
11/10	C	220
11/12		800
11/13	Murphy	700

November 7, 1958

Mr. George C. Selfridge, Chairman
Operating Committee, OME
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4958 (uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington
Contract No. Idm-E1203

Dear Mr. Selfridge:

Enclosed are the original and one copy of the Operator's final report on Stage II work at the Lowley Lease. The Operator's report on Stage I work was received August 15, 1958 and distributed at that time as a narrative to accompany the MF-104 and 104A. The two reports are acceptable as fulfilling the requirements of a final report in accordance with Article 7(c) of the contract.

By Field Team, Region I

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosure

cc: USGS (2)
USBM (AD)

OPR'S FINAL REPORT

[illegible]

[illegible]

FROM: FIELD TEAM, REGION 1, AEC
S. 187 HOWARD STREET
SPOKANE, WASHINGTON

[illegible]: HUBERT W. NORMAN, [illegible]
DAVOREAU CORPORATION
E. 12707 [illegible]
OPPORTUNITY, WASHINGTON

SUBJECT: STAGE 3
DMEA EXPLORATION CONTRACT NO. [illegible]
DOCKET NO. DMEA-4988 (URANIUM)
[illegible] MINE
STEVENS COUNTY, WASHINGTON

MOBILIZATION OF EQUIPMENT WAS [illegible] THE [illegible] ORGANIZATIONS [illegible] IMMEDIATELY. [illegible] IS BY A CRAWLER-MOUNTED, [illegible] TON PERCUSSION [illegible] ROTARY DRILL CAPABLE, POWERED BY A [illegible] COMPRESSOR. A [illegible] CREW WORKING APPROXIMATELY 10 HOURS PER DAY, 5 TO 6 DAYS PER WEEK IS REQUIRED TO COMPLETE THE WORK IN THE ALLOTTED PERIOD.

STAGE 3 OF THE EXPLORATION CONTRACT ALLOWS 15 HOLES, [illegible] FIRST FEET OF DRILLING. THE 15 PROPOSED HOLES WILL [illegible] TOTALS OF 3750 FEET REQUIRED. [illegible] HOLES [illegible] PERFORMED BY A [illegible] CATERPILLAR [illegible] WITH [illegible] TYPE [illegible]. AN ALLOWANCE OF 30 HOURS [illegible] FOR [illegible] HOLES THAT REQUIRE.

[illegible] PROGRESS [illegible] UNDER THE [illegible] AS [illegible] COMPLETED [illegible] BY [illegible].

[illegible] JOBS [illegible] 13 [illegible] EXPLORATION [illegible] COMPLETED [illegible] BY A [illegible] CATERPILLAR [illegible] NO. 5 [illegible] URANIUM [illegible] MINE [illegible] STEVENS COUNTY. [illegible] CREW [illegible] NO. [illegible] ADJACENT [illegible] [illegible] MINE [illegible]

[illegible]

[illegible]

RECEIVED
BUREAU OF MINES
NOV 6 - 1958
OPPORTUNITY, WASH.

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 10 1958

DATE	INITIALS	CODE

TO: FIELD TEAM, REGION 1, DMEA
S. 157 HOWARD STREET
SPOKANE 4, WASHINGTON

FROM: HUBERT W. NORMAN, MGR. MINING AND EXPLORATION
DAYBREAK URANIUM, INC.
E. 12707 VALLEYWAY
OPPORTUNITY, WASHINGTON

SUBJECT: FINAL NARRATIVE REPORT, STAGE 11
DMEA EXPLORATION CONTRACT NO. IDM-E1203
DOCKET NO. DMEA 4958 (URANIUM)
LOWLEY LEASE
STEVENS COUNTY, WASHINGTON

STAGE 11 OF THIS CONTRACT ALLOWED 10 HOLES, NOT TO EXCEED 2750 FEET OF DRILLING, TOGETHER WITH NECESSARY BULLDOZING OF ACCESS ROADS AND DRILL SITES. HOWEVER, ONLY AS MUCH OF THIS STAGE AS APPROVED IN ADVANCE IN WRITING BY THE GOVERNMENT WAS TO BE PERFORMED BY THE OPERATOR. WRITTEN AUTHORIZATION WAS GRANTED ON AUGUST 11, 1958 BY THE FIELD TEAM, REGION 1 DMEA, FOR THE DRILLING OF SIX HOLES TOTALING APPROXIMATELY 1600 FEET.

THE PROJECT WAS UNDER THE SUPERVISION OF H. W. NORMAN.

PREPARATION OF ACCESS ROADS AND DRILL SITES BY THE COMPANY'S D-8 CATERPILLAR, EQUIPPED WITH HYDRAULIC BLADE AND RIPPER, REQUIRED 30 HOURS, EXCEEDING THE 20 HOURS ALLOWED BY THE CONTRACT.

DRILLING OPERATIONS COMMENCED SEPTEMBER 2, 1958. EQUIPMENT CONSISTED OF A CHICAGO-PNEUMATIC HYDRAULIC FEED DIAMOND DRILL, MOUNTED ON A 6 X 6 TRUCK. LONGYEAR WIRE LINE DRILL RODS AND CORE BARREL WERE UTILIZED IN ORDER TO REALIZE BETTER CORE RECOVERY, FASTER DRILLING, AND LESS CASING AND CEMENTING THAN HAD BEEN OBTAINED WITH CONVENTIONAL DIAMOND DRILLING ON AN EARLIER PROJECT. AN IMPORTANT ADVANTAGE OF THE WIRE LINE METHOD IS THAT THE DEEP HOLE PROBE CAN BE DROPPED THROUGH THE DRILL RODS, ELIMINATING THE PROBLEM OF PROBING UNCASED HOLES IN CAVING GROUND.

DRILLING WAS ON A TWO-SHIFT BASIS, SIX DAYS PER WEEK. AVERAGE DAILY FOOTAGE, INCLUDING MOVES, WAS 38 FEET. AVERAGE CORE RECOVERY FOR THE PROJECT WAS 83.3%. SHEARED AND FRACTURED ZONES IN THE QUARTZITE REDUCED RECOVERY IN THAT FORMATION TO 80.3% WHILE RECOVERY IN THE GRANDIORITE WAS 94.8%.

THE DRILLING PROJECT WAS TERMINATED OCTOBER 16, 1958 BY MUTUAL AGREEMENT OF THE DMEA AND THE OPERATOR. SIX HOLES, TOTALING 1444 FEET, HAD BEEN COMPLETED AT THIS TIME. ALL CORE IS STORED IN SUITABLY MARKED CONTAINERS ON THE OPERATOR'S PROPERTY.

THE PURPOSE OF THE PROJECT WAS TO EXPLORE, BY DRILLING, THE DOWNWARD EXTENSIONS OF A MINERALIZED ZONE OCCURRING IN A QUARTZITE NEAR ITS CONTACT WITH THE LOON LAKE GRANITE. THIS ZONE HAD BEEN PREVIOUSLY EXPLORED AT, AND NEAR, ITS OUTCROP BY STRIPPING, UNDERGROUND WORK AND DRILLING. SIGNIFICANT URANIUM OCCURRENCES WERE FOUND BY ALL THREE METHODS OF EXPLORATION, BUT WERE DISCONTINUOUS AND DID NOT INDICATE A MINEABLE DEPOSIT AT A SHALLOW DEPTH. STAGE II OF THE DMEA PROJECT WAS DESIGNED TO EXPLORE THE CONTACT ZONE AT DEPTHS NOT PREVIOUSLY REACHED. WITHIN THE LIMITS OF THE PROJECT CONTRACT THIS WAS ACCOMPLISHED, BUT WITH DISAPPOINTING RESULTS. URANIUM MINERALS WERE DETECTED IN DRILL CORE OR BY PROBE READING IN EACH HOLE, BUT NEVER IN COMMERCIAL WIDTH OR GRADE. IN FACT IN NO INSTANCE WERE EITHER DRILL CORE OR CUTTINGS SUFFICIENTLY URANIFEROUS TO WARRANT SAMPLING FOR THE PURPOSE OF ANALYSIS. Note H.W. Normans report on Stage I holes W-3 and W-9 — Jam

THE EAST-DIPPING CONTACT OF THE QUARTZITE AND GRANODIORITE APPEARS TO BE FLATTENING DOWNDIP, AND IN SOME INSTANCES REVERSING DIP TO THE DEGREE THAT THE GRANODIORITE COULD BE EXPECTED TO OUTCROP A FEW HUNDRED FEET EAST OF THE DRILL HOLE LOCATIONS. SUCH AN OUTCROP, IF OCCURRING, IS CONCEALED BY GLACIAL SANDS AND GRAVELS WHICH OVERLY MUCH OF THE SURROUNDING AREA. IT IS, OF COURSE, POSSIBLE THAT SUCH CHANGES IN THE ATTITUDE OF THE CONTACT MERELY REPRESENT LOCAL IRREGULARITIES IN THE SURFACE OF THE BATHOLITHIC INTRUSIVE, AND THAT CONSIDERABLY GREATER THICKNESSES OF QUARTZITE MAY EXIST TO THE EAST. DRILLING RESULTS TO DATE INDICATE A WEAKENING OF THE MINERALIZED ZONE OR ZONES AS THE DIP OF THE CONTACT DECREASES.

BELOW IS A BRIEF DESCRIPTION OF EACH HOLE DRILLED:

DDH D-5 WAS DRILLED TO A DEPTH OF 322 FEET, INCLINED $-63\frac{1}{2}^{\circ}$ WEST. THE CONTACT OF THE QUARTZITE AND GRANODIORITE WAS INTERSECTED AT 283 FEET. THIS HOLE WAS DESIGNED TO EXPLORE THE DOWNWARD EXTENSIONS OF AN ORE ZONE INDICATED BY DDH D-2. SPORADIC OCCURRENCES OF URANIUM AND/OR ANOMALOUS RADIOACTIVITY WERE NOTED FROM 135-274 FEET, BUT WERE NOT OF COMMERCIAL SIGNIFICANCE.

DDH D-6 WAS DRILLED TO A DEPTH OF 370 FEET, INCLINED -60° WEST. THE CONTACT OF THE QUARTZITE AND GRANODIORITE WAS INTERSECTED AT 339 FEET. THIS HOLE WAS DESIGNED TO EXPLORE POSSIBLE EXTENSIONS OF THE MINERALIZED ZONES EXPOSED BY STRIPPING, DRILLING OR UNDERGROUND WORK FROM DDH D-2 NORTHWARD TO THE VICINITY OF THE SHAFT. SPORADIC OCCURRENCES OF URANIUM WERE NOTED FROM 52-340 FEET, BUT WERE NOT OF COMMERCIAL SIGNIFICANCE.

DDH D-12 WAS DRILLED TO A DEPTH OF 159 FEET, INCLINED -78° N60°W. THE GRANODIORITE CONTACT WAS INTERSECTED AT 116 FEET. THIS HOLE WAS DESIGNED TO EXPLORE ANY DOWNWARD EXTENSIONS OF THE ORE ZONE INDICATED BY DH W-3. ANOMALOUS RADIOACTIVITY WAS NOTED FROM 80-110 FEET, BUT WAS NOT OF COMMERCIAL SIGNIFICANCE.

DDH D-13 WAS DRILLED TO A DEPTH OF 146 FEET, INCLINED -85° N70°W. THE GRANODIORITE CONTACT WAS INTERSECTED AT 125 FEET. THIS HOLE, LIKE D-12, WAS DESIGNED TO FURTHER EXPLORE THE ORE ZONE INDICATED BY DH W-3. URANIUM MINERALS AND/OR ANOMALOUS RADIOACTIVITY WERE DETECTED FROM 105-136 FEET, BUT WERE NOT OF COMMERCIAL SIGNIFICANCE.

DDH D-14 WAS DRILLED TO A DEPTH OF 134 FEET, INCLINED $-80\frac{1}{2}^{\circ}$ N45°W. THE GRANODIORITE CONTACT WAS INTERSECTED AT 111 FEET. THIS HOLE WAS DESIGNED TO EXPLORE POSSIBLE DOWNWARD EXTENSION AND IMPROVEMENT OF THE SLIGHTLY MINERALIZED ZONES INDICATED BY HOLES DRILLED DURING STAGE I OF THE CONTRACT. VERY SLIGHT ANOMALOUS RADIOACTIVITY WAS DETECTED FROM 73-95 FEET. THE CONTACT APPARENTLY FLATTENS RAPIDLY IN THIS AREA AND FURTHER DRILLING TO THE NORTHEAST DID NOT SEEM WARRANTED.

DDH D-19 WAS DRILLED VERTICALLY TO A DEPTH OF 313 FEET. THE GRANODIORITE CONTACT WAS INTERSECTED AT 222.8 FEET. NORMALLY THE HOLE WOULD HAVE BEEN TERMINATED AFTER PASSING THROUGH 40 FEET OF GRANODIORITE, BUT THE CONTACT WAS SO MUCH SHALLOWER THAN ANTICIPATED IN THIS HOLE THAT THE GRANODIORITE WAS SUSPECTED TO REPRESENT A SILL OR DIKE RATHER THAN THE TRUE BATHOLITHIC BODY. ASSUMING THE CONTACT AT 222.8 FEET TO BE THE BOTTOM OF THE QUARTZITE ROOF PENDANT, THE CONTACT HAS REVERSED ITS DIP AND IS BECOMING PROGRESSIVELY SHALLOWER TO THE EAST. ONLY SLIGHTLY ANOMALOUS RADIOACTIVITY WAS DETECTED, SUPPORTING THE THEORY OF DECREASING MINERALIZATION ASSOCIATED WITH DECREASE IN DIP OF THE CONTACT.

THIS PROJECT HAS NOT ENTIRELY DISPROVED THE EXISTENCE OF ORE ON THE LOWLEY LEASE, BUT HAS SHOWN THAT A BODY OF COMMERCIAL SIGNIFICANCE IS NOT LIKELY TO BE FOUND WITHIN A FEW HUNDRED FEET OF THE OUTCROP OF THE MINERALIZED ZONE. A SIZEABLE AREA TO THE EAST REMAINS UNEXPLORED, AND IF THE CONTACT HERE RESUMES ITS EASTERLY DIP THE POSSIBILITY OF ADDITIONAL MINERALIZED ZONES EXISTS.

DRILLING IN THIS UNEXPLORED AREA MAY WELL BE JUSTIFIED, BUT SUCH A PROGRAM WAS BEYOND THE SCOPE OF THIS DMEA PROJECT.

H. W. Norman

H. W. NORMAN
MGR. MINING AND EXPLORATION
DAYBREAK URANIUM, INC.

NOVEMBER 1, 1958

DRILLING REPORT

COMPANY Daybreak Uranium, Inc.

HOLE NO. D-5 TOTAL DEPTH 322.0'
LOCATION Sta. L ≠ 162.0' N. 45° E.
COORDINATES 5728.0 N. 5523.5 E.
COLLAR ELEVATION 1426.0'
BEARING West DIP -63½°
OVERBURDEN DEPTH 12.0'
DEPTH TO WATER ? Drilling water in hole.

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER McClintock Diamond Drill Co.
TYPE OF DRILLING Diamond, wire line
HOLE STARTED 9-13-58
HOLE FINISHED 9-23-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U3O8 (.2 .4 .6 .8)
3½" NX		Quartzite	12.0-35.0 Frac., med to dark-gray, fine-grained, biotite-rich qtzt. Limonite stain in fracs. to 21'. Bedding irreg. 45°-55° to axis of hole. Occ. pyrite & calcite in frac. 18-19 Altered granodiorite with qtzt. inclusions.		10, 20, 30	
		Gran.	35.0-40.0 Slightly altered granodiorite. Comp: qtz., white feld. & biotite.		40	
BX		Quartzite	40.0-44.0 Frac., fine-grained, extremely biotite-rich qtzt. Bedding crumpled, 25°-60° to axis of hole. 44.0-48.0 Fault zone. Sheared & brecc. qtz., graphic granite & qtzt. 48.0-49.0 Partially altered granodiorite. 49.0-148.0 Highly frac., fine-grained, med. to dk-gray, extremely biotite-rich qtzt. Occ. tight slips, usually across bedding. Bedding ≠ 60° to axis of hole. 74.4-75.5 White qtz. dike.		50, 60, 70, 80, 90	

SAMPLE DATA

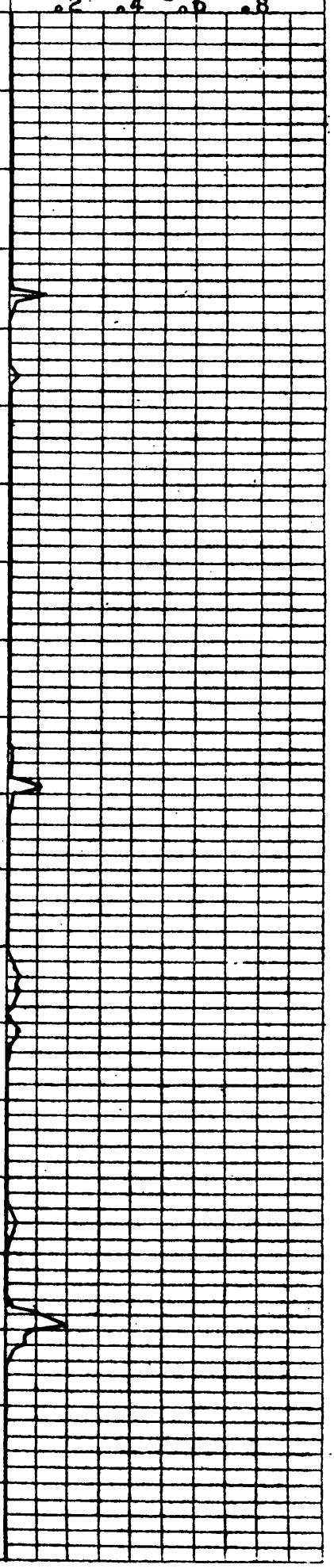
NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	CU3O8	OTHER

REMARKS
0'-12' Cased NX
0'-17' Cased BX

HOLE NO. D-5 SHEET NO. 2

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH
BX	88.4 91.8 Total 88.8	Quartzite Grano-diorite Qtzt. Grano-diorite Quartzite Quartzite, anthophyllite & anthophyllitic quartzite Grano-diorite	148.0-159.0 Med-grained grano-diorite. Compr qtz., white feld. & biotite. Pyrite in fracs. 159.0-163.0 Partially granitized qtzt. Occ. tight slips. Bedding distorted. 163.0-174.0 Frac., med. to dk-gray, fine-grained, micaceous qtzt. Occ. pyrite & calcite in fracs. Occ. tight slips. Bedding variable, 65°-80° to axis of hole. 174.0-176.0 Slightly altered, med-grained granodiorite. Occ. calcite in fracs. Occ. tight slips. 176.0-193.0 Predom. granodiorite as abovealternating with qtzt. & partially granitized qtzt. 178.6 1" fault G. & Br. 193.0-218.0 Frac., med to dk-gray qtzt. Freq. tight slips along & across bedding. Occ. pyrite in frac. Bedding ∠ 60° to axis of hole. 200.9-201.7 Black U mineral as thin frac. fillings & along tight slips, with pyrite. Highest count 0.80 mR/hr on slickenside. 206.5 1" pink calcite. 210 2" fault G. & Br. 218.0-224.0 Shear zone. Gray-green G. & Br. 224.0-235.0 Banded, gray to green, frac., very impure qtzt. Freq. tight slips & narrow zones of fault G. & Br. Freq. reddish-brown coloration from biotite alteration. Calcite stgrs. common. Bedding irreg. 55°-90° to axis of hole. (Shear zone, but less intense than above) 235.0-248.0 Banded & mottled, gray, green & reddish, very impure qtzt. Occ. tight slips. Pyrite & calcite in fracs. Light to dark-green mineral fills many fracs. (chlorite/) Entire zone soft & talcy.(anthophyllitic?) Bedding irreg. & crumpled 45°-70° to axis of hole. 248.0-256.0 Gray to reddish-brown qtzt. Freq. pyrite stgrs. & blebs.		100 10 20 30 40 50 60 70 80 90 200 10 20 30 40 50 60 70 80 90 300

RADIOACTIVITY LOG % U_3O_8



HOLE NO. D-5 SHEET NO. 3

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U_3O_8 .2 .4 .6 .8
BX		Granodiorite	Occ. tight slips. 254.8 Very thin coating U mineral along frac. (parallel to axis of hole) Maximum count 0.15 mR/hr on 107 C G.C. 256.0-261.5 Similar to 235.0-248.0. 261.5-263.5 Gray-green fault G. & Br. with qtz. & occ. pyrite. 263.5-265.5 Mottle, dark-gray anthophyllite with reddish-brown, partially altered biotite. Numerous tight slips. 264 2" fault G. & Br. 265.5-277.5 Similar to 235.0-248.0. 274-275 Partially altered, sheared granodiorite. 277.5-279.0 Gray-green fault G. & Br. 279.0-283.0 Alternating hard, gray qtzt, anthophyllite & fault G. & Br. 283.0-284.0 Altered & sheared granodiorite.(50% G. & Br.) Pink calcite stringers. 284.0-322.0 Frac., med-grained granodiorite. Freq. soft, altered zones & tight slips. Comp: qtz., white feldspar & biotite.		300 10 20 30 40 50 60 70 80 90 00 10 20 30 40 50 60 70 80 90	

DRILLING REPORT

COMPANY Daybreak Uranium, Inc.

HOLE NO. D-6 TOTAL DEPTH 370.0'
LOCATION Sta. L ∠ 240.0' N. 27° E.
COORDINATES 5830.0 N. 5521.5 E.
COLLAR ELEVATION 1435.0'
BEARING West DIP -60°
OVERBURDEN DEPTH 1.0'
DEPTH TO WATER ? Drilling water in hole

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER McClintock Diamond Drill Co.
TYPE OF DRILLING Diamond, wire line
HOLE STARTED 9-23-58
HOLE FINISHED 10-3-58
LOGGED BY H. W. N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U3O8 (.2 .4 .6 .8)
Blm						
NX 10		Qtst.	1.0-17.0 Frac., med to dk-gray, fine-grained, biotite-rich qtzt. Fe stain in frac. Bedding irreg. 40°-50° to axis of hole.		10	
20		Gran.	17.0-22.5 Med-grained granodiorite. Comp: qtz, white feld. & biotite.		20	
30		Quartzite	22.5-32.0 Very frac. biotite-rich qtzt. Fe stain in frac. Occ. tight slips. Bedding irreg. 50°-70° to axis of hole.		30	
40					40	
BX 50			32.0-133.5 Frac., med. to dk-gry, biotite-rich qtzt. Occ. tight slips. Occ. calcite in frac. Bedding ∠ 60° to axis of hole. 81.0-86.5 Thin coatings U mineral along fracs. & slips (across bedding) assoc. with fine-grained pyrite. Max. count 0.5 mR/hr on 107C G.C. Fracs. & slips too widely spaced & coatings of U too thin to warrant sampling.		50	
60					60	
70					70	
80					80	
90			133.5-140 Partially altered, med-grained granodiorite.		90	

SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	CU3O8	OTHER

REMARKS

0'-3' Cased NX
0'-17' Cased BX

Hole caving below 190'.

HOLE NO. D-6 SHEET NO. 2

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U_3O_8 .2 .4 .6 .8
BX		Quartzite	140.0-151.2 Frac., gray to gray-green, micaceous (biotite & muscovite) qtzt. Occ. tight slips. Occ. calcite as stgrs. & in frac. Occ. pyrite blebs. Bedding irreg. 45°-70° to axis of hole. Frequent zones with granitoid texture.		100	
			151.2-152.6 Soft, micaceous, light-gray granitized(?) qtzt.		10	
		Gran.	152.6-178.0 Med to dk-gray, frac, biotite-rich qtzt. Freq. mottled or banded. Occ. pyrite & calcite. Freq. reddish-brown beds.(partially altered biotite) Bedding ∠ 70° to axis of hole. (freq. distorted & indistinct)		20	
		Quartzite	178.0-185.0 As above, but with freq. very fine-grained banded, light to dark-green, soft, talcy zones.		30	
		Quartzite, anthophyllite & anthophyllitic quartzite	185.0-212.0 Predom. very fine-grained, banded green, talcy rock as above with less qtzt. Abund. calcite & pyrite, as stgrs. & in fracs. Numerous tight slips. Freq. brecc. & recemented.		40	
			212.0-275.5 Alternately gray to gray-green qtzt, anthophyllite, & anthopyllitic qtzt. Numerous tight slips. Occ. calcite. Abund. brown biotite, especially in anthophyllite. 218.5-219.2 light green brecc. 225.5-227.0 fault G. & Br. 212.0- 1.5" dark U mineral assoc. with fine-grained pyrite. (0.8 mR/hr on 107C G. C.) Not in frac. but interstital along bedding. 212.0-214.0 Sparse U in qtzt. along tight slips & fracs. 228.5-230.0 Fault G. & Br. 248.5-249.0 " " 250.0-250.6 " " 256.5-257.5 " " 263.5-263.7 " "		50	
			275.5-326.0 Massive, fairly hard, gray, greenish-gray or brownish-gray qtzt. Fine-grained, but slightly coarser than qtzt. higher in hole. Micaceous, but without the very biotite-rich dark bands as above. Occ. tight slips. Moderately frac. 285.0 ½" Fault G. & Br.		60	
		Qtzt.			70	
					80	
					90	
					200	
					300	

HOLE NO. D-6

SHEET NO. 3

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U_3O_8 .2 .4 .6 .8
BX	81.8	Quartzite	Bedding indistinct & variable 40°-80° to axis of hole. (Predom. ∠ 65°) 291.6-292.2 Fault G. & Br. 302-313 Numerous fracs. & slips. 312.5-315.8 Very light-colored muscovite-rich zone. Abund. pale, yellow-green mineral (alteration?). Abund. hematite stain.			
	97.5	Granodiorite	326.0-338.0 Frac., fine-grained, med. to dk-gray, impure qtzt. Abund. biotite gives brownish coloration. Bedding ∠ 60° to axis of hole. 338.0-340.0 Contact zone. Alternately decomposed, iron-stained granodiorite & qtzt. 340.0-354.0 Soft, highly decomposed, med-grained granodiorite. Occ. tight slips. Occ. calcite stringers. 354.0-370.0 Slightly altered, med-grained granodiorite. Comp: qtz., white feld., & biotite.			
	Total 83.1					

Depth scale: 10, 20, 30, 40, 50, 60, 70, 80, 90, 00, 10, 20, 30, 40, 50, 60, 70, 80, 90

Depth scale: 300, 10, 20, 30, 40, 50, 60, 70, 80, 90, 00, 10, 20, 30, 40, 50, 60, 70, 80, 90

DRILLING REPORT

COMPANY Daybreak Uranium, Inc.

HOLE NO. D-12 TOTAL DEPTH 159.0'
LOCATION Sta. M ≠ 50.0' S. 17° E.
COORDINATES 6349.0 N. 5527.5 E.
COLLAR ELEVATION 1508.0'
BEARING N. 60° W. DIP -78°
OVERBURDEN DEPTH 5.0'
DEPTH TO WATER ? Drilling water in hole.

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER McClintock Diamond Drill Co.
TYPE OF DRILLING Diamond, wire line
HOLE STARTED 9-2-58
HOLE FINISHED 9-8-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U3O8 .2 .4 .6 .8
3½" NX		Quartzite	5.0-14.0 Frac., gray, fine-grained, biotite-rich, impure qtzt. Fe stain frac. Occ. calcite in frac. 0-9 Bedding ∠ 90° to axis of hole. 9-14 Bedding 45°-60° to axis of hole.		10	
			14.0-62.0 Qtzt. as above but with much hematite as stain and frac. fillings. Occ. slips both along and across bedding. Abund. muscovite. Bedding irreg. & distorted 55°-70° to axis of hole.		20, 30, 40, 50	
BX			62.0-104.0 Qtzt. as above, but less frac. & no hematite. Some pyrite in frac. Bedding ∠ 70° to axis of hole.		60	
			104.0-115.0 Brecciated, recemented & altered zone. Qtzt. as above alternating with soft, green, altered mineral (anthophyllite?). Bedding ∠ 70° to axis of hole.		70, 80	
			115.0-116.0 Contact zone. Partially granitized qtzt.		90	
			116.0-119.0 Med-grained granodiorite.			

SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	CU3O8	OTHER

REMARKS

0'-6' Cased NX
0'-15' Cased BX

Anomalous radioactivity indicated by log due to thin frac. fillings of unidentified uranium mineral. Not worth sampling.

HOLE NO. D-12

SHEET NO. 2

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U_3O_8
BX	74.0	Qtzt.	119.0-127.0 Sheared, partially altered granodiorite. 120-124 Fault G. & Br. with abund. pink calcite.			
	96.0	Granodiorite	127.0-137.0 Med-grained granodiorite. Comp: white feld. qtz. & biotite. 137.0-141.0 Partially altered, sheared & brecc. granodiorite. 141.0-159.0 Med-grained granodiorite. Comp: qtz., white & pink feld. & biotite. Occ. calcite & fine-grained pyrite in frac.			
	Total 80.5					

Depth scale: 10, 20, 30, 40, 50, 60, 70, 80, 90, 100, 10, 20, 30, 40, 50, 60, 70, 80, 90, 200, 10, 20, 30, 40, 50, 60, 70, 80, 90

Radioactivity scale: .2 .4 .6 .8

DRILLING REPORT

COMPANY Daybreak Uranium, Inc.

HOLE NO. D-13 TOTAL DEPTH 146.0'
LOCATION Sta. M + 77.5' N. 65½° E.
COORDINATES 6429.5 N. 5583.5 E.
COLLAR ELEVATION 1523.0'
BEARING N. 70° W. DIP -85°
OVERBURDEN DEPTH 2.0'
DEPTH TO WATER ? Drilling water in hole

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER McClintock Diamond Drill Co.
TYPE OF DRILLING Diamond, wire line
HOLE STARTED 9-8-58
HOLE FINISHED 9-12-58
LOGGED BY H.W. N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U3O8 .2 .4 .6 .8
3½" NX		Quartzite	2.0-37.5 Frac., med. to dk-gry, micaceous (mostly biotite) qtzt. Limonite in frac. to 21'. Bedding 50°-70° to axis of hole. (angle increases with depth) Muscovite-rich 27.8-29.0.		10	
					20	
			37.5-43.7 Fine-grained, dk-gry, lamprophyre dike or sill. Numerous small calcite(?) phenocrysts & frac. fillings. Occ. biotite phenocrysts.		30	
		Lamp. dike			40	
BX		Quartzite	43.7-114.5 Similar to 2.0-37.5. Bedding irreg. 60° to 70° to axis of hole. Occ. calcite in frac. 65.5 Fault G. & Br. 93.0 Fault Br. 105.7-106.4 Fine-grained, greenish-gray dike, with abundant fine-grained pyrite. 107 Radioactive, black mineral occurs as very thin frac. filling. 107.0-114.5 Bedding generally 40°-50° to axis of hole.		50	
					60	
					70	
					80	
			114.5-125.1 Altered, brecc. & recemented green to gray, impure qtzt. (shear zone?)		90	

SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	CU3O8	OTHER

REMARKS

0'-6' Cased NX
0'-15' Cased BX

Uranium occurs as very thin coatings on fractures or slips. Not worth sampling.

HOLE NO. D-13 SHEET NO. 2

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH
BX	73.2	Quartzite	Numerous tight slips (random orientation). Fractures frequently recemented with white calcite. 125 Thin, black U coating, 1.5 mR/hr, on bedding slip, 55° to axis of hole.		10, 20
	98.0 Total 76.8	Granodiorite	125.1-146.0 Med-grained, granodiorite. Comp. white qtz, white & pink feldspars & biotite. Altered & brecciated for 1' at contact. Occ. tight slips. 144-146 Occ. fine-grained pyrite.		30, 40

RADIOACTIVITY LOG % U_3O_8 .2 .4 .6 .8

DEPTH: 100, 10, 20, 30, 40, 50, 60, 70, 80, 90, 200, 10, 20, 30, 40, 50, 60, 70, 80, 90

DRILLING REPORT

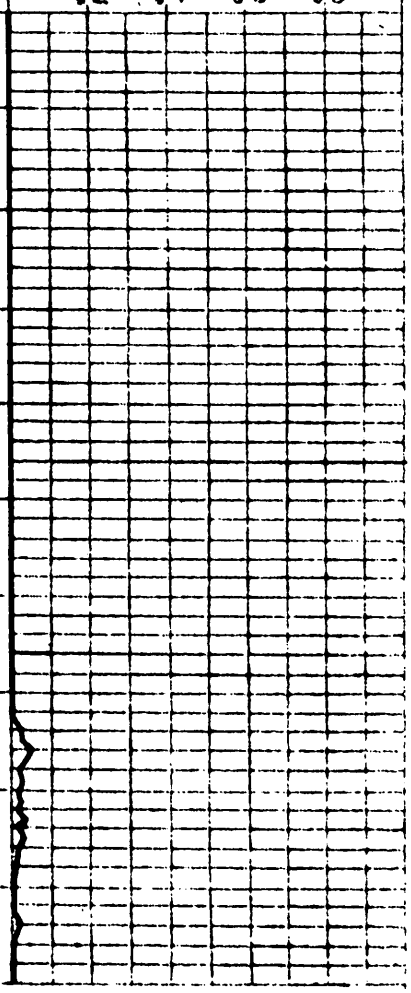
COMPANY Daybreak Uranium, Inc.

HOLE NO. D-14 TOTAL DEPTH 134.0'
LOCATION Sta. 17 + 30.0' S. 62° E.
COORDINATES 6500.5 N. 5662.5 E.
COLLAR ELEVATION 1543.0'
BEARING N. 45° W. DIP -80½°
OVERBURDEN DEPTH 1.0'
DEPTH TO WATER ? Drilling water in hole

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER McClintock Diamond Drill Co.
TYPE OF DRILLING Diamond, wire line
HOLE STARTED 10-3-58
HOLE FINISHED 10-7-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH
NX 3'					
BX 10'		Quartzite	1.0-65.0 Frac., fine-grained, med to dk-gry, micaceous (mostly biotite) qtzt. Limonite in frac. to 36'. Bedding ∠ 60° to axis of hole.		10
20			65.0-71.2 Dk-gry, fine-grained, lamprophyre dike or sill. Numerous calcite phenocrysts & frac. fillings. Numerous small biotite phenocrysts.		20
30			71.2-111.0 Similar to 1.0-65.0. Occ. tight slips. Occ. hematite staining.		30
40					40
50			111.0-134.0 Med-grained granodiorite. Comp. white qtz., white feld., biotite. Occ. pink feld. Occ pyrite in frac.		50
60					60
70		Lamp. dike			70
80		Quartzite			80
90					90

RADIOACTIVITY LOG % U3O8



SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	CU3O8	OTHER

REMARKS
0'-3' Cased NX
0'-10' Cased BX

HOLE NO. D-14 SHEET NO. 2

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U_3O_8 .2 .4 .6 .8
BX	77.3	Qtzt.			100	
	88.8	Granodiorite			10	
					20	
	Total 80.6				30	
					40	
					50	
					60	
					70	
					80	
					90	
					200	
					10	
					20	
					30	
					40	
					50	
					60	
					70	
					80	
					90	

DRILLING REPORT

COMPANY Daybreak Uranium, Inc.

HOLE NO. D-19 TOTAL DEPTH 313.0'
LOCATION Sta. L ∠ 238.0' N.63½°E.
COORDINATES 5722.5 N., 5625.5 E.
COLLAR ELEVATION 1438.0'
BEARING --- DIP -90°
OVERBURDEN DEPTH 4.5'
DEPTH TO WATER ? Drilling water in hole.

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER McClintock Diamond Drill Co.
TYPE OF DRILLING Diamond, wire line
HOLE STARTED 10-8-58
HOLE FINISHED 10-15-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U3O8 (.2 .4 .6 .8)
3½"						
NX			4.5-63.3 Frac., med. to dk-gry, fine-gr., micaceous qtzt. Limonite stain in frac. to 20'. Bedding ∠ 50° to axis of hole. (irreg. & indistinct to 35') Occ. pyrite. Occ. calcite in frac.		10	
					20	
		Quartzite	63.3-76.0 Med-grained granodiorite. Comp.- white qtz., white feld., biotite. Sparse pink feld.		30	
			76.0-79.0 Biotite-rich qtzt.		40	
			70.0-80.0 Granodiorite.			
			80.0-85.0 Frac., gry-brn-gry qtzt. Similar to 45.0-63.3. Bedding ∠ 60° to axis of hole.		50	
BX			85.0-86.0 Decomposed granodiorite.			
			86.0-93.5 Qtzt. as from 80.0-85.0.		60	
		Granodiorite	93.5-96.4 Partially altered granodiorite, with occ. qtzt. remnents.		70	
		Qtzt	96.4-130.8 Frac., med. to dk-gry, biotite-rich qtzt. Thin biotite-rich beds give banded appearance. Occ. tight slips. Occ. calcite in frac. Bedding ∠ 55° to axis of hole.		80	
					90	
		Gran.	126.1- 2" white clay (gouge?)			

SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	CU3O8	OTHER

REMARKS
0'-5' Cased NX
0'-15' Cased BX

HOLE NO. D-19 SHEET NO. 2

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U_3O_8 .2 .4 .6 .8
BX	76.3	Quartzite	130.8-135.0 Predom. med-grained granodiorite, with included biotite-rich qtzt. 130.8-131.1 Fault G. & Br. 135.0-222.8 Similar to 96.4-130.8. More frequent tight slips. Occ. pyrite in frac. Bedding variable, 30°-60° to axis of hole. (predom. ∠ 60°.)		100 10 20 30	
		Gran.	222.8-313.0 Med-grained, fresh to slightly altered granodiorite. Comp. white qtz, pink and white feld., biotite. Frequent greenish alteration of biotite(?). Occ. pyrite blebs. Occ. calcite in frac. 249.0 Slight radioactivity (0.10 mR/hr) in black frac. coating. 273-275 Highly altered, with numerous narrow gouge seams. 303.5-313.0 Highly altered, with numerous slips.		40 50 60 70 80 90 200 10 20	
	96.6 Total 83.4	Granodiorite			30 40 50 60 70 80 90 300	.00 to 313'

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/4/58	Murphy	700
11/4	Robbins	700
11-4	Chambers	800
11/7	[illegible]	130
11/7	Johnson	1110
		~~100~~
11/10	[illegible]	220
		700

Mr. A. E. Weissenborn
Executive Officer
OME Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

NOV 7 1958

Re: Docket No. DMEA-4958 (Uranium)
Contract No. Idm-E1203
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed Termination Agreement to the subject contract, signed by the Acting Director for the Government. Also enclosed are two extra copies for Field Team use.

If you and the Operator find the proposed agreement in order, please have an authorized representative of the corporation sign the original and four copies. Thereafter, kindly distribute the copies in the usual manner.

This agreement has been prepared in accordance with the Field Team's recommendations submitted October 27, 1958.

Please advise the Operator that OME is the successor agency to DMEA.

Sincerely yours,

George C. Selfridge
(es/)
ACTING Chairman, Operating Committee

Enclosures

APPROVED:

P. F. Yopes (es/)
Member, Bureau of Mines

N. E. Nelson (es/)
Member, Geological Survey

FMMurphy/gla
11/4/58
cc to: Director's Reading File
Operating Committee
THKiilsgaard, 5224
FMMurphy

8623

FMMurphy/gla
10/30/58

DRAFT

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx hereinafter called the "Government," and Daybreak Uranium, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E 1203, Docket No. DiEA-4958, dated June 11, 1958, as amended, hereinafter called the "Contract," that:

1. Effective Oct. 27, 1958, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall not contribute xxxx to the agreed xxxxxxxxxxxxxxxx xxxx costx of any xxx work performed after xxxxxx October 27, 1958.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government respecting certification of discovery or development, percentage royalty and liens to secure the payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims and demands under or arising out of said Contract, except as otherwise provided in this Termination Agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
xxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxxx
Director, Office of Minerals Exploration

_____

By _____

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington

October 27, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 29 1958

DATE	INITIALS	CODE
10/29	C	220
		130
10/30	Murphy	700

Mr. George C. Selfridge, Chairman
Operating Committee, OME
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4958 (uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington
Contract No. Idm-E1203

Dear Mr. Selfridge:

Enclosed are two copies of a letter dated October 20, 1958, from H. W. Norman, manager for the referenced company, requesting that the contract be terminated by mutual agreement.

Stage I was completed by wagon drilling 15 holes totaling 1,794 feet at the approximate locations and inclinations shown on plate 3 accompanying the contract. Each hole showed some radioactivity near the contact between the quartzite and granodiorite. Samples from Hole 3 assayed 0.279 percent eU_3O_8 and 0.321 percent cU_3O_8 between depths of 56 and 60 feet. Samples from Hole 9 assayed 0.128 percent eU_3O_8 between the same depths.

Under Stage II diamond drill holes 5, 6, 12, 13, 14, and 15 were authorized and all but hole 15 were drilled. Although none of these holes was too encouraging, holes 5 and 6 showed zones of slight radioactivity. DDH-2 (L-2 on the map accompanying the application) which the operator drilled prior to the contract showed a narrow band of ore-grade material. Because of this and the slight encouragement shown in DDH-5 the operator was authorized to drill one more hole not less than 100 feet east of hole 5. This hole cut the contact at a much shallower depth than was anticipated and was continued for about 30 feet into the granite. No encouraging radioactivity was found.

The Field Team therefore recommends that the contract be terminated. Our final report will not recommend a Certification of Discovery.

By Field Team Region I

A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew
Wing G. Agnew, Member
U. S. Bureau of Mines

cc: USBM (2)
USBM(AD)
Sample

DAYBREAK URANIUM, INC.

October 13, 1958

Field Team, Region 1
Defense Minerals Exploration Administration
S. 157 Howard St.
Spokane 4, Wn.

RE: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington

Gentlemen:

The above project will be completed on or about October 20, 1958. A progress report and voucher will not be submitted for the month of September but will be included in the final progress report. This procedure, if acceptable to the DMEA, will reduce our paper work considerably.

Very truly yours,

Daybreak Uranium, Inc.

W. W. Norman
Mgr., Mining and Exploration

WWN/van

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 23 1958
DATE | INITIALS | CODE
10/23 | C | 220
10/24 | | 800

RECEIVED
OCT 14 1958

So. 157 Howard Street 10/13 C 220
Spokane 4, Washington ~~Murphy 700~~

October 8, 1958

Mr. H. W. Norman, Geologist
Daybreak Uranium, Inc.
12707 E. Valleyway
Opportunity, Washington

Re: Work Authorization
Docket No. DMA-4958 (Uranium)
Daybreak Uranium, Inc.
Lindsay Lease
Stevens County, Washington
Contract No. Idm-X1205

Dear Mr. Norman:

During an office conference with A. E. Weissenborn, D. R. MacLaren, and R. D. Sample, you described the poor results obtained in diamond drill holes 12, 13, and 14 and requested that authorization be given to omit drilling diamond drill hole 15 and to drill a diamond drill hole near the location of D 19 as shown on the map accompanying your application. You estimated that the granite contact at this point might be between 475 and 530 feet deep.

Because hole L-2 showed ore and diamond drill hole 5 was somewhat encouraging, you are authorized to omit drilling hole 15 and to diamond drill a vertical hole not less than 100 feet east of hole 5 to a depth not to exceed 550 feet.

By Field Team Region I

Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

Donald R. MacLaren, Acting Member
U. S. Geological Survey

cc:

OME (3) ✓
UEDM (2)
UEDM(AD)
Sample

rm 7

OFFICIAL FILE COPY

Date	Surname	Code
9/22/58	Murphy	700
9/22	Kubach	700
9/22	Talbert	800
9/24	[illegible]	130
"	Johnson	110
"	[illegible]	100
9/25	[illegible]	220
		700

Mr. A. E. Weissenborn
Executive Officer
OME Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

SEP 24 1958

Re: Docket No. DMEA-4958 (Uranium)
Contract No. Idm-E1203
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed Amendment No. 1 to the subject contract, signed by the Acting Director for the Government. Also enclosed are two extra copies for Field Team use.

If you and the Operator find the proposed amendment in order, please have an authorized representative of the corporation sign the original and four copies. Thereafter, kindly distribute the copies in the usual manner.

The item for transporting the bulldozer is changed in accordance with your recommendation submitted September 9, 1958. With regard to unit costs for the bulldozer and jeep, footnote 1/ permits the Operator to use its own equipment on a unit cost basis.* Since Stage I of the work under the contract has been performed, it is not considered feasible to rewrite the contract to place the bulldozer and jeep on an agreed unit cost basis. The Operator under the contract must submit a breakdown of the actual costs for the work performed by this equipment.

In forwarding the amendment to the Operator this should be brought to its attention. The Operator should also be advised that the "Office of Minerals Exploration" mentioned in the amendment is the successor to DMEA.

FMMurphy/gla 9-22-58
cc to: Director's Reading File
Operating Committee
THKiilsgaard, 5224
FMMurphy

Enclosures

Sincerely yours,

* as determined by actual costs.

George C. Selfridge
Chairman, Operating Committee (HB)

APPROVED:

/s/ J. J. Curvenyak (HB)
Member, Bureau of Mines

N. E. Nelson (HB)
Member, Geological Survey

DRAFS
9/1phy/gla
FM

EXPLORATION PROJECT CONTRACT
DAYBREAK URANIUM, INC.
DOCKET NO. DMEA-4958
CONTRACT NO. IDM-E1203

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Daybreak Uranium, Inc., hereinafter called the "Operator," that Exploration Project Contract No. Idm-E1203 (Docket No. DMEA-4958), dated June 11, 1958, hereinafter called the "Contract," is amended, effective June 11, 1958, as follows:

1. Under Exhibit "A," Estimated Costs of the Project, Actual Costs, the second ~~xxxxxxxx~~ item under Category (1) Independent Contracts in Stage I and Stage II, reading:

"Transportation of bulldozer, 320 miles @ $0.35/mile 112.00"

are revised to read:

"Transportation of a 16-ton bulldozer, 69 miles, @ $0.35/100 pounds 112.00".

2. Under footnote 1/, page 6 of Exhibit "A," the follow- is added:

"The unit cost per hour for bulldozing and the unit cost per day for Keep or pickup transportation, includes the cost of the operator and all other necessary costs that are not specifically provided for under the Estimated Costs of the Project."

his amendment shall not be construed to increase d total cost of the project, the aggregate amount

which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals
Exploration Administration

DAYBREAK URANIUM, INC.

By_____

Title_____

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 11 1958
DATE | INITIALS | CODE
9-11 | C | 220
" | Murphy | 700
C/ sent to 800

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1201 North Division Street

September 9, 1958

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington
Contract No. Idm-E1203

Dear Mr. Selfridge:

In processing the Operator's July 1958 voucher, there is some uncertainty concerning method of reimbursement on two items in the contract. These are (1) Bulldozing at $16 per hour under Independent Contracts, and (2) a Jeep at $5 per day under Operating Equipment. Footnote (1) gives the Operator the option of using its own equipment at the unit costs per hour, or day, not exceeding the contract figures. The Operator is using its own dozer and jeep.

We wish to know if reimbursement for the dozer and jeep is to be on the basis of hourly and daily depreciation, respectively, plus operator, fuel, etc., or if we are to consider the $16 per hour for the dozer and $5 per day for the jeep as unit costs. If these two pieces of equipment are to be depreciated, then there obviously will be complications, particularly in the case of the dozer when it would be on a stand-by basis.

unit costs

In view of the small number of units involved we would prefer to have both the dozer and the jeep on an agreed unit cost basis without increasing the unit cost or dollar totals for these items. This would apply to both stages. The Operator is using a D-8 series 2-U dozer. Current rental in this area is normally $18.60 per hour without operator or fuel.

Another point that came up was transportation of a bulldozer. The contract authorizes transportation for 320 miles at $0.35 per mile, not to exceed $112.00. The distance transported amounts to 69 miles; the maximum we could pay would be $24.15 one way. This obviously is unrealistic and is based on a misunderstanding of the examining engineer's report. The $112.00 recommended

for dozer transportation in the Field Examination Report was an actual bid by Andrews Equipment Service for transporting a dozer from the Daybreak mine to the Lowley Lease, a distance of 69 miles. The bid is at the rate of $0.35 per hundred pounds for 16 tons, or $112.00 for one way.

We recommend that an appropriate amendment be written, placing the dozer and jeep on a unit cost basis and authorizing dozer transportation at $112.00.

By Field Team, Region I

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Stephen W. Zolchok

for Wing G. Agnew, Member
U. S. Bureau of Mines

cc: USGS (2)
AD

INTERIOR DEPT.

SEP 15 1958

SOLICITOR

1201 N. Division St.
Spokane 2, Washington

September 4, 1958

9/12 C 220
9/12 800
Murphy 700

Mr. H. W. Norman, Geologist
Daybreak Uranium, Inc.
12707 E. Valleyway
Opportunity, Washington

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Contract No. Idm-E1203

Dear Mr. Norman:

This is to inform you the subject voucher could not be paid in the full amount claimed.

The amounts withheld are explained in the attached copy of a memorandum to the Field Team from the Certifying Officer, Region I.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA (2)
USGS (2)
AD

DMEA Field Team, Region I

September 4, 1958

DMEA Certifying Officer, Region I

Daybreak Uranium, Inc., Contract No. Idm-E1203
Monthly operating report for July 8-August 6, 1958

The subject monthly operating report has been processed and forwarded to the Disbursing Officer for payment.

We are withholding payment on the following items pending a letter to Washington for clarification:

Item	Amount Claimed
Bulldozing	$624.00
Transporting bulldozer	453.20
Jeep Depreciation	105.00

Supervision has been paid at the authorized contract amount of $600.00 per month rather than the $700.00 per month claimed by the Operator.

Dorothy F. Long

cc: DMEA (2)
USGS (2)

	SEP 8 1958	
	INITIALS	CODE
9/9	C	220
	~~Brooksby~~	~~720~~

So. 157 Howard Street
Spokane 4, Washington

September 3, 1958

Mr. H. W. Norman, Geologist
Daybreak Uranium, Inc.
12707 E. Valleyway
Opportunity, Washington

Re: Work authorization (correction)
Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington
Contract No. Idm-E1203

Dear Mr. Norman:

In our letter of August 11, 1958, we authorized diamond drilling six holes designated on the application map as DDH's 5, 6, 12, 13, 14, and 16. The designation of hole 16 is in error. The holes authorized should have been DDH's 5, 6, 12, 13, 14, and 15.

By Field Team Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA (3)
USBM (2)
USBM(AD)
Sample

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 15 1958

DATE	INITIALS	CODE
8/15	H.G.	225
		800
		700

So. 157 Howard Street
Spokane 4, Washington
August 11, 1958

Mr. H. W. Norman, Geologist
Daybreak Uranium, Inc.
12707 E. Valleyway
Opportunity, Washington

Re: Work Authorization
Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington
Contract No. Idm-E1203

Dear Mr. Norman:

In view of the results of Stage I in the above contract you are hereby authorized by the Field Team to proceed to the Stage II diamond drilling. Six holes with a combined total depth of approximately 1,600 feet are authorized. These holes are designated on the application map as DDH's 5, 6, 12, 13, 14, and 16 and are to be drilled at the approximate position as shown on the map, depending upon the topography, except that none shall be closer than 100 feet to any other hole drilled in this stage as per contract agreement. The inclination of the holes shall be such as to intersect the projected fault contact between the quartzites and granite at approximately 150 feet down dip from the intersection found by the percussion holes. Any unused footage from the approximate 1,600 feet may be used for drilling an additional hole in a favorable location agreed upon by the Operator and the Field Team.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA(3)
USGM(2)
USBM(AD)
Sample

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

August 8, 1958

AUG 25 1958

8/26	C	220
26	Cour	100
"	[illegible]	110
8/27	[illegible]	800
"	[illegible]	700
	(Murphy)	

MEMORANDUM

To: DMEA Field Team, Region I

From: R. D. Sample, Geologist, U. S. Geological Survey, and E. G. Erickson, Mining Engineer, U. S. Bureau of Mines

Subject: Interim inspection, Docket No. DMEA-4958 (uranium), Daybreak Uranium, Inc., Lowley Lease, Stevens County, Washington, Contract No. Idm-E1203

The project was inspected jointly by R. D. Sample and E. G. Erickson on August 1 and August 5, 1958. After preparing access roads and drill sites, percussion wagon drilling under Stage I of the contract began on July 22.

This drilling was designed to outline the approximate contact between the Precambrian quartzites and the Cretaceous granodiorite intrusion and also to determine the attitude of this contact which is buried in alluvial and weathered deposits. Previous exploration by the company had determined that the radioactive minerals were at or near the contact between the quartzites and granodiorite; usually the values were found in the shattered zone of the quartzites. The granodiorite was generally barren of radioactive minerals. Minor amounts of uranophane and autunite occur on or near the outcrops, but uraninite and coffinite have been detected within a few feet below the surface.

On August 1, wagon drill holes No. 1-8 inclusive, 15, 16, 17 and 19 had been drilled, cuttings scaled by Geiger counter, and holes probed by a Babbel counter. All of the holes except No. 6 and 16 showed some radioactive anomalies at or near the contact; one hole (No. 3) showed ore of commercial grade between 56 and 60 feet.

By August 5 the three remaining holes (No. 9, 10 and 11) had been completed, and the scaling and probing was completed on August 6. All of these holes showed minor amounts of radioactivity near the contact, and hole No. 9 showed mineralization of almost ore grade between 56 and 60 feet. Later radiometric analysis by the AEC in Spokane showed hole No. 3 with 0.279 percent U_3O_8 between 56 and 60 feet and hole No. 9 with 0.128 percent U_3O_8 between 56 and 60 feet. Samples for both these holes have been sent out for chemical analysis but the results have not yet been received. Inasmuch as the uranium minerals are considered to be out of equilibrium the chemical analysis is expected to show even better uranium content. (On August 12 the chemical analysis was phoned in for hole No. 3--0.321 percent U_3O_8.)

As stated before, this first stage was designed as preliminary work, primarily to test the contact and attitude of dip. The expectation of finding commercial ore with this relatively shallow drilling was secondary. However, two of the holes encountered commercial or near commercial grade ore while 11 of the remaining holes showed very interesting radioactive anomalies at or near the contact. The contact is now fairly well established as is the approximate dip. The purpose of Stage I work has been successfully completed as designed. The weak mineralization encountered at a relatively shallow depth may be due to the leaching effect near the surface, and secondary enrichment may occur in favorable fracture zones along the faulted contact below the zone of leaching.

The access roads and drill sites were excavated with a D-18 dozer equipped with ripper teeth. The Operator claims dozer hours were considerably more than the 30 hours allowed by the contract as access roads had to be maintained because of loose sand.

The drilling in Stage I was accomplished by a wagon drill mounted on a small "Twenty" model caterpillar. A G-D $4\frac{1}{2}$" drill was used and the carriage on the rig would allow 12-foot steel changes. A 2-3/4" 4 winged tungsten carbide-tipped detachable bit was used on $1\frac{1}{2}$" Hex. special steel rods of 10- and 12-ft. lengths. Compressed air was furnished by a 600 cfm Jaeger compressor. Drilling was dry except when a small amount of water was encountered in a few holes. Cuttings were blown out of a spout that was part of the "Y" assembly which fit over the short (about 3-ft.) casing pipe set in each hole. The rods went through the other arm of the "Y" that was capped with a rubber disc with a center hole. Cuttings from each 4-ft. run were collected for sampling. Only samples that had a high radiometric count were assayed.

Observation of the drilling procedure showed the cuttings were removed as the probe reached into the bottom foot of hole.

Following is a tabulation of the holes drilled:

Hole No.	Inclination	Depth	Hole No.	Inclination	Depth
1	-50°	108'	8	-70°	114'
2	-50°	100'	9	-70°	104'
3	-50°	96'	10	-70°	94'
4	-80°	96'	11	-70°	104'
5 1/	-75°	112'	15	-60°	108'
6	-70°	124'	16	-70°	160'
7	-60°	124'	17	-60°	170'
			19	-60°	180'

1/ Moved S. 20° E. 10 ft.

The examiners believe that at least a portion of Stage II work is justified and that the structure outlined in Stage I warrants further exploration. Stage II of the contract authorizes the drilling of not to exceed 10 core drill holes with a total maximum footage of 2,750 feet. Of these 10 holes it is believed that 6 holes can be drilled advantageously in determining the merits of the property. These 6 diamond drill holes should be drilled back of the percussion drill holes from 100 to 200 feet, depending upon the topography, and at an inclination which would intersect the projected fault contact about 130 ± feet down dip from the percussion holes. The 6 holes recommended are DDH No. 5, 6, 12, 13, 14 and 15. If these 6 holes should be successful in finding ore the remaining 4 holes (No. 1, 2, 3 and 4) should be completed as authorized in the contract.

It is further recommended that approximately 1,600 feet of drilling be allowed in the drilling of these 6 diamond drill holes and that the holes be drilled in the approximate location as shown on the map, but none closer than 100 feet to any other hole drilled in this stage as per contract agreement.

Status of the contract is:

Date of contract: June 11, 1958
Termination date: December 1, 1958
Amount of contract: $28,946.00
Amount spent: none

Stage I	Authorized	Completed
Bulldozing	30 hrs.	30 hrs.
Percussion drilling		
0 - 50 feet	750 ft.	750 ft.
50 - 100 "	750 ft.	736 ft.
100 - 150 "	540 ft.	248 ft.
150 - 200 "	80 ft.	60 ft.
Total drilling	2120 ft.	1794 ft.

R. D. Sample
E. G. Erickson

Distribution:
DMEA (4)
USBM (2)
USBM (AD)
Sample

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORAT ADMINISTRATION

TO:	INITIALS	DATE
1. 110	[illegible]	9/11
2. ~~700 Murphy~~		"
3.		
4.		
5.		
FROM:		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

INT.-DUP. SEC., WASH., D.C. M25803

DMEA Field Team, Region 1 September 4, 1958

DMEA Certifying Officer Region 1

Seybrook Uranium, Inc., Contract No. 1da-a1201
Monthly operating report for July 6-August 6, 1958

The subject monthly operating report has been processed and forwarded to the Disbursing Officer for payment.

We are withholding payment on the following items pending a letter to Washington for clarification:

Item	Amount Claimed
Bulldozing	624.[illegible]
Transporting bulldozer	453.2[illegible]
Jeep depreciation	105.[illegible]

Supervision has been paid at the authorized contract amount of $[illegible] per month rather than the $700.[illegible] per month claimed by the Operator.

Dorothy F. Long

cc: DMEA (2)
USGS (2)
Contract Admin. & Audit Div. (2)
EGE
AD

See map
Lawley Lease
in packet

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

Budget Bureau No. 42-R1036.5

RECEIVED SEP 21 1958

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

Month of JULY 8-AUG. 6, 1958 Docket No. DMEA 4958 Contract No. IDM-E1203
Operator's Name DAYBREAK URANIUM, INC. Minerals URANIUM
Address E. 12707 VALLEYWAY, OPPORTUNITY, WASH.
Contract Amount, $ 28,946.00 Government Participation: 50 % Amount, $ 14,473.00

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	2472.70		2472.70	2472.70	—	2472.70
Bulldozing	624.00		624.00	—		—
Crosscutting						
Drifting						
TRANSPORTING BULLDOZER	453.20		453.20	—		—
(2) Labor and Supervision:						
~~Labor~~ Engr's Helper	161.84		161.84	161.84	—	161.84
Supervision	700.00		700.00	600.00	—	600.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
~~Track~~ GASOLINE	50.61		50.61	—	—	
LUBE, OIL ETC.	5.50		5.50	—	—	
SAMPLE SACKS	1.28		1.28	1.28	—	1.28
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	105.00		105.00	—		—
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	8.00		8.00	8.00	—	8.00
Payroll Taxes	91.71		91.71	40.00	—	40.00
Liability Insurance				30.27	—	30.27
(8) Contingencies (specify):						
TOTALS	4673.84		4673.84	3314.09	—	3314.09

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

Date 8/14/58 *Payee DAYBREAK URANIUM, INC.

Per Rae H. Sowers Title Sec. Pres.

*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:

$ 1657.04

Signature Dorothy F. Fox
(Authorized Certifying Officer)

Date 9/4/58 Vou. No. 2216

(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. E/1203 in accordance with the terms of the contract.

Signature /s/ Eric L. Erickson Title Mining Engr. Date 8/26/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Wing L. Agnew Title Acting Exec. Date 9-4-58

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

RECEIVED SEP 11 1958 DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

JULY 8 -

Month of AUG. 6 1958 Docket No. DMEA 4958 Contract No. IDM-E1203

Operator's Name DAYBREAK URANIUM, INC. Minerals URANIUM

Address E. 12707 VALLEYWAY, OPPORTUNITY, WASH.

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								
Churn		2472.70						
PERCUSSION Auger	FT.	3596.64	1794	3596.64	1794	2.00	2120	2.24
Stripping								
Trenching								
Test Pits								
Roads and Trails	HR.	1077.20	39	1077.20	39	27.62	30	19.73
Assays	ea.	8.00	2		2	4.00	75	4.00
TOTAL DISTRIBUTED COSTS		4673.84		4673.84				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4673.84		4673.84				

Stage I. Fayn

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 8/14/58 Operator DAYBREAK URANIUM, INC.

Per Rae H. Sowers Title Sec. Pres.

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)

/s/ Eric G. Erickson

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

AUGUST 14, 1958

TO: FIELD TEAM, REGION 1, DMEA
S. 157 HOWARD STREET
SPOKANE, WASHINGTON

FROM: ROBERT W. DONNAN, MGR. MINING AND EXPLORATION
SAVONCAN URANIUM, INC.
E. 12707 VALLEYWAY
OPPORTUNITY, WASHINGTON

SUBJECT: STAGE 1
DMEA EXPLORATION CONTRACT NO. 10M-21203
DOCKET NO. DMEA-0958 (URANIUM)
LOWLEY LEASE
STEVENS COUNTY, WASHINGTON

MOBILIZATION OF EQUIPMENT WAS COMPLETED JULY 9, 1958 AND DRILLING OPERATIONS COMMENCED IMMEDIATELY. DRILLING EQUIPMENT CONSISTED OF A CRAWLER-MOUNTED, 4½ INCH PERCUSSION WATER DRILL, CAPABLE OF 12 FOOT STEEL CHANGES, POWERED BY A 600 C.F.M. COMPRESSOR. A TWO-MAN CREW WORKING APPROXIMATELY 10 HOURS PER DAY, 5 TO 6 DAYS PER WEEK WAS REQUIRED TO COMPLETE THE WORK IN THE ALLOTTED PERIOD.

STAGE 1 OF THE EXPLORATION CONTRACT ALLOWED 15 HOLES, NOT TO EXCEED 2120 FEET OF DRILLING. THE 15 SPECIFIED HOLES WERE DRILLED, WITH A TOTAL FOOTAGE OF 1794 FEET REQUIRED. ACCESS ROADS AND DRILL SITES WERE PREPARED BY A D-8 CATERPILLAR EQUIPPED WITH HYDRAULIC BLADE AND RIPPER. AN ALLOWANCE OF 30 HOURS WAS ALLOWED FOR BULLDOZER WORK; 30 HOURS WERE REQUIRED.

THE PROJECT WAS UNDER THE SUPERVISION OF R. W. NORMAN WITH R. A. COLLINS ACTING AS CONTRACTOR'S HELPER, WHEN REQUIRED.

OF THE HOLES DRILLED 13 SHOWED ANOMALOUS RADIOACTIVITY IN THE QUARTZITES ADJOINING THE LOON LAKE batholith, WHICH IS HERE REPRESENTED BY A PREDOMINANTLY GRANODIORITE FACIES. OF THESE 13 HOLES NO. 3 AND NO. 9 INDICATED URANIUM MINERALIZATION OF COMMERCIAL OR NEAR-COMMERCIAL GRADE. CUTTINGS FROM THE BEST 4 FOOT INTERVAL OF HOLE NO. W-3 ASSAYED 0.270% eU_3O_8 AND 0.321% eU_3O_8. CUTTINGS FROM THE BEST 4 FOOT INTERVAL OF HOLE NO. W-9 ASSAYED 0.180% eU_3O_8 AND 0.185% eU_3O_8. MAPS AND DRILL LOGS ILLUSTRATING THE PROJECT ARE ATTACHED HEREWITH.

IN GENERAL IT HAS BEEN INDICATED THAT A SHEARED ZONE IN THE METASEDIMENTS PARALLELS THE INTRUSIVE CONTACT AND IS NORMALLY MINERALIZED. THE PERCUSSION DRILL HOLES COMPLETED IN STAGE 1 OF THIS CONTRACT WERE INTENDED PRIMARILY TO LOCATE ACCURATELY THE CONTACT BETWEEN THE QUARTZITE AND GRANODIORITE AND THE ASSOCIATED MINERALIZED ZONE. AS TOPOGRAPHIC CONDITIONS PREVENTED BULLDOZER TRENCHING WHICH NORMALLY WOULD BE USED FOR THE SAME PURPOSE. WHERE INTERSECTED BY DRILL HOLES THE MINERALIZED ZONE WAS GENERALLY 30-50 FEET DOWNDIP FROM THE OUTCROP OF SUCH ZONE, AND ANY MINERAL DEPOSITED WAS PRODUCTIVELY BEING SUBJECTED TO CONSIDERABLE LEACHING BY GROUND WATER.

PROPOSED STAGE 2 DRILLING, DESIGNED TO INTERSECT THE ORCARCO CONTACT ZONE APPROXIMATELY 150 FEET DOWNDIP FROM THE PERCUSSION DRILL HOLE INTERSECTIONS SHOULD RESULT IN MORE DEPENDABLE INFORMATION AS TO THICKNESS AND GRADE OF THE MINERALIZED ZONE ALREADY INDICATED.

PERCUSSION DRILLING WAS COMPLETED AUGUST 6, 1958 AND EQUIPMENT WAS IMMEDIATELY DEMOBILIZED.

STAGE 2 OF THE EXPLORATION CONTRACT, CONSISTING OF A MINIMUM OF 6 DIAMOND DRILL HOLES WITH A COMBINED TOTAL DEPTH OF APPROXIMATELY 1800 FEET IS EXPECTED TO COMMENCE ON OR ABOUT AUGUST 25, 1958.

W. H. Norman

W. H. NORMAN
MGR. MINING AND EXPLORATION
SAVOREAU URANIUM, INC.

P. O. Box [illegible]

CERTIFICATE OF ASSAY

FROM

PETER MACK

ASSAYER AND CHEMIST

Daybreak Gravel

Wallace, Idaho, Aug. [illegible]

MARKED	Gold ozs. per ton	Silver ozs. per ton	Lead %	Zinc %	Copper %	Iron %	Insol. %
[illegible]							

Charges [illegible]

[illegible]

P. O. Box [illegible]

CERTIFICATE OF ASSAY

FROM

PETER MACK

ASSAYER AND CHEMIST

Bayhawk Uranium, Inc

Wallace, Idaho, [illegible] 38

MARKED	Gold ozs. per ton	Silver ozs. per ton	Lead %	Zinc %	Copper %	Iron %	[illegible] %

DRILLING REPORT

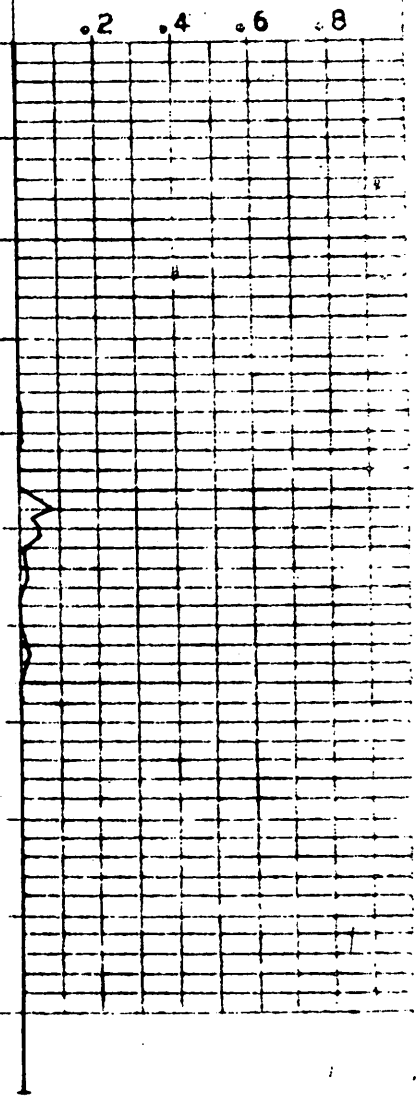
COMPANY Daybreak Uranium, Inc.

HOLE NO. W-1 TOTAL DEPTH 108'
LOCATION Sta. M + 78.5' S. 48° W.
COORDINATES 6345 N. 5455 E.
COLLAR ELEVATION 1498'
BEARING N. 60° W. DIP - 50°
OVERBURDEN DEPTH 4'
DEPTH TO WATER Dry

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 7-29-58
HOLE FINISHED 7-29-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH
2 3/4"	Non-coring	Quartzite	Megascopic examination of cuttings: 4-28 Hard, dark-gray quartzite. 28-68 Alternately hard and soft (sheared?) dark-gray quartzite. Numerous hematite-stained zones. 68-108 Granodiorite. Composition is quartz, white feldspar & biotite. Cuttings not sufficiently radioactive to warrant sampling.		10, 20, 30, 40, 50, 60
		Granodiorite			70, 80, 90

RADIOACTIVITY LOG % U3O8



SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) U3O8	ASSAY (%) CU3O8	ASSAY (%) OTHER

REMARKS

DRILLING REPORT

COMPANY Daybreak Uranium, Inc.

HOLE NO. W-2 TOTAL DEPTH 100'
LOCATION Sta M + 41.0' S. 81° W.
COORDINATES 6393 N. 5473 E.
COLLAR ELEVATION 1503'
BEARING N. 60° W. DIP -50°
OVERBURDEN DEPTH 5'
DEPTH TO WATER Dry

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 7-30-58
HOLE FINISHED 7-30-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U3O8 (.2 .4 .6 .8)
2 3/4"	Non-coring	Quartzite	Megascopic examination of cuttings: 5-66 Hard, dark-gray quartzite. Considerable hematite-stain, especially 52-64. Slightly softer (sheared?) 52-64. 66-100 Granodiorite. Cuttings not sufficiently radioactive to warrant sampling.		10, 20, 30, 40, 50, 60, 70, 80, 90	
		Granodiorite				

SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	CU3O8	OTHER

REMARKS

DRILLING REPORT

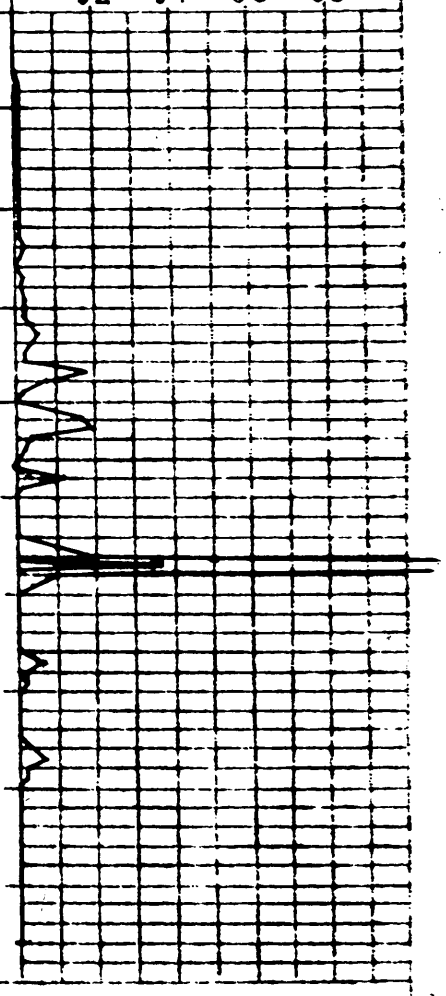
COMPANY Daybreak Uranium, Inc.

HOLE NO. W-3 TOTAL DEPTH 96'
LOCATION Sta. M + 47.0' N. 28° W.
COORDINATES 6440 N. 5492 E.
COLLAR ELEVATION 1508'
BEARING N.70° W. DIP -50°
OVERBURDEN DEPTH 3.0'
DEPTH TO WATER Dry

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 7-30-58
HOLE FINISHED 7-30-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.
2 3/4"	Non-coring	Quartzite	Megascopic examination of cuttings: 3-60 Hard, dark-gray quartzite. Frequent hematite-stain. Slightly softer (sheared?) 34-60. Wet at 60. 60-96 Granodiorite	D-111
		Granodiorite		

RADIOACTIVITY LOG % U3O8



SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	ASSAY (%) CU3O8	ASSAY (%) OTHER
D-111	56	60	4.0'	0.279	0.321	

REMARKS

DRILLING REPORT

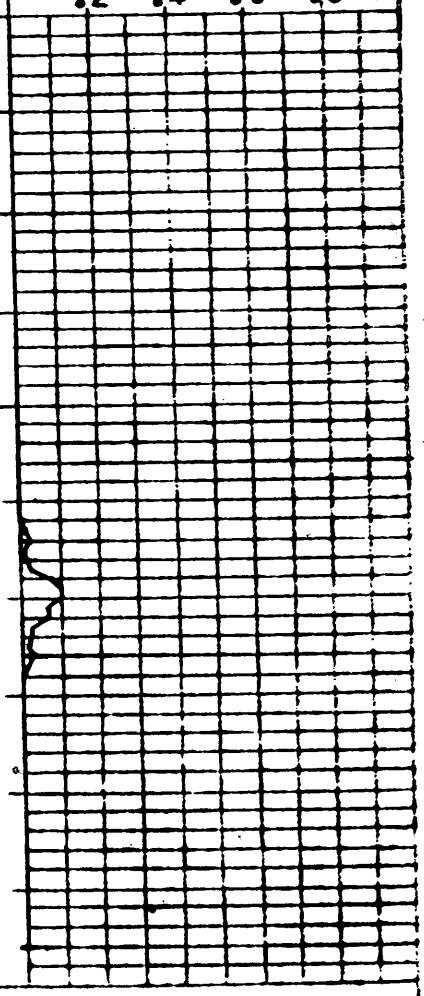
COMPANY Daybreak Uranium, Inc.

HOLE NO. W-4 TOTAL DEPTH 96'
LOCATION Sta. M + 97.5' N. 14° W.
COORDINATES 6493 N. 5490 E.
COLLAR ELEVATION 1510'
BEARING N. 70° W. DIP -80°
OVERBURDEN DEPTH 4'
DEPTH TO WATER Dry

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 7-31-58
HOLE FINISHED 7-31-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH
2 3/4"	Non-coring	Quartzite	Megascopic examination of cuttings: 4-66 Hard, dark-gray quartzite. Frequent hematite-stain. Softer zones (shearing?) 36-66. 66-96 Granodiorite. Cuttings not sufficiently radioactive to warrant sampling.		10, 20, 30, 40, 50, 60, 70, 80, 90
		Granodiorite			

RADIOACTIVITY LOG % U3O8



SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	ASSAY (%) CU3O8	ASSAY (%) OTHER

REMARKS

DRILLING REPORT

COMPANY Daybreak Uranium, Inc.

HOLE NO. W-5 TOTAL DEPTH 112'
LOCATION Sta. M + 118.5' N. 02° E.
COORDINATES 6529 N. 5519 E.
COLLAR ELEVATION 1526'
BEARING N. 60° W. DIP -75°
OVERBURDEN DEPTH 4'
DEPTH TO WATER Dry

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 7-31-58
HOLE FINISHED 7-31-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U3O8 (.2 .4 .6 .8)
2 3/4"	Non-coring	Quartzite	Megascopic examination of cuttings:		10	
			4-36 Hard, dark-gray quartzite. Considerable hematite stain.		20	
			36-48 Granodiorite.			
			48-72 Softer (sheared?) dark-gray quartzite.		30	
		Granodiorite	72-112 Granodiorite.		40	
		Quartzite	Cuttings not sufficiently radioactive to warrant sampling.		50	
					60	
					70	
		Granodiorite			80	
					90	

SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	CU3O8	OTHER

REMARKS

Moved hole 10' S. 20° E. to avoid collaring in talus.
Changed inclination from -70° to -75°.

DRILLING REPORT

COMPANY Daybreak Uranium, Inc.

HOLE NO. W-6 TOTAL DEPTH 124'
LOCATION Sta. N + 102.0' N. 55° W.
COORDINATES 6573 N. 5553 E.
COLLAR ELEVATION 1547'
BEARING N. 45° W. DIP -70°
OVERBURDEN DEPTH 3'
DEPTH TO WATER Dry

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 8-1-58
HOLE FINISHED 8-1-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U3O8 .2 .4 .6 .8
2 3/4"	Non-coring	Quartzite	Megascopic examination of cuttings:		10	
			3-20 Hard, dark-gray quartzite. Considerable hematite & limonite stain.		20	
		Gran.	20-28 Predominantly iron-stained granodiorite with some quartzite fragments.		30	
		Quartzite	28-48 Softer (sheared?) dark-gray quartzite.		40	
		Grano-diorite	48-60 Granodiorite.		50	
		Quartzite & granodiorite	60-84 Mixture of quartzite & granodiorite. Abundant sericite. Soft and sheared (?).		60	
			84-96 Predominantly granodiorite with frequent quartzite fragments. Damp at 96.		70	
		Grano-diorite	96-124 Granodiorite.		80	
			Cuttings not sufficiently radioactive to warrant sampling.		90	

SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	CU3O8	OTHER

REMARKS

DRILLING REPORT

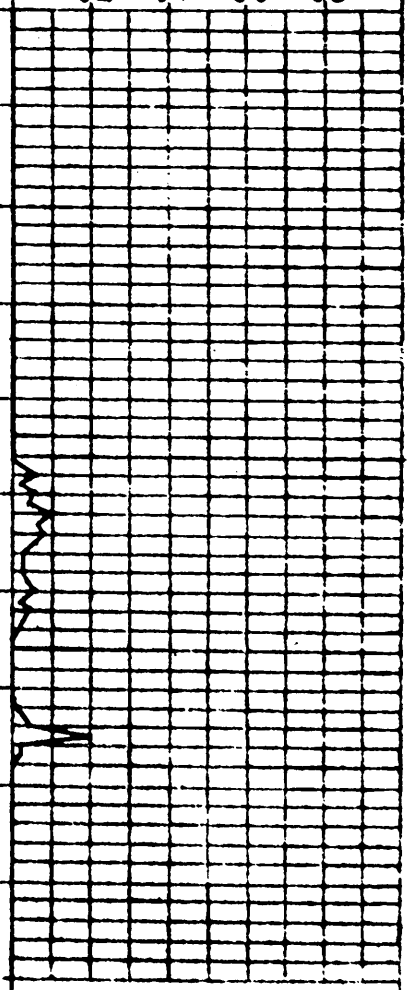
COMPANY Daybreak Uranium, Inc.

HOLE NO. W-7 TOTAL DEPTH 124
LOCATION Sta. N 87.0' N. 25° W.
COORDINATES 659N N. 5600 E.
COLLAR ELEVATION 1546'
BEARING N. 35° W. DIP -60°
OVERBURDEN DEPTH 4'
DEPTH TO WATER Dry

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 8-1-58
HOLE FINISHED 8-1-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH
2 3/4"	Non-coring	Quartzite	Megascopic examination of cuttings: 4-64 Hard, dark-gray quartzite. 64-74 Granodiorite. 74-80 Dark-gray quartzite, with intermixed granodiorite. 80-124 Granodiorite. Cuttings not sufficiently radioactive to warrant sampling.		10, 20, 30, 40, 50, 60
		Gran.			70
		Qtst			80
		Grano-diorite			90

RADIOACTIVITY LOG % U3O8



SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	ASSAY (%) CU3O8	ASSAY (%) OTHER

REMARKS

Changed inclination of hole from -70° to -60°.

DRILLING REPORT

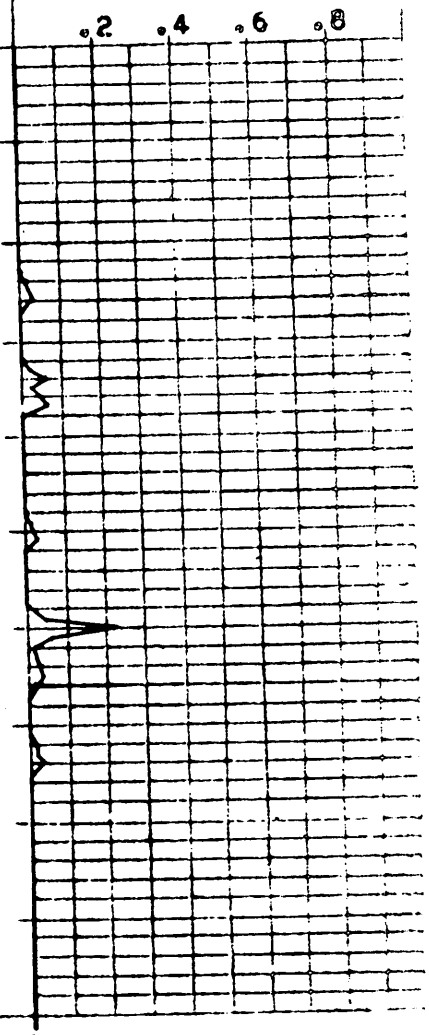
COMPANY Daybreak Uranium, Inc.

HOLE NO. W-8 TOTAL DEPTH 114'
LOCATION Sta. N ≠ 105.0' N. 04° E.
COORDINATES 6620 N. 5644 E.
COLLAR ELEVATION 1544
BEARING N. 35° W. DIP -70°
OVERBURDEN DEPTH 4'
DEPTH TO WATER Dry

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 8-1-58
HOLE FINISHED 8-1-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH
2 3/4"	Non-coring	Quartzite	Megascopic examination of cuttings: 4-76 Hard, dark-gray quartzite. Iron-stained 4-24. Some softer zones (shearing?) 45-76. 76-114 Granodiorite Cuttings not sufficiently radioactive to warrant sampling.		10, 20, 30, 40, 50, 60, 70, 80, 90
		Granodiorite			

RADIOACTIVITY LOG % U3O8



SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	CU3O8	OTHER

REMARKS

DRILLING REPORT

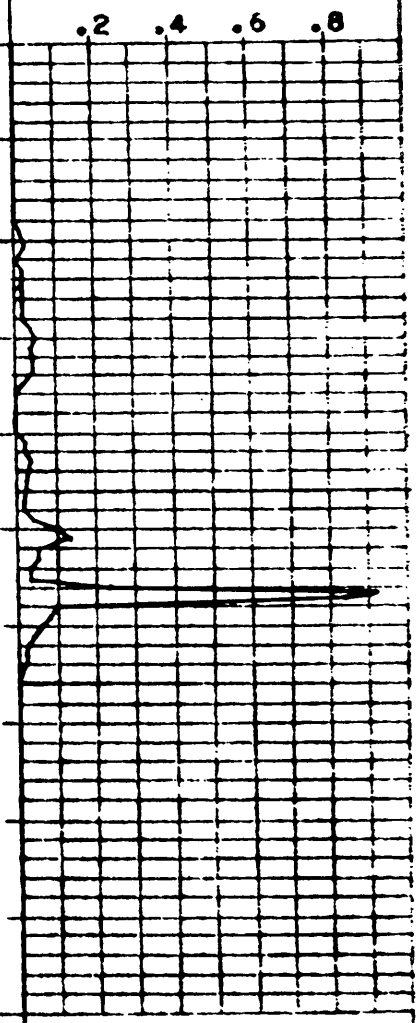
COMPANY Daybreak Uranium, Inc.

HOLE NO. W-9 TOTAL DEPTH 104'
LOCATION Sta. 0 + 158.5' N. 79½° W.
COORDINATES 6652 N. 5683 E.
COLLAR ELEVATION 1539'
BEARING N. 45° W. DIP -70°
OVERBURDEN DEPTH 7'
DEPTH TO WATER Dry

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 8-4-58
HOLE FINISHED 8-5-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH
2 3/4"	Non-coring	Quartzite	Megascopic examination of cuttings: 7-40 Hard, dark-gray quartzite. 40-48 Soft (sheared?) dark-gray quartzite. Occasional hard zones. 48-72 Alternately hard and soft (sheared?) dark-gray quartzite. Damp 68-72. 72-104 Granodiorite.	D-112	10, 20, 30, 40, 50, 60, 70, 80, 90
		Granodiorite			

RADIOACTIVITY LOG % U3O8



SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	ASSAY (%) CU3O8	ASSAY (%) OTHER
D-112	56	60	4.0	0.128	0.155	

REMARKS

DRILLING REPORT

COMPANY Daybreak Uranium, Inc.

HOLE NO. W-10 TOTAL DEPTH 94'
LOCATION Sta. 0 + 117.5' N. 66° W.
COORDINATES 6670 N. 5731 E.
COLLAR ELEVATION 1541'
BEARING N. 35° W. DIP -70°
OVERBURDEN DEPTH 2'
DEPTH TO WATER Dry

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 8-5-58
HOLE FINISHED 8-5-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U3O8 (.2 .4 .6 .8)
2 1/2"	Non-coring	Quartzite	Megascopic examination of cuttings: 2-64 Hard, dark-gray quartzite. Some soft zones (sheared?) 40-64. 64-94 Granodiorite. Cuttings not sufficiently radioactive to warrant sampling.		10, 20, 30, 40, 50, 60	
		Granodiorite			70, 80, 90	

SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	CU3O8	OTHER

REMARKS

DRILLING REPORT

COMPANY Daybreak Uranium, Inc.

HOLE NO. W-11 TOTAL DEPTH 104'
LOCATION Sta. 0 + 93.5' N. 42° W.
COORDINATES 6693 N. 5776 E.
COLLAR ELEVATION 1556'
BEARING N. 35° W. DIP -70°
OVERBURDEN DEPTH 2'
DEPTH TO WATER Dry

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 8-5-58
HOLE FINISHED 8-5-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U3O8 (.2 .4 .6 .8)
2 1/2"	Non-coring	Quartzite	Megascopic examination of cuttings: 2-52 Hard, dark-gray quartzite. Occasional narrow softer zones 30-52. 52-70 Alternately hard & soft (sheared?) dark-gray quartzite. Fault gouge (?) 52-53, 55-57. 70-104 Granodiorite. Cuttings not sufficiently radioactive to warrant sampling.		10, 20, 30, 40, 50, 60, 70, 80, 90	
		Granodiorite				

SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	ASSAY (%) CU3O8	ASSAY (%) OTHER

REMARKS

DRILLING REPORT

COMPANY Daybreak Uranium, Inc.

HOLE NO. W-15 TOTAL DEPTH 108'
LOCATION Sta. M + 97.0' S. 45° W.
COORDINATES 6329 N. 5445 E.
COLLAR ELEVATION 1499'
BEARING S. 70° W. DIP -60°
OVERBURDEN DEPTH 8'
DEPTH TO WATER Dry

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 7-26-58
HOLE FINISHED 7-29-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U3O8 (.2 .4 .6 .8)
2 3/4"	Non-coring	Quartzite	Megascopic examination of cuttings: 8-36 Hard, dark-gray quartzite. White quartz common. 36-68 Alternately hard & soft (sheared?) gray quartzite. Some hematite-stained zones. Wet 64-68. 68-108 Granodiorite. Cuttings not sufficiently radioactive to warrant sampling.		10, 20, 30, 40, 50, 60, 70, 80, 90	
		Granodiorite				

SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	ASSAY (%) CU3O8	ASSAY (%) OTHER

REMARKS

DRILLING REPORT

COMPANY Daybreak Uranium, Inc.

HOLE NO. W-16 TOTAL DEPTH 160'
LOCATION Sta. L + 85.0' S. 35° W.
COORDINATES 5547 N. 5363 E.
COLLAR ELEVATION 1388'
BEARING W. DIP -70°
OVERBURDEN DEPTH 0'
DEPTH TO WATER 68'

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 7-22-58
HOLE FINISHED 7-23-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U3O8 (.2 .4 .6 .8)
2 3/4"	Non-coring	Quartzite	Megascopic examination of cuttings: 0-72 Hard, dark-gray quartzite. Iron-stained along fractures. 72-88 Predominantly soft (sheared?) quartzite with some anthophyllite. 88-92 Hard, dark-gray quartzite, with minor white quartz. 92-120 Gray anthophyllite or anthophyllitic quartzite. 120-146 soft (sheared?) gray quartzite. 146-160 Granodiorite. Some quartzite fragments. Cuttings not sufficiently radioactive to warrant sampling.		10 20 30 40 50 60 70 80 90	

SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	CU3O8	OTHER

REMARKS

Inclination of hole changed from -60° to -70°.
Loss of air pressure in hole resulted in poor recovery of cuttings 68-146.

HOLE NO. W-16

SHEET NO. 2

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U_3O_8 .2 .4 .6 .8
10		Anthophyll-ite			10	
20					20	
30		Quartzite			30	
40					40	
50		Grano-diorite			50	
60					60	
70					70	
80					80	
90					90	
00					00	
10					10	
20					20	
30					30	
40					40	
50					50	
60					60	
70					70	
80					80	
90					90	

DRILLING REPORT

COMPANY Daybreak Uranium, Inc.

HOLE NO. W-17 TOTAL DEPTH 170'
LOCATION Sta. L + 38.5' N. 59° W.
COORDINATES 5637 N. 5372 E.
COLLAR ELEVATION 1393'
BEARING W. DIP -60°
OVERBURDEN DEPTH 0'
DEPTH TO WATER 56'

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 7-23-58
HOLE FINISHED 7-24-58
LOGGED BY H.W.N.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U3O8 (.2 .4 .6 .8)
2 3/4"	Non-coring	Quartzite	Megascopic examination of cuttings: 0-56 Hard, dark-gray quartzite. Badly fractured 0-8. Iron-stained along fractures 0-20. 56-154 Cuttings returned as fine-grained mud. Only recognizable fragments were dark-gray quartzite. Probably sheared quartzite and/or anthophyllite. 154-170 No cuttings returned. Losing air pressure in sheared ground. Drilling with water instead of air aggravated caving of hole.		10 20 30 40 50 60 70 80 90	
		Quartzite and/or anthophyllite	Cuttings not sufficiently radioactive to warrant sampling.			

SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	ASSAY (%) CU3O8	ASSAY (%) OTHER

REMARKS

Hole planned for 180', but loss of air pressure & caving of hole prevented advance beyond 170'. It is considered that the potential mineralized zone has been explored at this depth.

HOLE NO. W-17

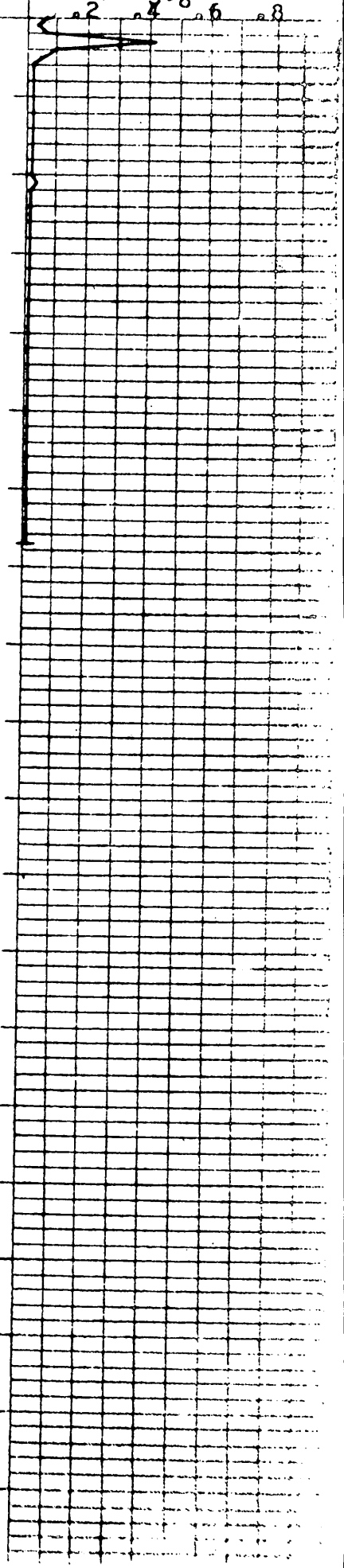
SHEET NO. 2

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH
10		Quartzite and/or anthophyllite			10
20					20
30					30
40					40
50					50
60		?			60
70					70
80					80
90					90
00					00
10					10
20					20
30					30
40					40
50					50
60					60
70					70
80					80
90					90

RADIOACTIVITY LOG

% U_3O_8

.2 .4 .6 .8



DRILLING REPORT

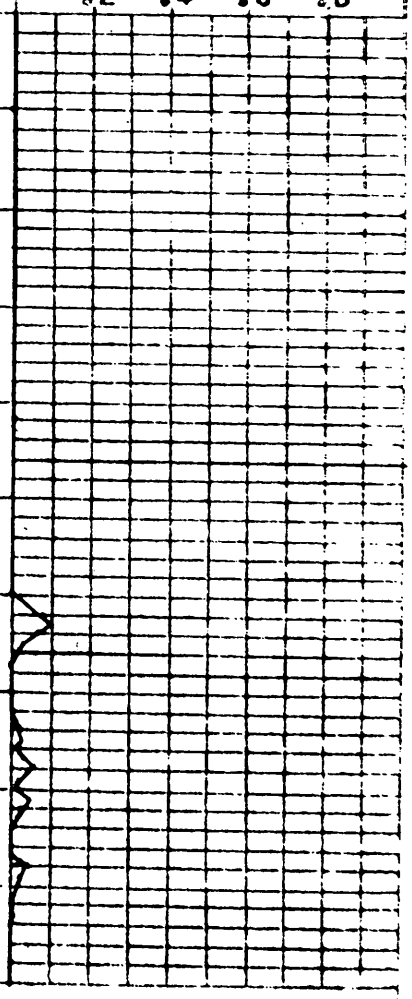
COMPANY Daybreak Uranium, Inc.

HOLE NO. W-19 TOTAL DEPTH 180'
LOCATION Sta. L + 151.5' N. 22½° W.
COORDINATES 5757 N. 5353 E.
COLLAR ELEVATION 1418'
BEARING W. DIP -60°
OVERBURDEN DEPTH 0'
DEPTH TO WATER Dry

PROPERTY Lowley Lease
COUNTY Stevens STATE Wash.
DRILLER Sams
TYPE OF DRILLING Percussion
HOLE STARTED 7-24-58
HOLE FINISHED 7-25-58
LOGGED BY

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH
2 3/4"	Non-coring	Quartzite	Megascopic examination of cuttings: 0-32 Hard, dark-gray, impure quartzite. Abundant mica. 32-60 Intermixed impure quartzite & granodiorite. Abundant biotite & pink calcite.		10, 20, 30
		Quartzite & granodiorite	60- 180 Alternately hard and soft (sheared?) quartzite. Abundant biotite. Cuttings not sufficiently radioactive to warrant sampling.		40, 50, 60
		Quartzite			70, 80, 90

RADIOACTIVITY LOG % U3O8



SAMPLE DATA

NUMBER	DEPTH FROM	DEPTH TO	WIDTH	ASSAY (%) EU3O8	CU3O8	OTHER

REMARKS

HOLE NO. W-19

SHEET NO.

SIZE OF HOLE	CORE RETURN %	ROCK TYPE	GEOLOGY	SAMPLES NO.	DEPTH	RADIOACTIVITY LOG % U_3O_8 (.2 .4 .6 .8)
10					10	
20					20	
30		Quartzite			30	
40					40	
50					50	
60					60	
70					70	
80					80	
90					90	
00					00	
10					10	
20					20	
30					30	
40					40	
50					50	
60					60	
70					70	
80					80	
90					90	

DMEA
RECEIVED JUN 30 1958
DATE | INITIALS | CODE
6/30 | | 220
700

So. 157 Howard Street
Spokane 4, Washington

June 25, 1958

Daybreak Uranium, Inc.
12707 E. Valleyway
Opportunity, Washington

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington

Gentlemen:

Enclosed are the original and four copies of a proposed long-form contract, signed by the Administrator for the Government, with attached Performance Bond mentioned in Annex I. Also attached to each contract form MF-200 are Annex I (1 page), Exhibit "A" (6 pages), and Plate 3. If the conditions and terms of the proposed contract are satisfactory to you, sign all five copies, retain the one marked "Operator's Copy", and return the other four to this office. The return envelope must be postmarked prior to midnight, June 30, 1958, for the contract to be valid.

If any part of the proposed contract is not acceptable, return all five copies to this office together with your proposed changes for consideration.

Your attention is called to Article 8(b) of the contract which deals with repayment by the operator from royalty on production. Any production from the land described in the contract is subject to the royalty provisions of the contract whether or not it is discovered or developed by the work under the contract. This applies to all production during the period in which the Government may certify or, if the project is certified, to all production during the repayment period specified in the contract.

Sincerely yours,

Wing G. Agnew
Acting Executive Officer
DMEA Field Team Region I

Enclosures

cc: DMEA (2)
USBM (2)
USBM(AD)
Albee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

June 25, 1958

DMEA
RECEIVED JUN 30 1958

DATE	INITIALS	CODE
6/30	C	220
6/30	B	215
	~~[illegible]~~	~~[illegible]~~

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington
Contract No. Idm-E1203

Dear Mr. Selfridge:

Enclosed are the Government and Audit copies of Contract Idm-E1203; the Performance Bond executed by Hartford Accident and Indemnity Co. in behalf of Daybreak Uranium, Inc. is attached to the Government copy. A Consent to Lien and Subordination Agreement signed by William Lowley has been attached to the contract also. The operator expects to commence work on or before July 20, 1958 and this date has been inserted in Article 3.

By copy of this letter, other copies of the contract are being distributed.

Sincerely yours,

Donald R. MacLaren

Donald R. MacLaren
For: Wing G. Agnew
Acting Executive Officer
DMEA Field Team Region I

cc: USBM (2)
USBM(AD) w/cy contract.
Albee

Hurd

EXTRA COPY
DMEA
RECEIVED JUN 20 1958

DATE	CODE
6/19 c	220
Murphy	700

So. 157 Howard Street
Spokane 4, Washington

June 16, 1958

Sidney E. Smith Company, Inc.
Box 13
Opportunity, Washington

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington

Gentlemen:

Enclosed are four copies of Standard Form 25, Performance Bond, requested by your office in connection with securing a Performance Bond for Daybreak Uranium, Inc. The original and one signed copy of the Performance Bond are to be returned to this office.

You also requested a copy of the contract. We do not have an extra copy but are enclosing our Geologist's copy and blank sheets for the contract form MF-200. You may make a copy if you wish, but please return the Geologist's copy when it has served its purpose.

The Bond should have the same date as the contract, June 11, 1958, and should be for the amount of $14,473, which is the amount of the Government's obligation.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures

cc: DMEA (2)
USBM (2)
Albee

OFFICIAL FILE COPY
DMEA
RECEIVED 1958
DATE
6/19 C 220
" Murphy 70C

So. 157 Howard Street
Spokane 4, Washington

June 16, 1958

Daybreak Uranium Corporation
12707 East Valleyway
Opportunity, Washington

Re: Docket No. DMEA-4958 (Uranium)
Lowley Lease
Stevens County, Washington

Gentlemen:

We have received a proposed DMEA exploration contract No. Idm-E1203 with your company, but cannot send it to you until we receive a performance bond in the amount of $14,473, as we advised you by telephone June 13, 1958. The bond should bear the same date as that stamped on the contract--June 11, 1958.

We have been advised that the contract must be executed, complete with all attachments, prior to June 30, 1958. We will be glad to show the contract to your representative should he wish to call at the office.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

cc: DMEA (2)
USBM (2)
Albee

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/13/58	Murphy	700
"	Ellis	700
6/13	GLS	120
"	Simon	110
"	Witkowsky	100
6/16	C	220
		700
6/13	Lamb	130
6/18	Gilsgaard	130

JUN 13 1958

Department of the Interior

DMEA

14X4401(01) Revolving Fund, Defense Production Act, Interior, (Transfer to Office of Secretary)

T E L E T Y P E

A. E. WEISSENBORN, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION I
SOUTH 157 HOWARD STREET
SPOKANE 4, WASHINGTON

REURTT JUNE 12, DOCKET DMEA-4958, DAYBREAK URANIUM, INC. PROPOSED CONTRACT MAILED JUNE 11, SUBJECT TO PERFORMANCE BOND FOR $14,473.00.

George C. Selfridge

CHAIRMAN, OPERATING COMMITTEE

FMMurphy/gla
6-13-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
FMMurphy

DMEA Field Team, Region I, confirmation

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 13 1958

DATE	INITIALS	CODE
6/13	C	220
	" Murphy	700

AMMMMMM-189K

AMMMMMM-190K

KDMMMMM-192K

YWA209 WAF SP 21 I-GS-G

SPOKANE WASH 6-12-58 1710U

GEORGE C. SELFRIDGE CHAIRMAN OPERATING COMMITTEE

DMEA

DEPT OF INTERIOR WASHN D C

REURLET MARCH 28 1958, DOCKET DMEA-4958, DAY BREAK URANIUM, INC, LOWLEY LEASE, STEVENS COUNTY, WASHINGTON. HAVE RECEIVED CONSENT TO LEIN FORM SIGNED BY WILLIAM LOWLEY. SHALL WE FORWARD TO YOU OR HOLD PENDING RECEIPT OF CONTRACT? IF CONTRACTS TO BE OFFERED PLEASE TELETYPE AMOUNT SO APPLICANT CAN ARRANGE FOR PERFORMANCE BOND.

A E REISENDORN, EXECUTIVE OFFICER REGION 1

28 1958 4957

VA 1720U

RECEIVED
JUN 13 7 13 AM 1958
DMEA

BUREAU OF MINES
WASHINGTON, D. C.

1958 JUN 13 AM 9:06

AEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/10/58	Murphy	700
6/11	Elliot	700
6-11	Chamberlin	880
"	Jones	110
"	Weissenborn	100
6/12	C	220
		700
6/11	GCS	130

JUN 11 1958

C

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed long-form contract, signed by the Administrator, subject to attachment of the Performance Bond mentioned in Annex I. The date of the bond should be the same as the date stamped on the contract.

Attached to each contract form MF-200 are Annex I (1 page), Exhibit "A" (6 pages), and Plate-3. Also enclosed, for Field Team use, are two extra copies of Annex I, Exhibit "A," and Plate-3.

You will note that the Field Team's proposal has been changed to a two-stage project in the proposed contract. Also, the incidental drilling costs are reduced, reflecting less time for supervision, etc., with the drilling being done on two/shifts per day.
drill

If you and the Applicant find the proposed contract in order, please attach the Performance Bond and insert in Article 3 the date work shall commence, then have an authorized representative of the corporation sign the original and four copies. Thereafter, kindly distribute the copies in the usual manner.

FMMurphy/gla 6-10-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Murphy

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

Enclosures

APPROVED:

Frank D. Lamb (HB)
Member, Bureau of Mines

Thor H. Kiilsgaard (HB)
Member, Geological Survey

P.S. The contract must be executed, complete with all attachments, not later than June 30. If mailed, must be postmarked prior to midnight June 30.

8623

Insert as 3rd P.

You will note that the field Team's proposal has been changed to a two stage project on the proposed contract. Also, the incidental drilling costs are reduced, requiring less time for supervision, etc, with the drilling being done on two shifts per day.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/4/58	Murphy	700
6/5	Ricanbe	700
6-5	Chambers	800
6/11		130
		110
		100
		220
		700

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington

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Attached to each contract form MF-200 are Annex I (1 page), Exhibit "A" (6 pages), and Plate-3. Also enclosed, for Field Team use, are two extra copies of Annex I, Exhibit "A," and Plate-3.

— Insert —

If you and the Applicant find the proposed contract in order, please attach the Performance Bond and insert in Article 3 the date work shall commence, then have an authorized representative of the corporation sign the original and four copies. Thereafter, kindly distribute the copies in the usual manner.

Sincerely yours,

Enclosures

Chairman, Operating Committee

APPROVED:

FMMurphy/gla
6-4-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
FMMurphy

Member, Bureau of Mines

Member, Geological Survey

8623

content under each stage of work. The Operator may dispose of the stored core and cuttings only after approval by the Government.

Core and cuttings recovered from the drill holes shall be logged geologically, and the holes shall be probed radiometrically as soon as possible after completion. Records of such logging and probing, together with the assay certificates of the core and cuttings samples, shall be submitted with the Operator's monthly progress report. The monthly report shall also include a map or sketch showing the location of all holes drilled during the reporting period.

The Government will not participate in the cost of a hole that is closer than 200 feet to an outer boundary of the land, that is incompleted (unless the Government is of the opinion that the hole has been sufficiently tested without completion), or that cannot be probed with standard radiometric testing equipment.

The Operator shall provide a full time supervisor and such other technical services and labor as are required to complete the project work. The drilling shall be performed on a basis of two machine shifts per day.

All bulldozer work shall be performed with a D-8 dozer or an equivalent unit of any other make.

The locations, directions, inclinations, and extent of all work are subject to Government approval.

The work is divided into two stages. The Operator shall perform all the work in Stage I, and as much of Stage II as is approved in advance in writing by the Government. Stage II will not be initiated unless the Stage I drilling has indicated the presence of a strong structure containing [illegible] bearing material of such grade that would warrant exploration at depth.

Stage I

Bulldoze access roads and drill sites, and wagon drill not in excess of 15 holes totaling not more than 2,250 feet of drilling.

EXPLORATION PROJECT CONTRACT
DAYBREAK URANIUM, INC.
DOCKET NO. DMEA-4958

ANNEX I

The land referred to in Article 2 of the Contract is situate in the Spokane Indian Reservation, Stevens County, Washington, and consists of 160 acres, more or less, in the SW¼ of sec. 13, T. 27 N., R. 37 E., W.M., excluding the lands therein held or controlled by the U. S. Bureau of Reclamation. In general, the excluded land adjoins the Franklin D. Roosevelt Lake and lies below an elevation of 1,310 feet.

The land was leased to William Lowley by the U. S. Department of the Interior, Bureau of Indian Affairs, by a Mining Lease dated December 12, 1955, Contract No. 14-20-503-144. This lease was assigned to the Operator under an Assignment of Mining Lease, dated May 2, 1956, approved on July 6, 1956, by Don C. Foster, Area Director, Bureau of Indian Affairs.

The attached Surety Company's Performance Bond in the sum of $14,473,600 is accepted by the Government in lieu of the Consent to Lien of the Spokane Indian Tribe.

Government's copy

MF-200
(Revised June 1954)

Docket No. DMEA 4958

Commodity Uranium

Contract No. Idm-E

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Daybreak Uranium, Inc., a State of Washington corporation, whose mailing address is 12707 E. Valleyway Opportunity, Washington, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and map, Plate 3.

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Washington, County of Stevens and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] See Annex I. in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] ..... recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Interests of Spokane Indian Tribe.

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: See Annex I

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before December 1, 1958 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A," except as otherwise provided in Exhibit "A" with respect to stages of work. See Article 13.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives written approval of the contract. Any such independent contract shall refer to some specific and separable part of the work, and shall be subject to all of the pertinent terms and conditions of this contract; but the Government shall not be considered a party thereto, and its rights under contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $30,110.00. The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $15,055.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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

change costs: Article 5 and in
Bond (Annex I) ($14,473.00)

Total = $28,946.00

50% = $14,473.00

In Categories (5) and (6) type
see Article 13

Estimated Costs of the Project

Actual Costs

Stage I

Category (1) Independent Contracts

Bulldozing 1/ 30 hours @ $10/hr.	$480.00	
Transportation of bulldozer, 320 miles @ $0.35/mile	112.00	$592.00
Percussion (wagon) drilling:		
From 0-50 feet, 750 feet @ $1.25/ft.	937.50	
From 50-100 feet, 750 feet @ $1.40/ft.	1,050.00	
From 100-150 feet, 540 feet @ $1.60/ft.	864.00	
From 150-200 feet, 80 feet @ $1.80/ft.	144.00	
Casing, 300 feet @ $1.00/ft.	300.00	$3,295.50

Category (2) Personal Services

None except:		
(a) Supervisor, 1 month @ $600/mo.	$600.00	
(b) Consultant, 2 days @ $50/day	100.00	
(c) Engineer's helper, 5 days @ $17/day	85.00	785.00

Category (3) Operating Materials and Supplies

None except:		
Gasoline for jeep, 150 gallons @ $0.35/gal.	52.50	
Lubrication, oil, etc., for jeep	5.60	
150 sample sacks @ $0.45/each	67.20	$125.60

Category (4) Operating Equipment

None except:		
1 jeep 1/ or pickup 1/, 25 days @ $5/day	$125.00	$125.00

Categories (5) and (6)

None

Category (7) Miscellaneous

None except:

Payroll taxes and insurance on $785.00 @ 14.9%	$117.00	
Chemical analyses for U_3O_8 content of 75 samples @ $4/sample	300.00	$417.00
Estimated Total Cost Stage I		$5340.10

Stage II

Category (1) Independent Contracts

Bulldozing 16, 20 hours @ $16/hr.	$320.00	
Transportation of bulldozer, 32 miles @ $0.35/mile	112.00	$432.00
Diamond drilling:		
From 0-250 feet, 244 feet @ $55.55/ft	$14,274.00	
From 250-500 feet, 350 feet @ $6.35/ft	2,225.50	
Standpipe, 60 feet, @ $8.75/ft	525.00	
Reaming and landing casing, or cementing and drilling out, 700 feet @ $3.75/ft	3,000.00	
Landing casing when reducing size of hole, 400 feet @ $0.50/ft	200.00	
Standby time for probing, 20 hours @ $8/hr.	160.00	$20,187.50

Category (2) Personal Services

None except:

(a) Supervisor, 2 months @ $600/mo	$1,200.00	
(b) Consultant, 6 days @ $50/day	300.00	

(c) Engineer's helper, 10 days @ $17/day	$170.00	$1,670.00
Category (3) Operating Materials and Supplies		
None except:		
Gasoline for jeep, 250 gallons @ $0.35/ Gal.	$87.50	
Lubrication, oil, etc., for jeep	15.00	
Wooden core boxes, 80 @ $5/each	400.00	
Probing equipment repairs	15.07	517.57
Category (4) Operating Equipment		
None except:		
1 jeep 1/ or pickup 1/, 50 days @ $5/day	$250.00	250.00
Categories (5) and (6)		
None		
Category (7) Miscellaneous		
None except:		
Payroll taxes and insurance on $1,670.00 @ 14.9 percent	$248.83	
Chemical analyses for U_3O_8 content of 75 samples @ $4/sample	300.00	548.83
Estimated Total Cost Stage II		$23,605.90

SUMMARY

Estimated Total Cost Stage I	$5 304.10	
Estimated Total Cost Stage II	$23,605.90	
Estimated Total Cost of Project		$ 28 946.00
Government Participation @ 50 percent		$ 14 473.00

1/ The Operator, at its option, may rent this equipment, or use its own, at unit costs per hour, or day, not exceeding the Contract figures.

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

JUN 3, 1958

Memorandum

TO: Administrator, DMEA
Attention: Director, Div. of Rare and Misc. Metals

From: Associate Solicitor, Div. of Mineral Resources

Subject: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington

As requested in Mr. Ellis' memorandum dated May 15, 1958, we have prepared the attached Contract.

The Surety Company Performance Bond referred to in Annex I is required prior to execution of the Contract.

Robert P. Dwyer

DRAFT
FMMurphy/izm
5-14-58

MF-200
(Revised June 1954)

Docket No. DMEA 4958

Commodity Uranium

Contract No. Idm-E

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Daybreak Uranium, Inc., Incorporated in the State of Washington, whose mailing address is 12707 E. Valleyway Opportunity, Washington, hereinafter called the "Operator," as follows:

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(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] see Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Interests of Assignors and Lessor

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: See Annex I

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before shall commence the work, and on or before December 1, 1958 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall ~~either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."~~ See Article 13

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $30,110.00 The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $15,055.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated total allowable cost of the work. See Article 13

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article ~~9~~ 8.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and related costs incurred.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, 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, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within 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.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value therof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest 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 or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—

(a) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work, except as otherwise provided in Exhibit 'A' with respect to stage of work."

(b) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.

(c) In the last sentence of Article 6(c), the words "Article 8" are substituted for the words "Article 9."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By .....

.....
(Operator)

By .....

.....

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—70617-1

EXPLORATION PROJECT CONTRACT
DAYBREAK URANIUM, INC.
DOCKET NO. DMEA-4958

ANNEX I

The land referred to in Article 2 of the Contract is situate on Spokane Indian Reservation lands and consists of 160 acres, more or less, in the SW¼ of sec. 13, T. 27 N., R. 37 E., W.M., Stevens County, Washington, excluding the lands therein held or controlled by the U. S. Bureau of Reclamation. In general the excluded land adjoins the Franklin D. Roosevelt Lake and lies below an elevation of 1,310 feet.

William Lowley, was granted a Mining Lease of the land under Contract No. 14-20-503-144, by the U. S. Dept. of the Int., on December 12, 1955.

The lease was then assigned to the Operator under an Assignment of Mining Lease, dated May 2, 1956. The assignment of the mining lease was approved on July 6, 1956, by Don C. Foster, Area Director.

The Government waives the owner's consent to lien and in lieu accepts the attached Performance Bond in the sum of $15,055.00. ~~Also attached, and made part hereof, is a Consent to Lien and Subordination Agreement by William Lowley, sub-lessor.~~

EXPLORATION PROJECT CONTRACT
BAYBREAK URANIUM, INC.
DOCKET NO. DMEA-4958

EXHIBIT "A"

Description of the Work

General Provisions

The object of this project is to explore for deposits of uranium ore by percussion wagon-drilling and diamond core-drilling along the contact zone of a quartzite unit of a metasediment sequence, probably Precambrian in age, and Loon Lake granite of Cretaceous age.

The approximate locations and inclinations of the drill holes are shown on the map entitled "Plate - 3, Proposed Program, Lowley Lease,---," attached hereto and made part hereof.

In wagon-drilling, samples of the cuttings of all holes shall be taken at not more than 5-foot intervals and tested for radioactivity. Cuttings samples showing significant radioactivity shall be split. The Operator shall have one-half of each such sample analyzed chemically for its U_3O_8 content; and store the remainder in a suitable container properly identified as to drill hole number and the depth interval that the sample represents.

In core drilling all core shall be tested for radioactivity. Sections of core showing significant radioactivity shall be split. The Operator shall have one-half of the split core analyzed chemically for its U_3O_8 content; and store the other-half, with the unmineralized portions of the core, in boxes properly identified as to hole number and with markers placed in the core sections to indicate the depth represented.

The stored core are for Government inspection and possible use. With Government approval the Operator may dispose of the stored core and cuttings.

Core and cuttings recovered from the drill holes shall be logged geologically, and the holes shall be probed radiometrically as soon as possible after completion. Records of such logging and probing, together with the assay certificates of the core and cuttings samples, shall be submitted with the Operator's monthly progress report. The monthly report shall also include a map or sketch showing the location of all holes drilled during the reporting period.

The Government will not participate in the cost of a hole that is closer than 200 feet to an outer boundary of the land. ~~In the absence~~ of a written waiver by the Government, the Government will not participate in the cost of an incomplete hole, or to a hole that cannot be probed with standard radiometric testing equipment.

The Operator shall provide a full-time supervisor and such other technical services and labor as are required to complete the project work.

All bulldozer work shall be done with a D-8 dozer or an equivalent unit of any other make.

The location, direction, inclination, and extent of all work under this contract are subject to Government approval.

The work is divided into two stages. The Operator shall perform all the work in Stage I and as much of Stage II as is approved in advance in writing by the Government.

Stage I

The work shall consist of bulldozing access roads and drill sites, and wagon-drilling not in excess of 15 holes, totaling not more than 2,120 feet, at approximately the locations and inclinations shown on map Plate-3, to about the following depths:

Hole	Depth (feet)	Hole	Depth (feet)	Hole	Depth (feet)
1	130	6	140	11	120
2	110	7	160	15	150
3	120	8	140	16	160
4	120	9	130	17	180
5	140	10	140	19	180

Stage II

The work shall consist of bulldozing access roads and drill sites, and core-drilling not in excess of 10 holes, totaling not more than 2,750 feet, at approximately the locations and inclinations shown on map Plate -3, to about the following depths:

Hole	Depth (feet)	Hole	Depth (feet)
1	260	6	390
2	290	12	220
3	260	13	240
4	250	14	230
5	360	15	250

The locations of the Stage II drill holes as shown on Figure 3 are tentative and may be changed by mutual written agreement between the Government and the Operator. However, no hole drilled under Stage II shall be closer than 100 feet to any other hole drilled in this stage.

The holes shall be drilled by the wireline corebarrel method of BX size outside diameter, yielding AX size core. However, holes may be finished with AX size standard coring equipment to avoid excessive reaming costs.

Estimated Costs of the Project

Actual Costs

Stage I

Category (1) Independent Contracts

Bulldozing[1] 30 hrs. @ $16/hr.	$480	
Transportation of bulldozer, 320 miles @ $0.35/mile	112	$592.00
Percussion drilling:		
From 0-50 ft., 750 ft. @ $1.25/ft.	937.50	
From 50-100 ft., 750 ft. @ $1.40/ft.	1,050.00	
From 100-150 ft., 540 ft. @ $1.60/ft.	864.00	
From 150-200 ft., 80 ft. @ $1.80/ft.	144.00	
Casing, 300 ft. @ $1.00/ft.	300.00	$3,295.50

Category (2) Personal Services

None except		
Supervisor, 2 months @ $600/mth.	1,200.00	
Engineer's helper, 15 days @ $17/day	255.00	
Consultant, 4 days @ $50/day	200.00	$1,655.00

Category (3) Operating Materials and Supplies

None except		
Gasoline for jeep, 250 gallons @ $0.35/gal.	87.50	
Lubrication, oil, etc., for jeep	10.00	
150 sample sacks @ $0.45/each	67.50	$165.00

Category (4) Operating Equipment

None except		
1 jeep[1] for pickup[1], 50 days @ $5.00/day	250.00	$250.00

Categories (5) and (6)

None

Category (7) Miscellaneous

None except

Payroll taxes and insurance on $1,655.00 @ 14.9%	246.60	
Chemical analyses for U_3O_8 content of 75 samples @ $4.00/sample	300.00	546.60
Estimated Total Cost Stage I		$6,504.10

Stage II

Category (1) Independent Contracts

Bulldozing,[1] 20 hrs. @ $16/hr.	$320.00	
Transperation of bulldozer, 320 miles @ $0.35/mile	112.00	$432.00
Diamond drilling:		
From 0-250 ft., ~~2,100~~ 2440 ft. @ $5.85/ft.	14,274.00	
From 250-500 ft., 310 ft. @ $6.35/ft.	1,968.50	
Standpipe, 60 ft. @ $9.75/ft.	585.00	
Reaming and landing casing, or cementing and drilling out, 800 ft. @ $3.75/ft.	3,000.00	
Landing casing when reducing size of hole, 400 ft. @ $0.50/ft.	200.00	
Standby time for probing, 20 hrs. @ $8.00/hr.	160.00	20,187.50

Category (2) Personal Services

None except

Supervisor, 2 months @ $600/mth.	1,200.00	
Engineer's helper 10 days @ $17/day	170.00	
Consultant, 6 days @ $50.00/day	300.00	1,670.00

Category (3) Operating Materials and Supplies

None except

Gasoline for jeep, 250 gallons @ $0.35/gal.	87.50	
Lubrication, oil, etc., for jeep	15.00	
Wooden core boxes, 80 @ $5.00/each	400.00	
Probing equipment repairs	15.07	517.57

Category (4) Operating Equipment

None except

1 jeep[1] or pickup[1], 50 days @ $5/day	250.00	250.00

Categories (5) and (6)

None

Category (7) Miscellaneous

None except

Payroll taxes and insurance on $1,670.00 @ 14.9%	248.83	
Chemical analyses for U_3O_8 content of 75 samples @ $4.00/sample	300.00	548.83

Estimate Total Cost Stage II $23,605.90

S U M M A R Y

Estimated Total Cost Stage I	$ 6,504.10
Estimated Total Cost Stage II	$23,605.90
Estimated Total Cost of Project.....	$30,110.00
Government Participation @ 50%	$15,055.00

1/ The Operator at its own option may rent this equipment or use its own at a unit cost per hour, or day, not to exceed the contract figures.

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IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

May 9, 1958

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: W. P. Williams, U. S. Geological Survey

Subject: Review of field examination report, DMEA 4958 (Uranium) Daybreak Uranium, Inc., Lowley lease, Spokane Indian Reservation, Stevens County, Washington

The examining team report that geologic conditions on the applicant's property are favorable for the presence of undiscovered uranium ore deposits. The favorable zone is the contact between the Loon Lake granite and quartzitic metasediments. Small deposits have been found by previous exploration work. Only a small part of the favorable zone has been tested.

The examiners recommend approval of an exploration project that would provide for 2,120 feet of percussion drilling, and 2,750 feet of diamond drilling at a total project cost of $54,271.

A considerable amount of exploration has been done on the property with only fair success. That work includes 'dozer trenching, 15 diamond drill holes, a 60-foot shaft, and 400 feet of drift. Some of the proposed drill holes are less than 100 feet apart and they are all in a single stage. I would like to suggest that the proposed work be divided into perhaps two stages. Could this be done by drilling every other proposed hole in Stage I?

I agree with the findings and recommendations of the examining team but with the possible reservation outlined above. If breaking up the work into successive stages is not feasible, then I agree with the examining team's entire proposal.

W. P. Williams

W. P. Williams

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Washington 25, D. C.

Date May 8, 1958

DMEA Docket No. 4958
DMEA Contract No.
Commodity Uranium
Name of Applicant Daybreak Uranium, Inc.
Name of property Lowley Lease (Stevens Cty. Wash.)
Location of property Spokane Indian Reservation
Estimated cost of project

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: James Paone, Bureau of Mines Member JP
Uranium Commodity Committee

Subject: Review of Field Team Report
(Application, Field Team Report, etc.)

1. Date of subject document: 5/2/58. 2. Date received by reviewer: 5/6/58

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked 'yes' above:

8. Factors meeting special consideration:
   a. Location ☐
   b. Ownership ☐
   c. Evidence of mineralization ☐
   d. Geology ☐
   e. Proposed exploration method ☐
   f. Alternate exploration method ☐
   g. Costs
   h. ☐

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☐
   c. Denial ☐
   d. Agree with Field Team ☒
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☒
   i. Consult with Mr. _____ at _____ AEC office.

10. Remarks: (Use back of page if necessary)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

May 5, 1958

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Air Mail

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Spokane Indian Reservation
Stevens County, Washington

Dear Mr. Selfridge:

Enclosed are three ozalid prints of Plate 3 to be substituted for those prints attached to the memorandum examination report on the subject property which were forwarded to you on May 2. The Plate 3 included with the examination report was incomplete and inadvertently submitted with the report.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures
cc: USBM(2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

RECEIVED MAY 5 1958

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5/7	C	220
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Air Mail

May 2, 1958

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Spokane Indian Reservation
Stevens County, Washington

Dear Mr. Selfridge:

Enclosed are three copies of a memorandum examination report on the subject property by E. W. Parsons, mining engineer of the Bureau of Mines, and H. F. Albee, geologist of the Geological Survey.

Radioactivity anomalies can be found along a contact between Loon Lake granite and a quartzite member of a complex of metasediments. The contact extends for about 2,000 feet on the property. It has been partially explored by bulldozer trenches, a 60-foot inclined shaft, about 400 feet of drifts and crosscuts, and 15 diamond drill holes. Uranium deposits have been found by this work, but so far they have been small. Uranium minerals found on the surface are uranophane and autunite; a few feet below the surface uraninite and coffinite are found.

Parsons and Albee conclude that the contact zone, particularly in the quartzite, warrants additional exploration and they, therefore, recommend a modified program.

The applicant has been asked to have five copies of the MF-205 form signed by the sublessor, William Lowley, and that a Performance Bond will be required. Two copies of a letter from the Acting Area Director, Bureau of Indian Affairs, and an accompanying teletype from the Deputy Commissioner, indicative of the Secretary of the Interior's approval of the assignment of lease from William Lowley, were sent you April 28, 1958.

We concur with the conclusions and recommendations of Parsons and Albee.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

for Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

Plate #1, 2 & 3 in envelope pocket

cc: USBM (2)
USGS(SRO)
AEC (SLC)

Reviewed by Albee
DMEA OPERATING COMMITTEE
5-7-58
(date)

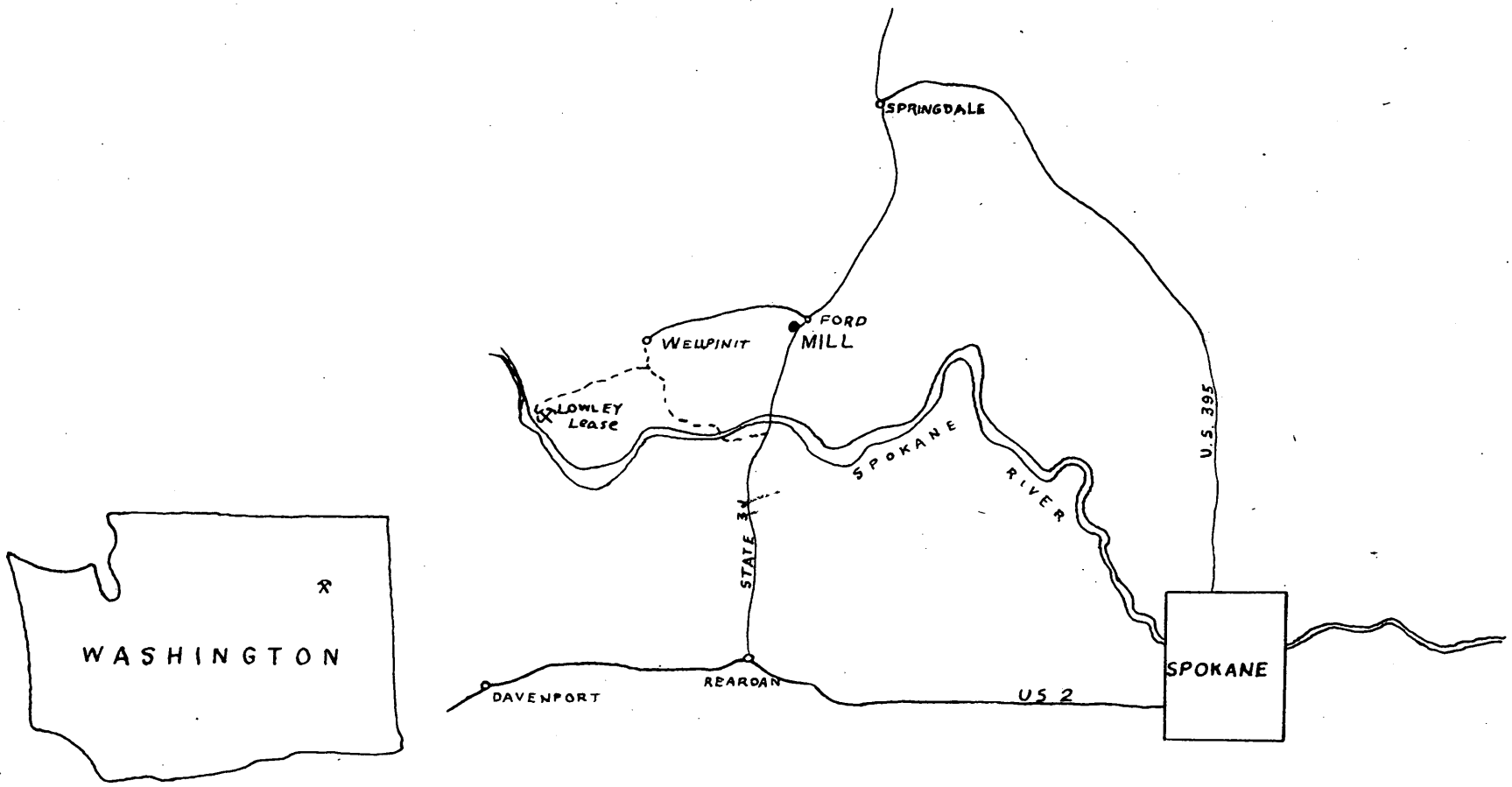


Fig. 1 Location map, Lowley lease
Daybreak Uranium, Inc.
Stevens County, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 5 1953

DATE	INITIALS	CODE

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 5 1958

DATE	INITIALS	CODE
5/7	JHB	130
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

May 2, 1958

Memorandum

To: DMEA Field Team, Region I

From: E. W. Parsons, Mining Engineer, U. S. Bureau of Mines, and H. F. Albee, Geologist, U. S. Geological Survey

Subject: Field Examination Report, Docket No. DMEA-4958 (Uranium), Lowley Lease, Daybreak Uranium, Inc., Spokane Indian Reservation, Stevens County, Washington

INTRODUCTION

The Daybreak Uranium, Inc., submitted on March 10, 1958, an application for aid in exploring for uranium on the Lowley Lease located in the SW¼ sec. 13, T. 27 N., R. 37 E., in the Spokane Indian Reservation, Stevens County, Washington.

Uranium minerals have been found in fractures in quartzite near a granite-quartzite contact. Radioactivity anomalies may be detected along the contact for a distance of about 1,600 feet. Previous work on the property consisted of bulldozer trenching, drilling 15 diamond drill holes totaling 2,432 feet, sinking a 60-foot inclined shaft, and driving about 400 feet of drift.

SUMMARY

The property was examined on April 16, 1958, by the authors, accompanied by H. W. Norman, geologist and president manager of the company. The party walked over about 2,000 feet of the contact checking for radioactivity anomalies with a Geiger counter and a scintillator. The shaft was examined down to water level which was even with the back of the drift. No samples were taken as the anomalies were erratic and were not continuous for any distance, and as the workings near and in the shaft have been adequately sampled.

Reviewed by
DMEA OPERATING COMMITTEE
5-7-58
(date)

CONCLUSION AND RECOMMENDATION

There is a uranium-bearing contact zone on the property which warrants some exploration work to determine whether minable concentrations exist. Therefore, the examining team recommends that a modified program of exploration be approved.

ACCESSIBILITY

The Lowley Lease is accessible from Spokane, Washington, by going west on U. S. Highway 2 to Reardan, then north on a paved county road to Ford, then west about 10 miles on graveled and unimproved reservation roads to the property on the north bank of the Spokane River (fig. 1). Roads in the area are impassable at times during the winter due to snow and become very muddy in the spring or during prolonged rainy weather.

PROPERTY

The property consists of a quarter section of Spokane Indian Reservation land. It borders at one point the Spokane River, which is part of the F. D. Roosevelt reservoir. That part of the land adjoining the reservoir which is below an altitude of 1,310 feet has been withdrawn by the U. S. Bureau of Reclamation.

DESCRIPTION OF PROPERTY

The property lies on the north bank of the Spokane River on rolling hills. The granite-quartzite contact on the property is marked by a deeply etched gully. Thick beds of glacial sand and gravel form high banks in places.

The land surface is mainly grassland with a few scattered clumps of evergreen trees.

Bulldozer trails and cuts have been made over the mineralized area for a distance of about 1,500 feet and a 60-foot inclined shaft with about 400 feet of drifts have been driven. Fifteen diamond drill holes totaling 2,432 feet of bore were drilled to probe the southern half of the area. There is a small house trailer on the property but no other equipment or facilities.

GEOLOGY

The Lowley Lease lies within the Turtle Lake quadrangle which was mapped in 1955 and 1956 by G. E. Becraft, P. L. Weis, and E. L. Boudette of the U. S. Geological Survey. The property covers the area of contact between the Cretaceous Loon Lake granite and a quartzite unit of a metasediment sequence probably Precambrian in age (pl. 1). The Loon Lake granite here consists of granodiorite and granite porphyry. The metasediment sequence, of which the quartzite is the basal unit, is probably a roof pendant of indeterminable size in the Loon Lake intrusive.

The contact can be traced across the property largely along a narrow, steep-walled canyon that is probably an erosional expression of a faulted and sheared zone along and near the contact.

From the southern part of the property the contact can be traced northerly for about 700 feet to an area where it is covered, for a distance of about 300 feet, by a glacially derived terrace deposit of sand and gravel. Beyond the terrace deposit the contact can be traced northeasterly for about 1,000 feet to where it is covered by recent alluvium.

The strike of the contact ranges from about N. 15° W. at the southern end of the exposure to about N. 50° E. at the northern end. Observed dips vary from 40° to 85° easterly. The strike and dip of the bedding are approximately parallel to the contact (pl. 1).

The extremely sheared and faulted zone is largely confined to the quartzite. Surface and underground exploration shows this zone to exceed 200 feet in width, and that small, randomly oriented deposits of uranium-bearing material occur within the zone.

The uranium deposits found by the underground work and indicated by drilling are small. They range from a few inches up to about 4 feet thick and from a few feet to about 15 feet in length and width. The deposits are all associated with small randomly oriented faults and the length of many of the deposits is determined by other faults which cut and offset them.

Minor amounts of uranophane and autunite occur on the outcrops but within a few feet below the surface the uranium minerals are uraninite and coffinite. Anomalous radioactivity is detectable in varying degrees along a large part of the exposed contact and shear zone. The individual mineralized zones at the surface cannot be traced with a Geiger counter for more than a few feet but there are a large number of such zones that range from 5 to 40 or 50 times background.

Because of the discontinuous nature of the mineralized zones along the outcrop, no surface samples were taken. The underground workings were inaccessible because of water. Samples taken by the applicant and assayed by Peter Mack of Wallace, Idaho, show the grade of the uranium-bearing material in the larger occurrences underground to range from 0.17 to 0.79 percent U_3O_8 (pl. 2).

The drilling and underground work show the known occurrences of ore to be small and, at least in part, cut by post-mineral faulting. The area explored, however, is relatively small compared to the length of outcrop along the contact that shows abnormal radioactivity. The remainder of the contact zone should be explored to test for the possibility of larger ore bodies. However, because of the difficulty and cost of drilling and standpiping in this type of material, drilling is not proposed for the contact area overlain by the glacial sand and gravel (pl. 1).

PAST OPERATION

During the course of the exploration work which the company has done on the property, 287.52 tons of ore that assayed 0.1744 percent U_3O_8 were produced and shipped. There is approximately 100 tons of material stockpiled near the shaft that is estimated to contain 0.1 percent U_3O_8. There are a few places in the underground workings and on the surface near the collar of the shaft where ore-grade samples may be obtained but the company does not consider that there are any measurable reserves. The examining team estimates that the inferred reserves are about 200 tons of material containing between 0.15 and 0.2 percent U_3O_8.

SUPPLIES AND EQUIPMENT

Materials, supplies, and equipment are available in Spokane, Washington, about 60 miles by road to the southeast. Labor is available locally or in the Spokane area and wages start at about $16 per day. Drill water can be obtained from the Spokane River and a spring on the property will provide a limited quantity of domestic water. There are no power lines in the vicinity.

APPLICANT'S PROPOSAL

The applicant's proposal calls for percussion and diamond drilling with supporting bulldozer work, and assaying. The proposed work with estimated costs is as follows:

Stage I

Percussion drilling	
19 holes totaling 2,690 ft. at a cost of	$ 3,803.50
1,000 ft. of casing, if needed, @ $1.00/ft.	1,000.00
Diamond drilling	
Preparation of underground drill station	750.00
17 holes totaling 4,550 ft. at a cost of	28,415.00
Additional drilling costs - cementing, casing, etc.	9,777.50
Core boxes @ $0.20/ft. of core	910.00
General supervision (Norman), 40% of $700 x 5 mo.	1,400.00
Supervisor - 5 mo. @ $600/mo.	3,000.00
Consultant - 6 days @ $100/day	600.00
Samples	
Sample sacks - 150 @ $0.35 ea.	52.50
Assaying, etc. - 150 samples	705.00
Bulldozer	
100 hrs. - D-8 @ $20/hr.	2,000.00
Transporting dozer, 2 x 69 miles	484.74
Personnel travel (to and from work), 15,050 miles @ $0.05	752.50
Geiger counter maintenance	15.00
Accounting - 40 hrs. @ $6/hr.	240.00
Unemp. Comp., Indus. Ins., etc.	365.26
Total for Stage I	$54,271.00

APPLICANT'S PROPERTY RIGHTS

The property to be included in the project consists of the SW¼ sec. 13, T. 27 N., R. 37 E. The applicant controls the land by the assignment of a lease granted to William Lowley.

RECOMMENDED PROJECT

The recommended project (pl. 3) will be in one stage and consist of 15 percussion drill holes for a total of 2,120 feet of bore, and 10 diamond drill holes for a total of 2,750 feet of bore, plus allowance for standpipe, reaming and casing, cementing, and standby time. Bulldozer work for drill-site preparation is recommended at the rate of 2 hours for each hole at $16 per hour. Supervision by the company will consist of one geologist-engineer at $600 per month, plus one geologist-engineer-consultant for 20 days at $50 per day. Other company personnel will consist of one engineer's helper or laborer to aid in surveying, at $17 per day for 25 days.

The work will start within 60 days of the effective date of the contract. It is estimated that the work will be completed in 5 months.

Four bids were received from diamond drill contractors: McClintock of Spokane, Washington, Messer of Portland, Oregon, Morehead and Leaf of Spokane, and Vivian Brothers of Kellogg, Idaho. Two bids were received for percussion drilling: Herbert Sams and Western Machinery Company, both of Spokane.

The applicant wants the diamond drill holes drilled by the wireline corebarrel method as the probability of being able to probe is better. Individual items in the four diamond drill bids vary considerably but the most advantageous bid is the one made by McClintock; therefore, cost estimates are based on the McClintock bid.

The applicant states that only two bids were received for the percussion drilling and as the low bid equaled the minimum price available in the area in the past 3 years, no other bid was solicited. Cost estimates for the percussion drilling were based on the low bid which was submitted by Herbert Sams, a driller familiar with the area to be drilled.

ESTIMATED COST OF PROJECT

Project work.--Drill 15 percussion drill holes, 10 diamond drill holes, prepare drill sites, and sample drill cuttings, cores, and sludge.

1. Independent contracts

Percussion drilling

0- 50 feet @ $1.25/ft. x 750 ft.	$ 937.50	
50-100 feet @ $1.40/ft. x 750 ft.	1,050.00	
100-150 feet @ $1.60/ft. x 540 ft.	864.00	
150-200 feet @ $1.80/ft. x 80 ft.	144.00	
Casing - 300 ft. @ $1.00/ft.	300.00	
		$ 3,295.50

Diamond drilling, wireline corebarrel

O.K. if starting from wireline to standard BX

0-250 feet @ $5.85/ft. x 2,440 ft.	$14,274.00	
250-500 feet @ $6.35/ft. x 310 ft.	1,968.50	
Standpipe - 130 ft. @ $9.75/ft.	1,267.50	
Reaming and landing casing - 400 ft. @ $3.75/ft.	1,500.00	
Cementing & redrilling - 400 ft. @ $3.75/ft.	1,500.00	
Landing casing - no reaming - 400 ft. @ $0.50/ft.	200.00	
Standby time for probing - 20 hrs. @ $8.00/hr.	160.00	
		$20,870.00

Bulldozer - rented or company

?

50 hrs. @ $16/hr.	800.00	
Transportation @ $0.35/100 x 320(00) one way	112.00	
(Company will use on other work.)		
		$ 912.00

2. Labor and Supervision

1 engineer's helper @ $17/day - 25 days	$ 425.00	
1 geologist-engineer @ $600/mo. - 5 mo.	3,000.00	
1 consultant @ $50/day - 20 days	1,000.00	
		$ 4,425.00

3. Operating Materials and Supplies

Gasoline - 5 gal./day x 125 days @ $0.35/gal.	$ 218.75	
Lubrication, oil, etc.	36.00	
Sample sacks, plus freight - 150 @ $0.45 ea.	67.50	
Core boxes - 80 @ $5/ea.	400.00	
Maintenance - probing equipment	15.00	
		$ 737.25

4. Operating Equipment - to be furnished

1 Jeep or pickup (private or company) @ $5/day - 125 days ?		$ 625.00
5. Rehabilitation and Repairs		none
6. New Buildings and Improvements		none
7. Miscellaneous		
Unempl. comp., Indust. Ins., etc. 14.9% of payroll ($4,425.00)	$ 659.33	
Samples - chemical assay for U_3O_8 - 150 @ $4/ea.	600.00	
Accounting - 40 hrs. @ $6/hr.	240.00	
		$ 1,499.33
Total cost		$32,364.08
Government participation at 50 percent		$16,184.04

Data on the drill holes recommended are listed as they appear in the application as follows:

Percussion drilling

Hole	Estimated Depth (feet)	COST 0-50'	50-100'	100-150'	150-200'	Cost
1	130	62.50	70.00	48.00	-	$ 180.50
2	110	62.50	70.00	16.00	-	148.50
3	120	62.50	70.00	32.00	-	164.50
4	120	62.50	70.00	32.00	-	164.50
5	140	62.50	70.00	64.00	-	196.50
6	140	62.50	70.00	64.00	-	196.50
7	160	62.50	70.00	80.00	18.00	230.50
8	140	62.50	70.00	64.00	-	196.50
9	130	62.50	70.00	48.00	-	180.50
10	140	62.50	70.00	64.00	-	196.50
11	120	62.50	70.00	32.00	-	164.50
15	150	62.50	70.00	80.00	-	212.50
16	160	62.50	70.00	80.00	18.00	230.50
17	180	62.50	70.00	80.00	54.00	266.50
19	180	62.50	70.00	80.00	54.00	266.50
15 Holes	2,120	$937.50	$1,050.00	$864.00	$144.00	$2,995.50

Diamond drilling

Hole	Depth (feet)	Costs	Cost of hole
1	260	250' at $5.85 plus 10' at $6.35	$ 1,526.00
2	290	250' at 5.85 plus 40' at 6.35	1,716.50
3	260	250' at 5.85 plus 10' at 6.35	1,526.00
4	250	250' at 5.85 plus -- -- --	1,462.50
5	360	250' at 5.85 plus 110' at 6.35	2,161.00
6	390	250' at 5.85 plus 140' at 6.35	2,351.50
12	220	220' at 5.85 plus -- -- --	1,287.00
13	240	240' at 5.85 plus -- -- --	1,404.00
14	230	230' at 5.85 plus -- -- --	1,345.50
15	250	250' at 5.85 plus -- -- --	1,462.50
10 Holes	2,750	2,440' 310'	$16,242.50

Attachments 60' standpipe

Distribution:
DMEA (3)
USBM (5)
USGS(SRO)
AEC, Salt Lake
Docket
Albee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

5/1 C 220

April 28, 1958

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington

Dear Mr. Selfridge:

In your letter of March 28, 1958, referring the subject application to the field you say ". . . we will require a copy of the Secretary of the Interior's approval of the assignment of the lease from William Lowley.

Enclosed are two copies of a letter from the Acting Area Director, Bureau of Indian Affairs and an accompanying teletype from the Deputy Commissioner, which we hope will meet this requirement.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures

cc: USBM (2)
Albee

IN REPLY REFER TO
Realty

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS
Portland Area Office
Post Office Box 4097
Portland 8, Oregon

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 1956
CODE

AIR MAIL

Mr. A. E. Weissenborn
Executive Officer, DMEA Field Team, Region 1
S. 157 Howard Street
Spokane, Washington

Dear Mr. Weissenborn:

As requested by Mr. Don McLaren, we are enclosing a copy of the teletype dated July 3, 1956 from the Deputy Commissioner, Bureau of Indian Affairs authorizing Don C. Foster, Area Director, to approve the assignment of Spokane Lease No. 14-20-503-144 from William Lowley, lessee, to Daybreak Uranium, Inc..

The assignment of the mining lease was approved on July 6, 1956 by Don C. Foster, Area Director.

Authority for the approval of such assignments as well as other matters pertaining to lands and minerals was delegated from the Secretary of the Interior to the Commissioner of Indian Affairs in Secretarial Order No. 2508 (14 F. R. 258-260). Amendment No. 15 to this Order is published in 21 F. R. 7655.

We would be glad to furnish additional information upon request.

Sincerely yours,

Acting Area Director

Enclosure

No. 14

[redacted]

OFFICIAL BUSINESS—GOVERNMENT RATES

FROM Department of the Interior

BUREAU of Indian Affairs

CHG. APPROPRIATION

U. S. GOVERNMENT PRINTING OFFICE

T E L E T Y P E

DON C. FOSTER, AREA DIRECTOR
BUREAU OF INDIAN AFFAIRS
PORTLAND, OREGON

JUL - 3 1956

REPLY JULY 2 RELATIVE TO SPOKANE LEASE 14-20-303-144, WILLIAM LOWLEY, LESSEE. IF YOU ARE ASSURED THAT THE ASSIGNEE HAS THE ABILITY FINANCIALLY AND OTHERWISE TO DEVELOP THE LEASE, YOU ARE HEREBY AUTHORIZED TO APPROVE ASSIGNMENT TO DAYBREAK URANIUM, INC., UPON RECEIPT OF ASSIGNEE'S BOND, CORPORATE PAPERS, AND FAVORABLE RECOMMENDATION OF MINING SUPERVISOR.

(Sgd) W. DARTON GREENWOOD
DEPUTY COMMISSIONER

DMEA
RECEIVED MAY 1 1958

DATE	INITIALS	CODE

RECEIVED
APR 25 1958
U.S.
SPOKANE, WASH.

700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
APR 15
D.M.E.A.

April 11, 1958

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Dear Mr. Selfridge:

This is to advise you of an unfortunate situation that is developing in regard to new applications and the present June deadline. The monthly progress report shows two examinations scheduled for the week of March 31 and three scheduled for the week of April 7. Of these, only Minerva Porcupine Mines, Ltd., Docket No. DMEA-4931, was accessible.

We sent you copies of a memorandum to the files dated April 7, 1958, by W. C. Prinz describing the situation at William [illegible]'s property, Docket No. DMEA-4948, when he attempted to make an examination. On April 7, Alvord and Parsons went to Silver Lake, expecting to examine the following properties: Tidal Wave Mining Company, Docket No. DMEA-4927; Carroll W. Wells, Docket No. [illegible] and Agency Creek Tungsten and Rare Metals Corp., Docket No. [illegible]. The last application was received April 4. A storm [illegible] that started late last week made these examinations impossible.

Carroll W. Wells has three areas he wishes to explore. The examiners were able to look at only one which does not show much promise. The two other areas, at higher altitudes, were completely buried in and inaccessible. The Tidal Wave Mining Company property was blanketed by at least 3 feet of new snow and the Agency Creek Tungsten and Rare Metals Corp. property by 5 feet.

Under the most favorable weather conditions it will be [illegible] before I believe any of these properties will be ready for examination. It is not to be that some or all of them will not be ready before the middle of May. The applicants have all been informed of the [illegible] of an early examination and have promised to let us know the moment they feel an examination can be made.

[illegible] to the above, four new applications [illegible] have been received [illegible] [illegible] of Idaho, Alaska [illegible] [illegible]). We do not yet know what the [illegible] Walter Campbell's uranium property [illegible] [illegible], Idaho, will be scheduled [illegible] [illegible], Montana, and [illegible] may not be examined for reasons quoted in our [illegible] their applications. Day Mines, Inc. (to B. O. 5/[illegible]) [illegible] be evaluated without an examination but in any case [illegible] not present any problem.

While our field men were in Idaho, they learned that the [illegible] property (DMEA-4906) near Salmon is under [illegible]. However, we have some data on the property in the [illegible] Mr. L. K. [illegible], the Agency's engineer, [illegible] of April [illegible] and we hope to get sufficient [illegible] him to complete an evaluation without a field [illegible]

[illegible] are preparing a report on Western Fluorite [illegible] [illegible]. The purpose of the re-[illegible] [illegible] and recommended drill holes [illegible] [illegible]

[illegible], Inc. (DMEA-[illegible]) [illegible] April [illegible].

Sincerely yours,

A. R. [illegible]
Executive Officer, DMEA
Field Team, Region I

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/27	Murphy	700
3/27	Ellis	700
3/28	GCS	130
"	Johnson	110
"	Matteucci	100
		JHB
		220
		700

MAR 28 1958

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-4958 (Uranium)
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington

Dear Mr. Weissenborn:

The captioned application is referred to Region I Field Team for review, a field examination if deemed advisable, and recommendations.

Enclosed are copies of memoranda, dated March 20 and 25, 1958, by James Paone, USBM, and N. E. Nelson, USGS, respectively, relating to the application. Also enclosed, for Field Team use, is one copy of application.

Copies of a MF-205 form executed by Kae H. Sowers, Secretary-Treasurer of the Applicant, were submitted with the application. This MF-205 form is not necessary. However, the Field Team should advise the Applicant that we require a copy of the Secretary of the Interior's approval of the assignment of the lease from William Lowley; also, that in the event a contract is approved we will require five copies of the MF-205 form signed by sub-lessor William Lowley and, a Performance Bond in lieu of the owner's consent to lien since the project is on Indian Reservation lands.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Enclosures
APPROVED:

P. F. Yopes (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

FMMurphy/izm 3-27-58
cc: Mr. Murphy
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/27	Murphy	700
3/27	Ellis	700
3/28	Selfridge	130
"	Johnson	110
"	Gatterdam	100
3/28	Yopp	130
3/28	Selfridge	130
		220
		700

MAR 28 1958

Mr. Kae H. Sowers
Secretary-Treasurer and Business Manager
Daybreak Uranium, Inc.
12707 E. Valleyway
Opportunity, Washington

Re: Docket No. DMEA-4958 (Uranium)
Lowley Lease
Stevens County, Washington

Dear Mr. Sowers:

The application for assistance in exploring your property, under the captioned docket number, has been reviewed by the Division of Rare and Miscellaneous Metals of the Defense Minerals Exploration Administration. It has been referred to:

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

The Regional Office will contact you in regard to your project if additional information is required.

Sincerely yours,

(for)

Administrator

FMMurphy/izm 3-27-58
cc: Mr. Murphy
Admr.'s Reading File
DMEA FT Reg. I (2)

8623

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

DMEA
RECEIVED MAR 26 1958

DATE	INITIALS	CODE
3/26	C	320
1	~~Rec~~	1 C
	FMM	
Complete		

~~Memorandum~~

March 25, 1958
Re: DMEA 4958
Daybreak Uranium, Inc.
Lowley Lease
Stevens County, Washington
$93,067.26 - Uranium

To: E. W. Ellis, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application

The applicant requests assistance in exploring by percussion and diamond drilling a sheared granite-sedimentary rock contact zone. The sedimentary rock, essentially quartzite, appears to be a roof pendant indicated, by drill holes D.D.H. L-1 and L-15, to have a gravy bowl shaped bottom and to have a rock thickness of at least 250 feet near the implied center of the bowl. The proposed drilling would extend in three directions an exploratory drilling and underground work effort of the applicant.

In the previous work 15 holes were diamond drilled, four of which are classed as ore holes and 8 as mineralized. The drilling and drifting explored intensively about 120 feet of the contact zone. Seven hundred feet of the southerly contact zone was explored by holes at 60 to 140-foot intervals. The proposed angle drilling would fill in the more widely spaced drilling on the south end of the flatly arcuate contact zone and 600 feet of the northeasterly end of the zone. Ten vertical holes would probe the irregular, but probably bowl-like bottom 140 to 450 feet, back from the western edge of the quartzite roof pendant. The easterly edge of the pendant is not shown on the map, but the drill holes mentioned, L-1 and L-15, suggest some of the vertical holes may be outside the pendant.

A shallow incline shaft and drift workings from it develop the contact zone for about 120 feet in the immediate area explored by three of the ore holes. As a result of the underground work, 287.52 tons of 0.1744% U_3O_8 material was mined and shipped. Without the initial production bonus of $2,676.15, the value was

$3,277.33, or $11.40 per ton. The application intimates all of the ore has been extracted, as it says there are no significant indicated or proved ore reserves. A 220-foot crosscut, driven toward the center of the 'bowl', for no apparent reason, disclosed a pea or kernal of ore from which a 2.8 foot sample that assayed 0.79% U_3O_8 was taken. Four holes were drilled from the inner end of the crosscut. Results of the drilling are not given.

If the production is in any way indicative of the potential of the zone, the proposed drilling project is oversized.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

DMEA RECEIVED MAR 21 1958		
DATE		CODE
3/21	C	220
"	~~Letter~~	100
	~~Reply~~	~~700~~

Date March 20, 1958

DMEA Docket No. 4958
FMR Docket No.
Commodity Uranium
Name of applicant Daybreak Uranium, Inc.
Name of property Lowley Lease
Location of property Stevens, Washington
Estimated cost of project $93,067.26

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: James Paone, Bureau of Mines Member
Uranium Commodity Committee

Subject: Review of Application
(Application, Field Team Report, etc.)

1. Date of subject document: 3/11/58. 2. Date received by reviewer: 3/17/58

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked yes above:

8. Factors needing special consideration:
   a. Location ☐
   b. Ownership ☐
   c. Evidence of mineralization ☐
   d. Geology ☐
   e. Proposed exploration method ☐
   f. Alternate exploration method ☐
   g. Costs ☐
   h. _____ ☐

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☒
   c. Denial ☐
   d. Agree with Field Team ☐
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☐
   i. Consult with Mr. _____ at _____ AEC office.

10. Remarks: (Use back of page if necessary)

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

March 18, 1958

Daybreak Uranium, Inc.
12707 E. Valleyway
Opportunity, Washington

Subject: DMEA-4958

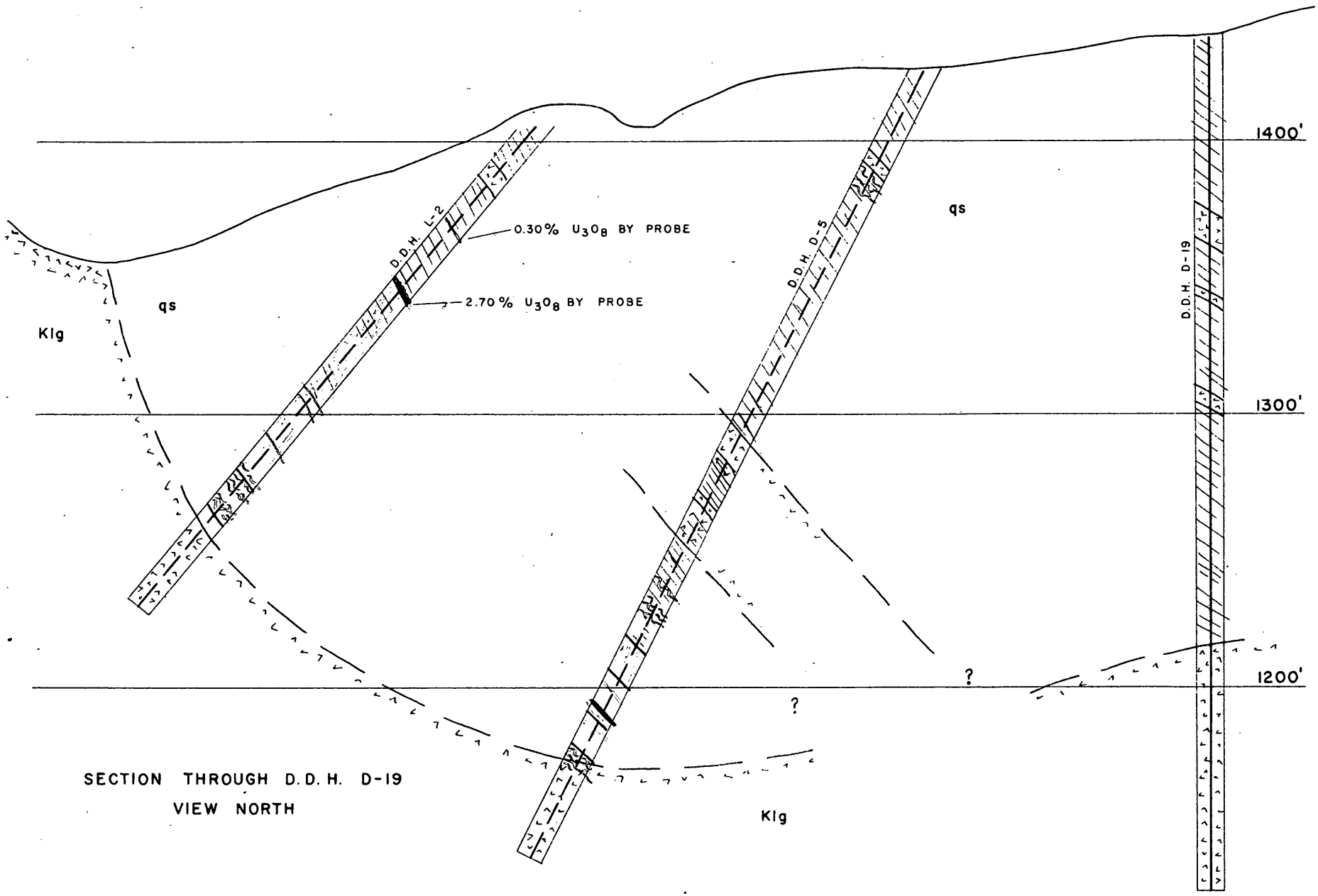
Gentlemen:

Your application for exploration assistance, dated February 21, 1958 submitted to our office at Spokane, Washington has been assigned Docket Number DMEA-4958 and referred to the Rare & Miscellaneous Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

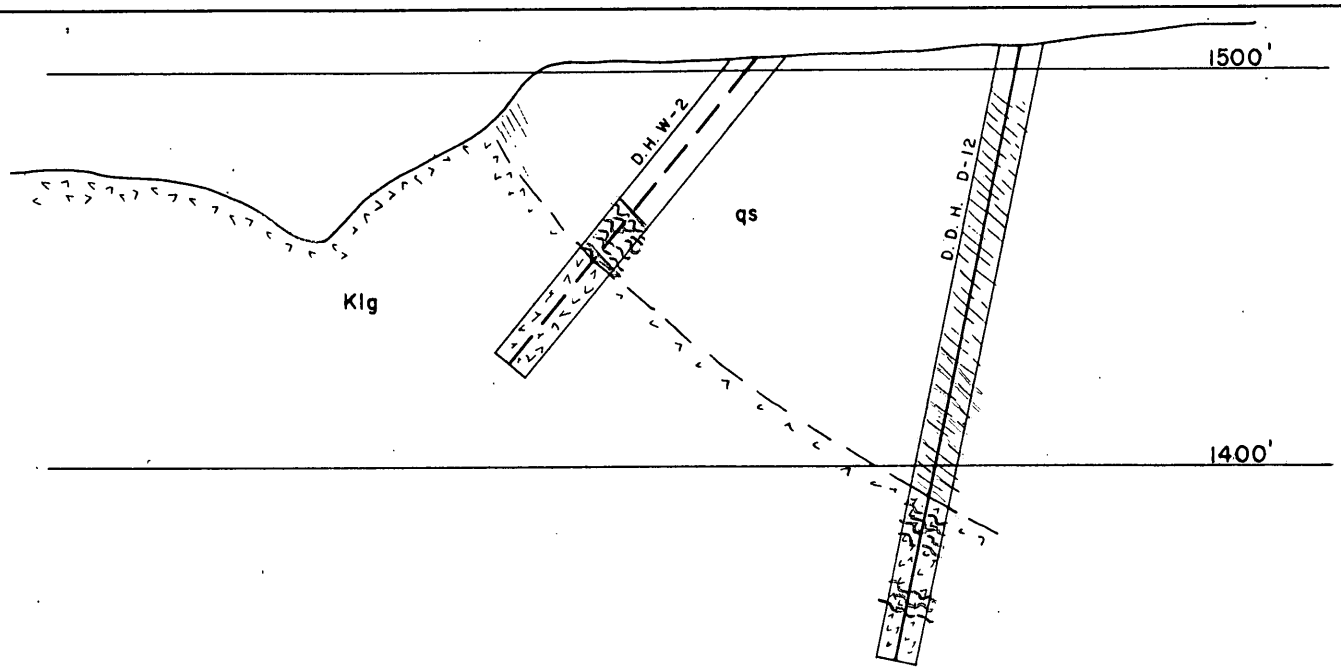
Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to: Region I



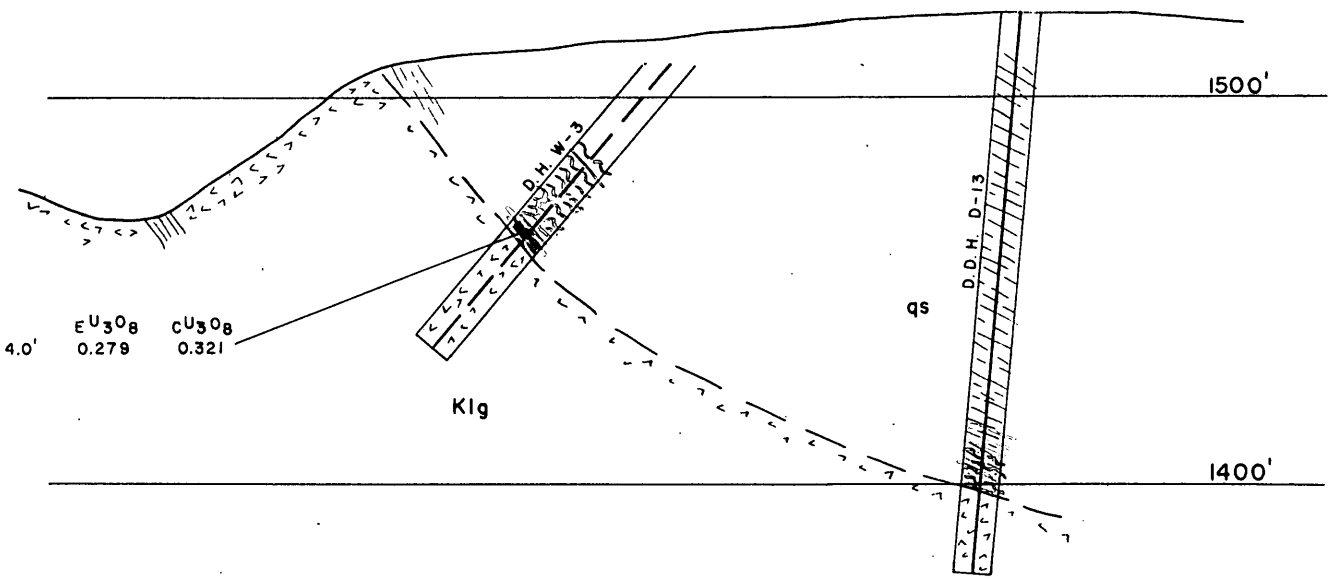
SECTION THROUGH D.D.H. D-19
VIEW NORTH

Scale 1" = 50'



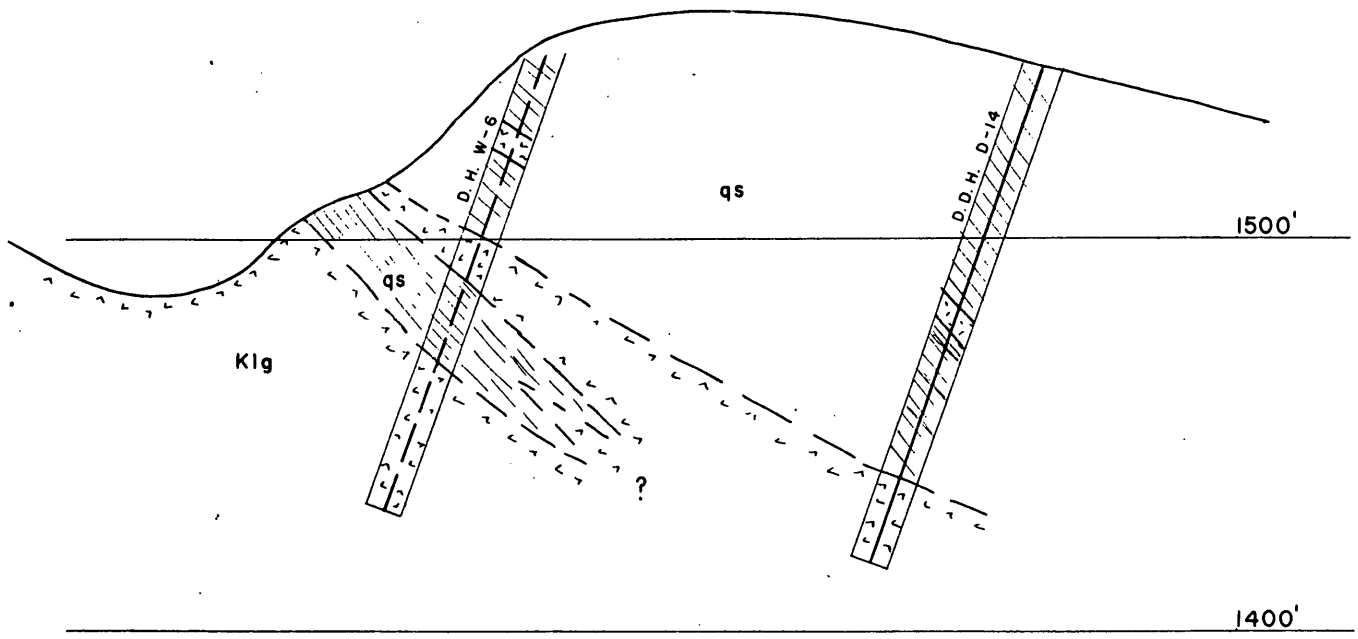
SECTION THROUGH D.D.H. D-12
VIEW N. 30° E.

Scale 1" = 50'



SECTION THROUGH D.D.H. D-13
VIEW N. 20° E

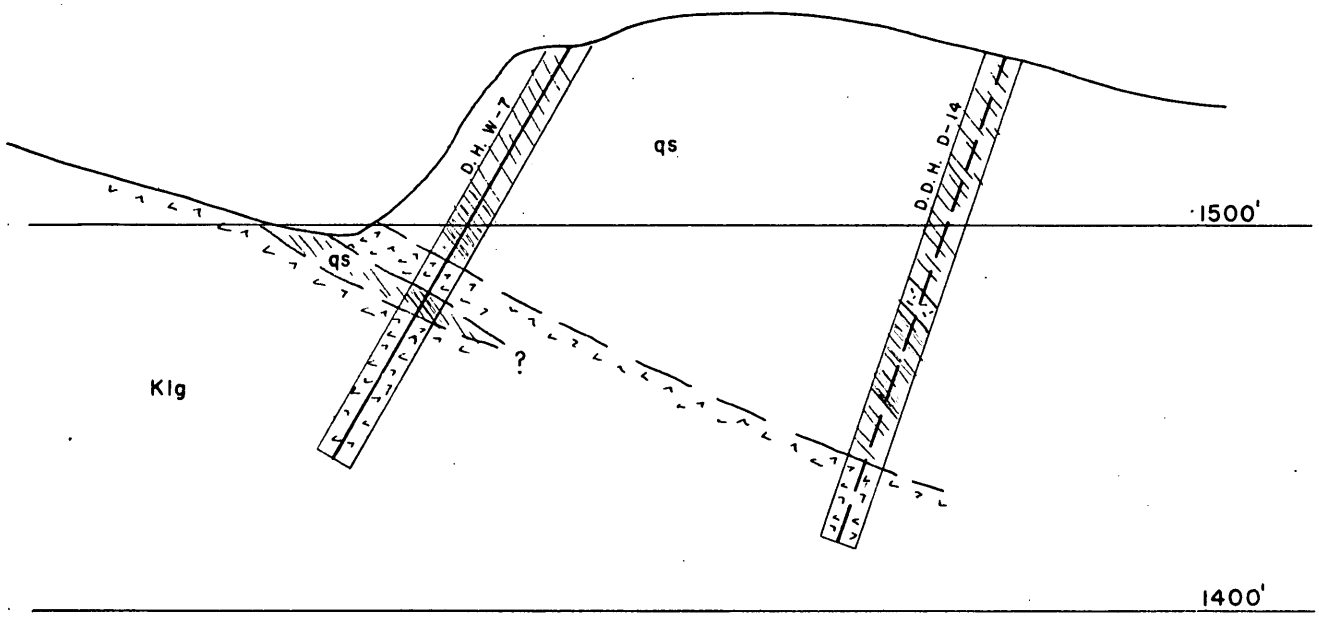
Scale 1" = 50'



SECTION THROUGH D.D.H. D-14

VIEW N. 45° E.

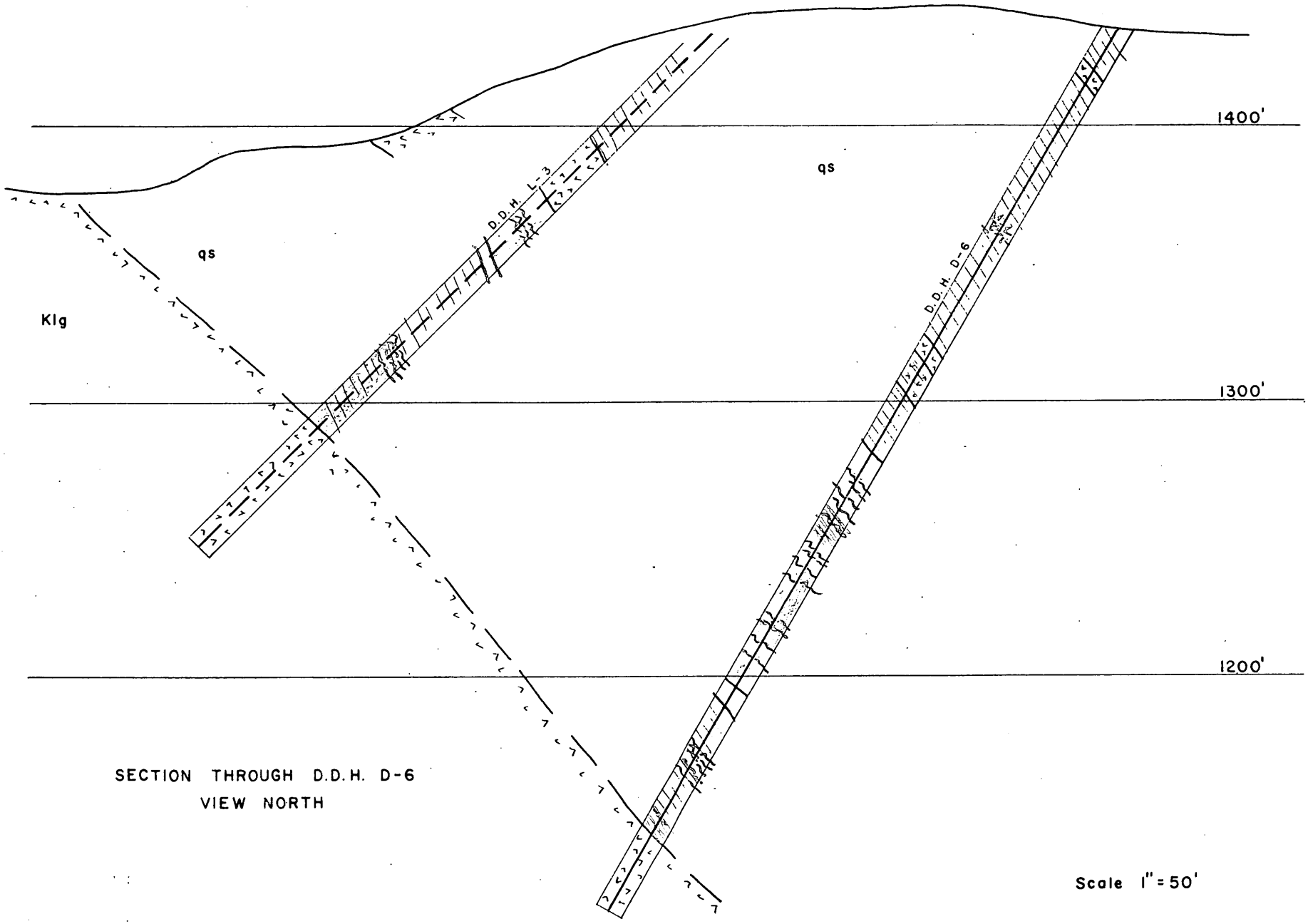
Scale 1" = 50'



SECTION THROUGH D.H. W-7

VIEW N. 55° E.

Scale 1" = 50'



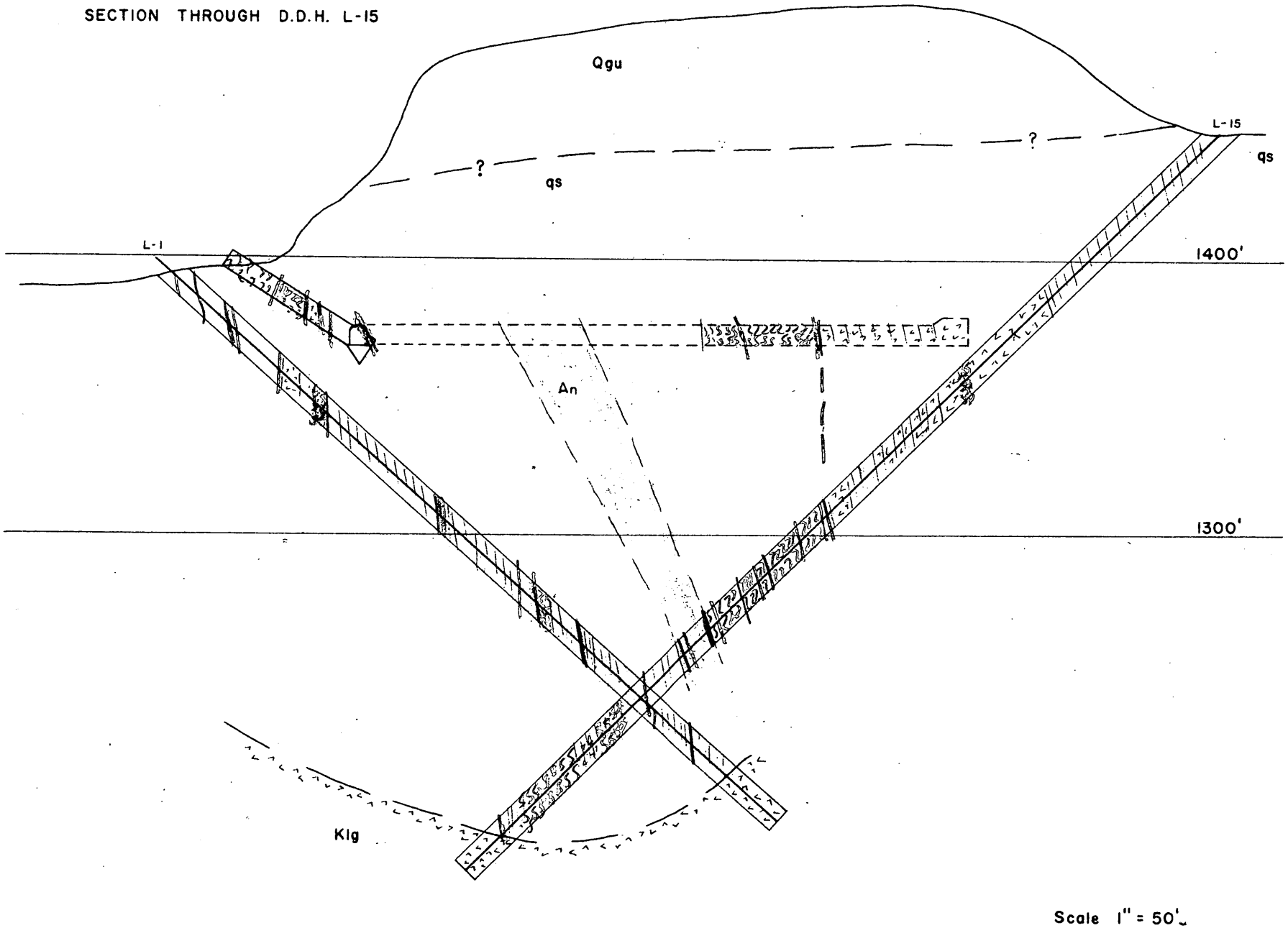
SECTION THROUGH D.D.H. D-6
VIEW NORTH

Scale 1" = 50'

DAYBREAK URANIUM INC.
12707 E. VALLEYWAY
OPPORTUNITY, WASH.

Fig. 13

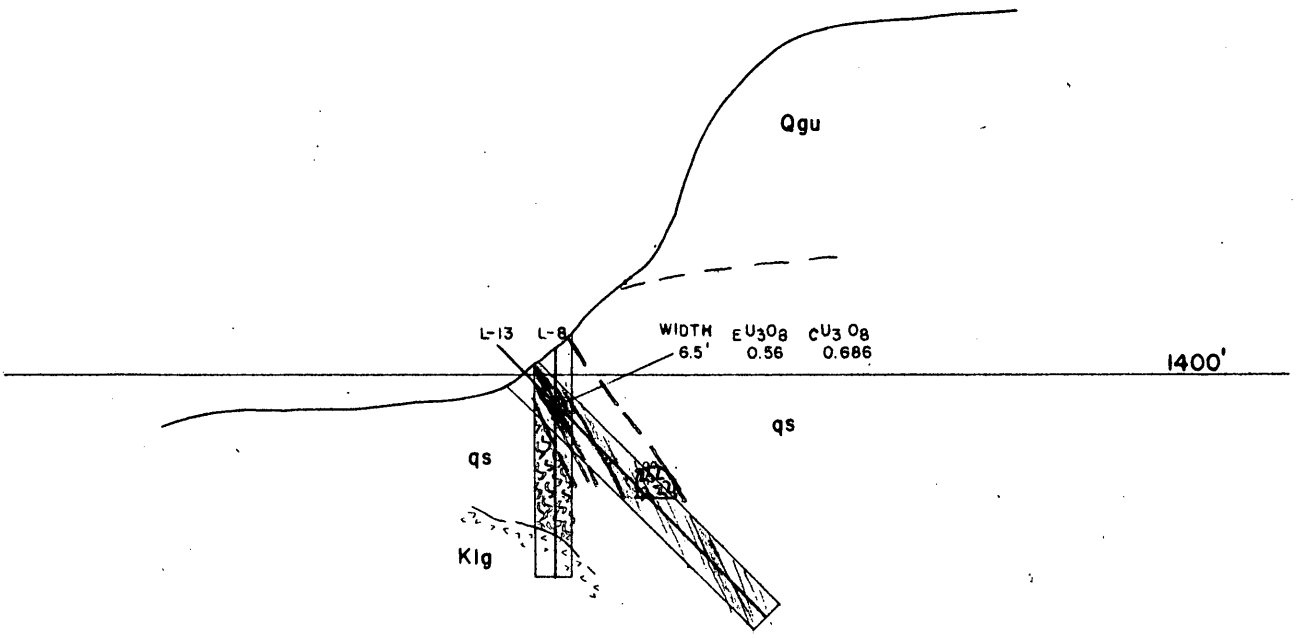
SECTION THROUGH D.D.H. L-15



DAYBREAK URANIUM INC.
12707 E. VALLEYWAY
OPPORTUNITY, WASH.

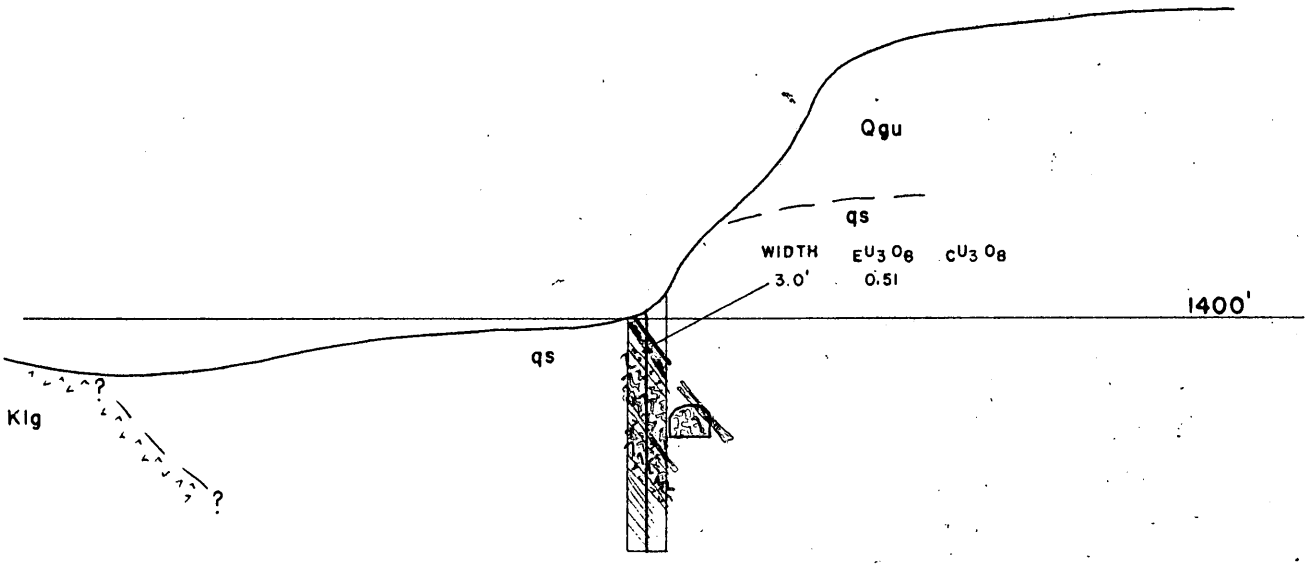
Fig. 12

SECTION THROUGH D.D.H. L-8 & L-13



Scale 1" = 50'

SECTION THROUGH D.D.H. L-9
VIEW NORTH

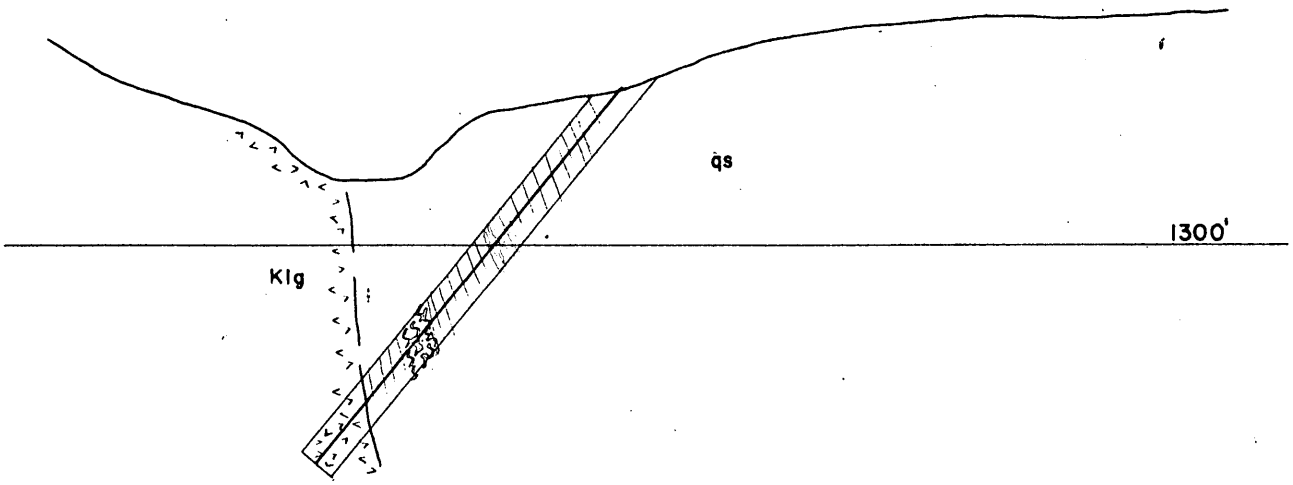


Scale 1" = 50'

DAYBREAK URANIUM INC.
12707 E. VALLEYWAY
OPPORTUNITY, WASH.

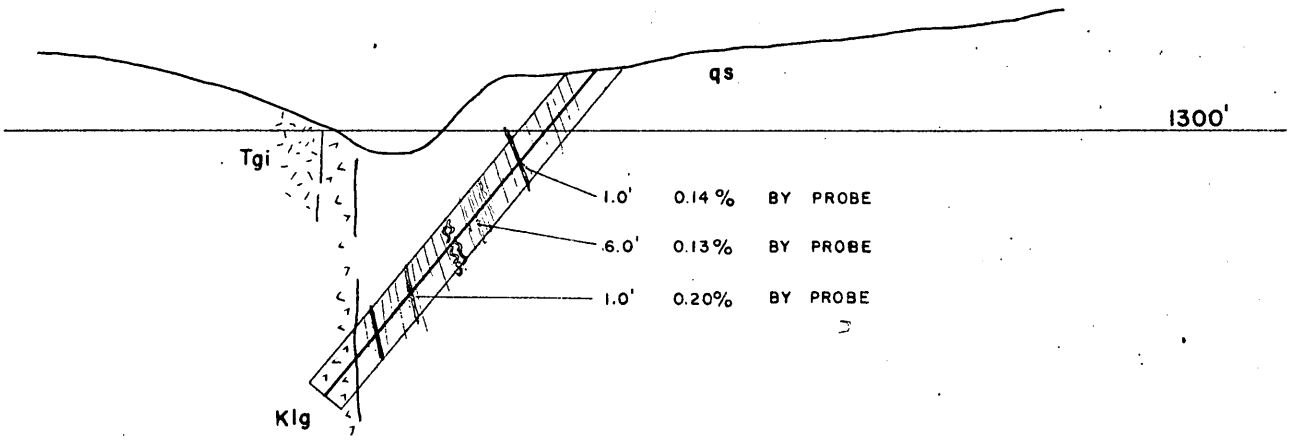
Fig. 11

SECTION THROUGH D.D.H. L-6



Scale 1" = 50'

SECTION THROUGH D.D.H. L-7

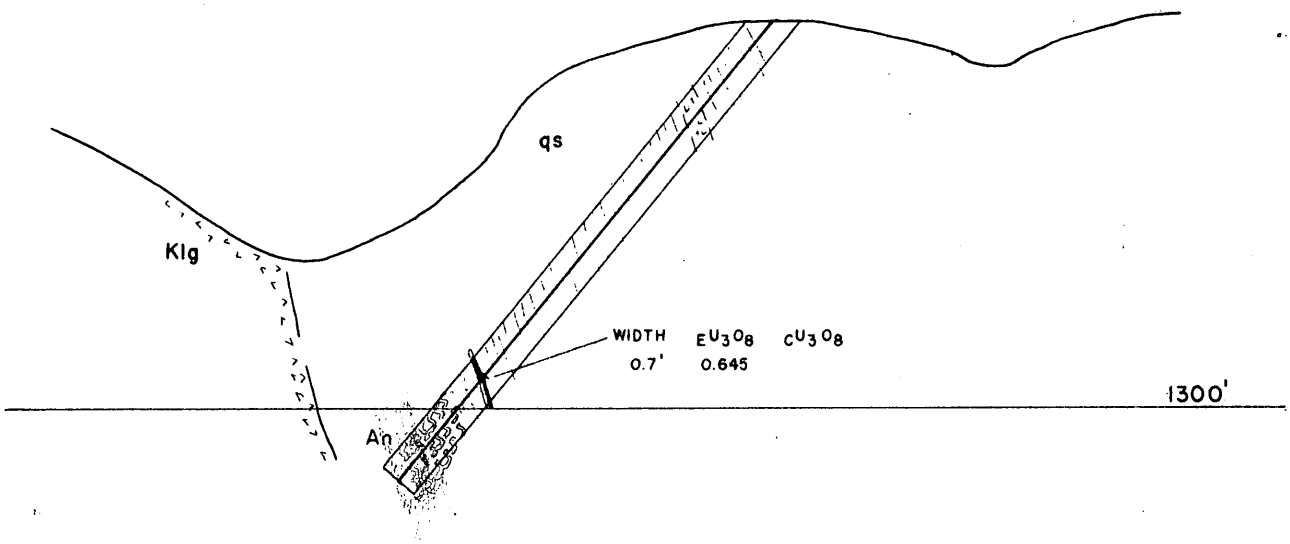


Scale 1" = 50'

DAYBREAK URANIUM INC.
12707 E. VALLEYWAY
OPPORTUNITY, WASH.

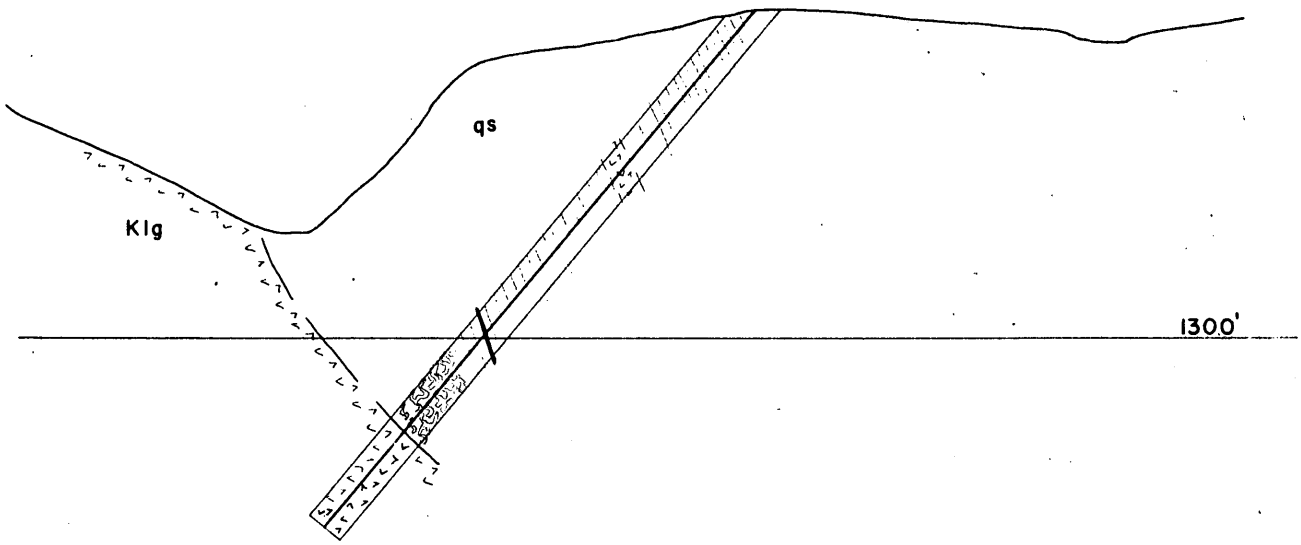
Fig. 10

SECTION THROUGH D.D.H. L-4



Scale 1" = 50'

SECTION THROUGH D.D.H. L-5

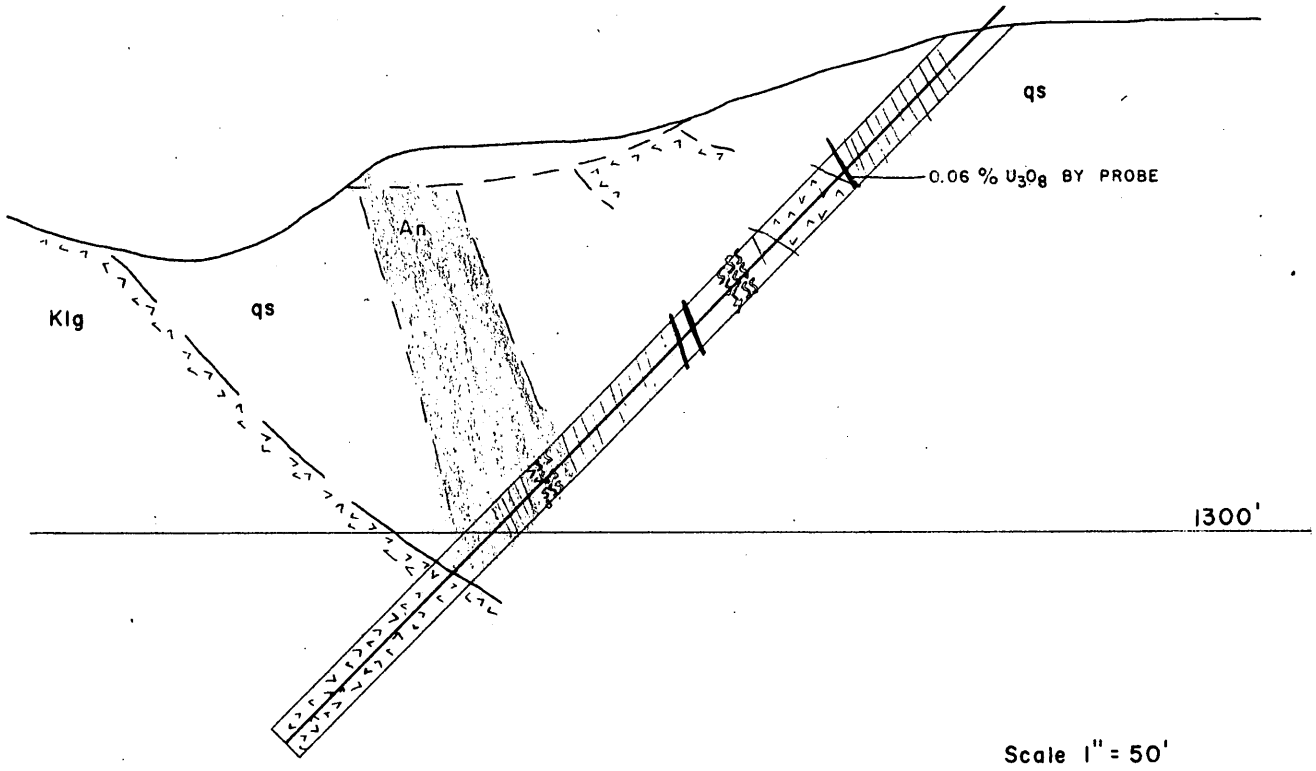


Scale 1" = 50'

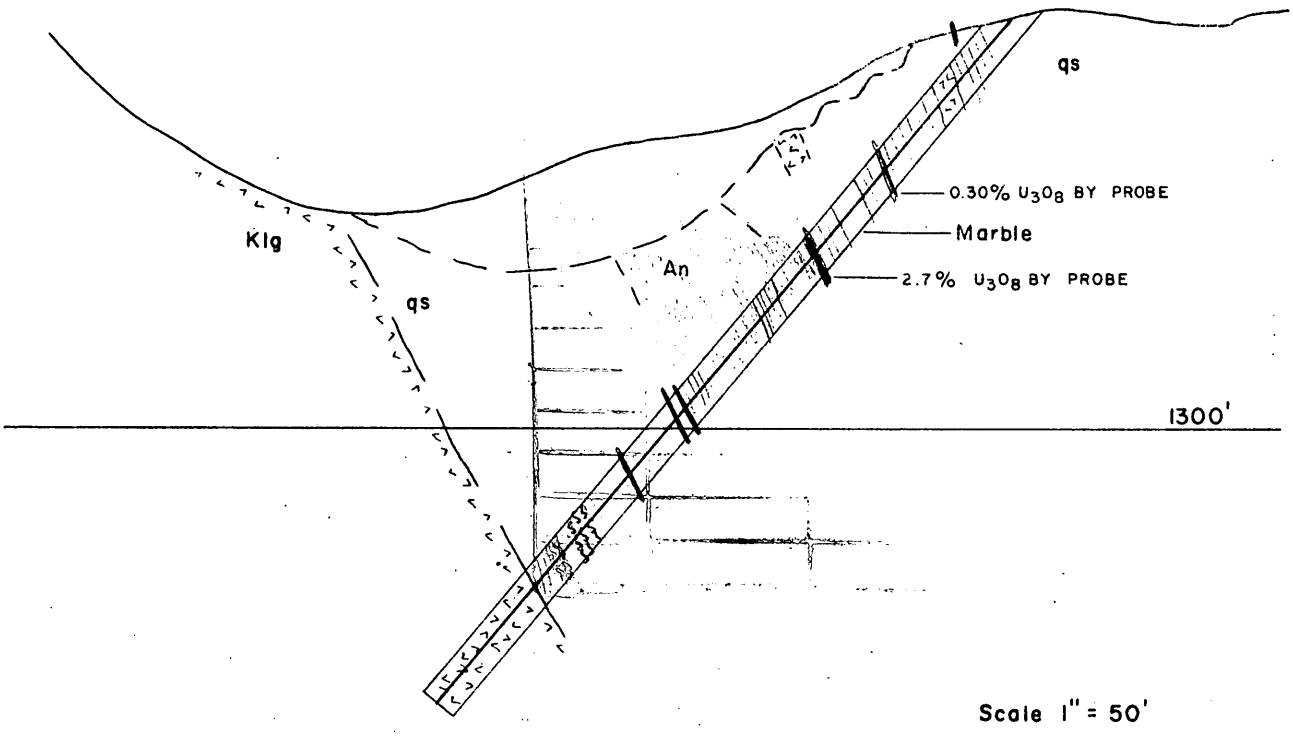
DAYBREAK URANIUM INC.
12707 E. VALLEYWAY
OPPORTUNITY, WASH.

Fig. 9

SECTION THROUGH D.D.H. L-3



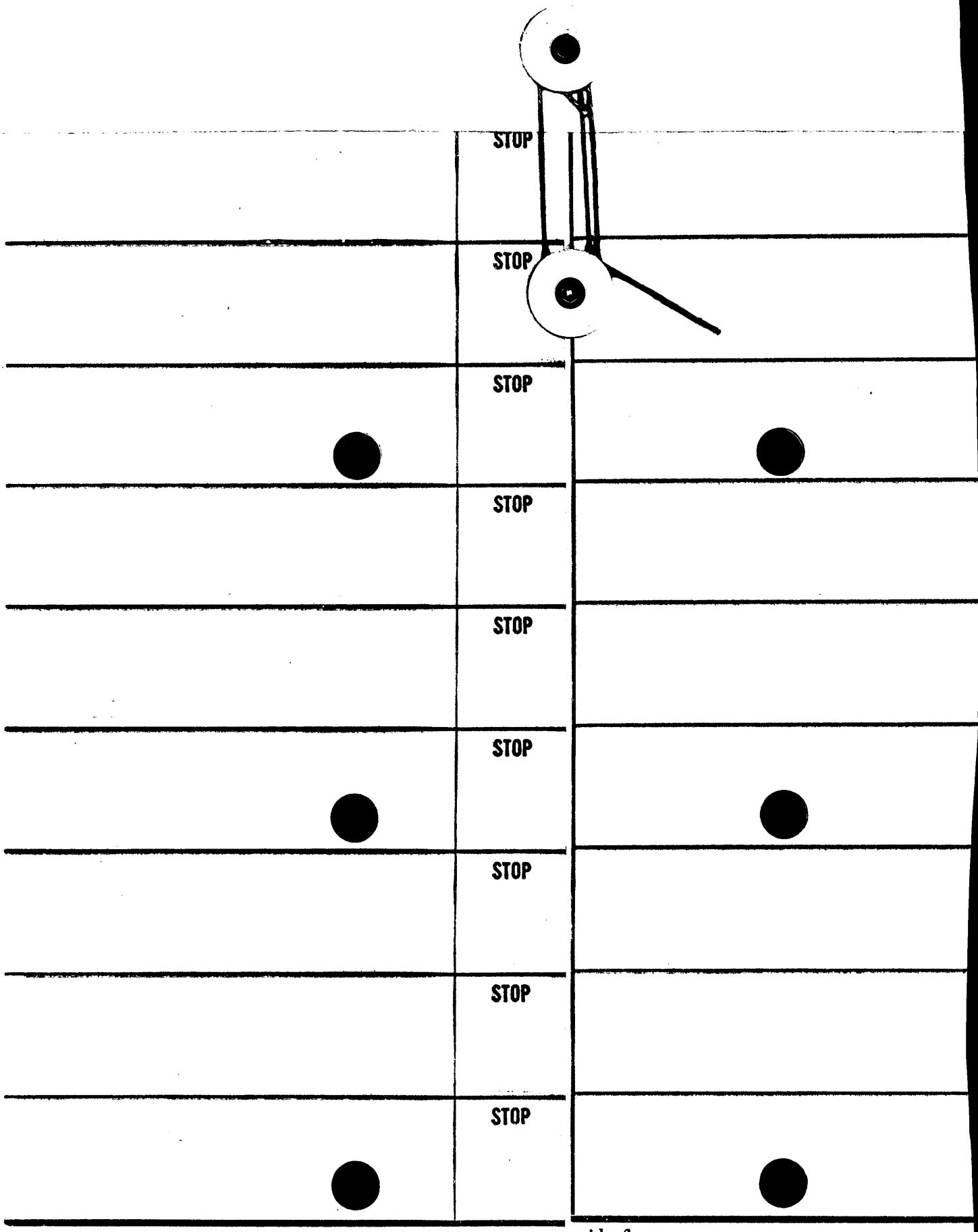
SECTION THROUGH D.D.H. L-2



Maps recd. with F.T. final report
F.T. memo 4/7/59

INSTRUCTIONS FOR USE

1. Identify Agency of Addressee
2. Void Previously Used Block
3. Write Clearly
4. Send Surplus Envelopes to Supply Room for Reissue



Use other side first

U.S. Government Messenger Envelope

Rev. 1957)
of the Budget Circular A-33 (Rev.)

OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM		NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM	
-AAS Hill	STOP		STOP
Mapes -4548	STOP		STOP
Ries 4645	STOP		STOP
9 Files	STOP		STOP
EA-4919 Revision - (Memo of Proposed contract with E-1151)	STOP		STOP
	STOP		STOP
	STOP		STOP
	STOP		STOP
	STOP		STOP

Use other side

n messenger service between Government buildings in Washington, D. C., is required or wherever a STOP system is used.
Your mail room has STOP information.

EXPLANATION

Qgv — Glacial deposits

Tgi — Gerome andesite (intrusive)

Klg — Granodiorite & granite porphyry

Qs — quartzite

An — Anthophyllite ?

CRET. TERTIARY QUATERNARY

PRECAMBRIAN PALEOZOIC

Contact

Fault

Strike and dip of beds

Strike and dip of joints

Ore hole

Mineralized hole

Barren hole

Proposed hole

40'-60' Limits of mineralization

65' Intrusive contact

Holes completed under DMEA contract

GEOLOGIC MAP
OF THE
LOWLEY LEASE
OF
DAYBREAK URANIUM, INC.

Compiled by H. W. Normen January, 1958

Scale 1" = 50'

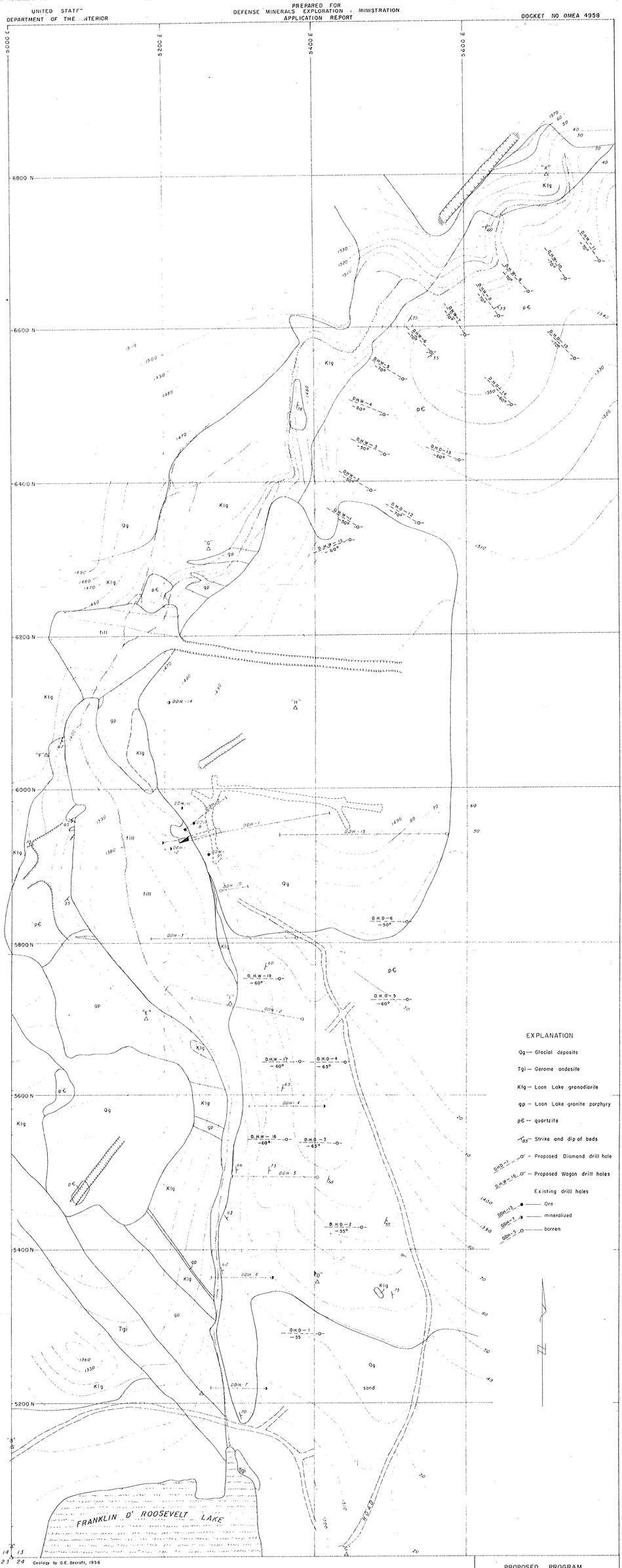
Contour Interval 10'

July 8-Aug. 6, 1958
Repr. MF-106

UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
APPLICATION REPORT

DOCKET NO DMEA 4958



Geology by G.E. Becraft, 1956

T 27 N
R 37 E

PROPOSED PROGRAM
LOWLEY LEASE
DAYBREAK URANIUM, INC

0 25 50 100 FEET

PLATE-3

#3

EXPLANATION

Qgu	Glacial deposits	TERTIARY-QUATERNARY
Tgl	Gerome andesite (intrusive)	CRET.
Klg	Granodiorite to granite porphyry	PRECAMBRIAN PALEOZOIC
qs	quartzite	
Am	Anthophyllite ?	

Contact

Fault

Strike and dip of beds

Strike and dip of joints

Ore hole

Mineralized hole

Barren hole

Proposed hole

GEOLOGIC MAP
OF THE
LOWLEY LEASE
OF
DAYBREAK URANIUM, INC.

Compiled by H.W. Norman January, 1958

Scale 1" = 50'

Contour Interval 10'

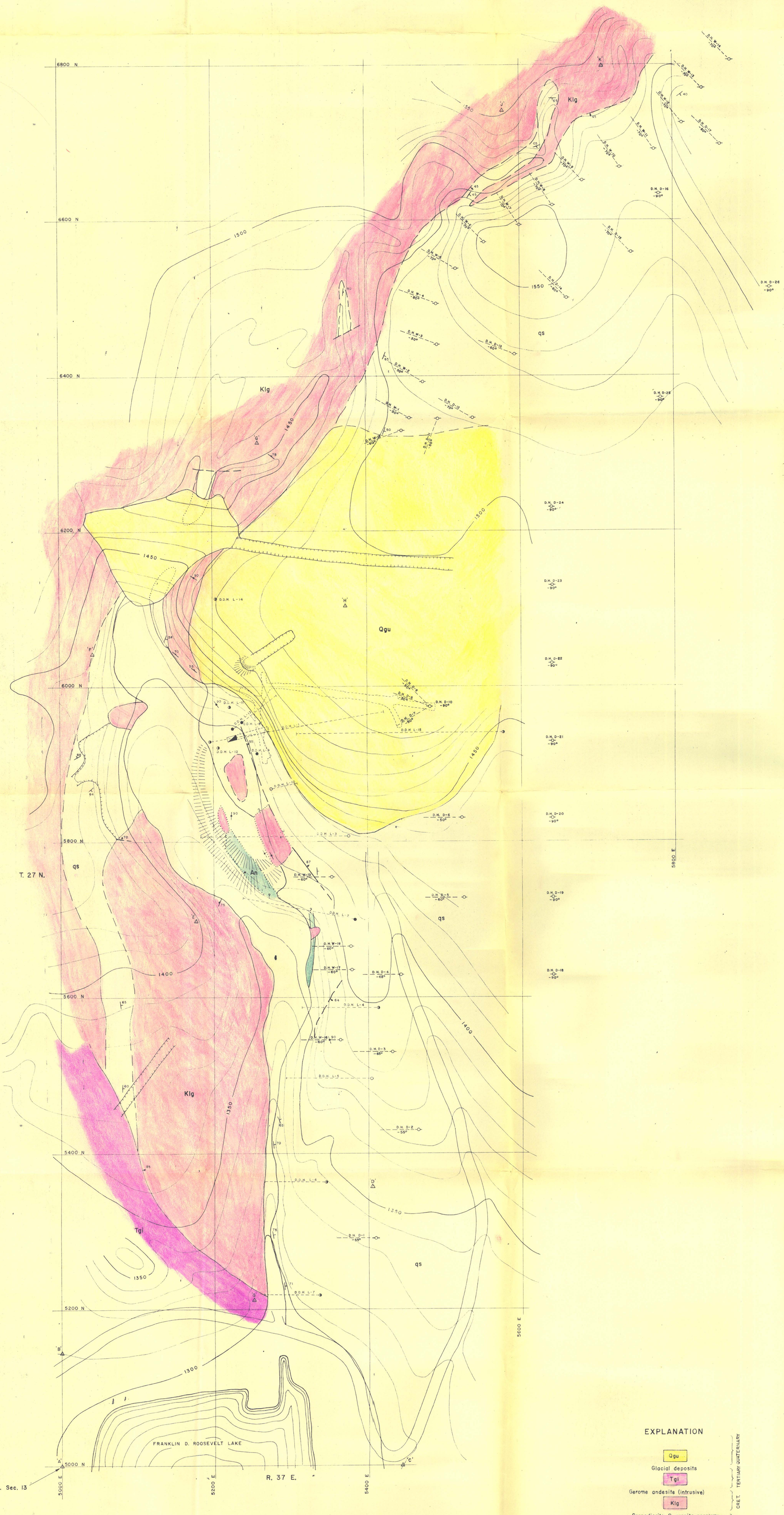
Note:
Printed from tracing furnished by applicant

Plate I

#1

Read w/on-site visit report
TT Memo 5-2-58

GENERAL FILE COPY
DMEA
RECEIVED MAR 17 1958
DATE INITIALS COOR



EXPLANATION

Qgu	Glacial deposits	CRET. TERTIARY QUATERNARY
Tgi	Gerome andesite (intrusive)	
Klg	Granodiorite & granite porphyry	PRECAMBRIAN PALEOZOIC
qs	Quartzite	
Am	Anthophyllite ?	

Contact

Fault

Strike and dip of beds

Strike and dip of joints

Ore hole

Mineralized hole

Barren hole

Proposed hole

True North
Magnetic North

Plate I

GEOLOGIC MAP
OF THE
LOWLEY LEASE
OF
DAYBREAK URANIUM, INC.

Compiled by H.W. Norman January, 1958

Scale 1" = 50'

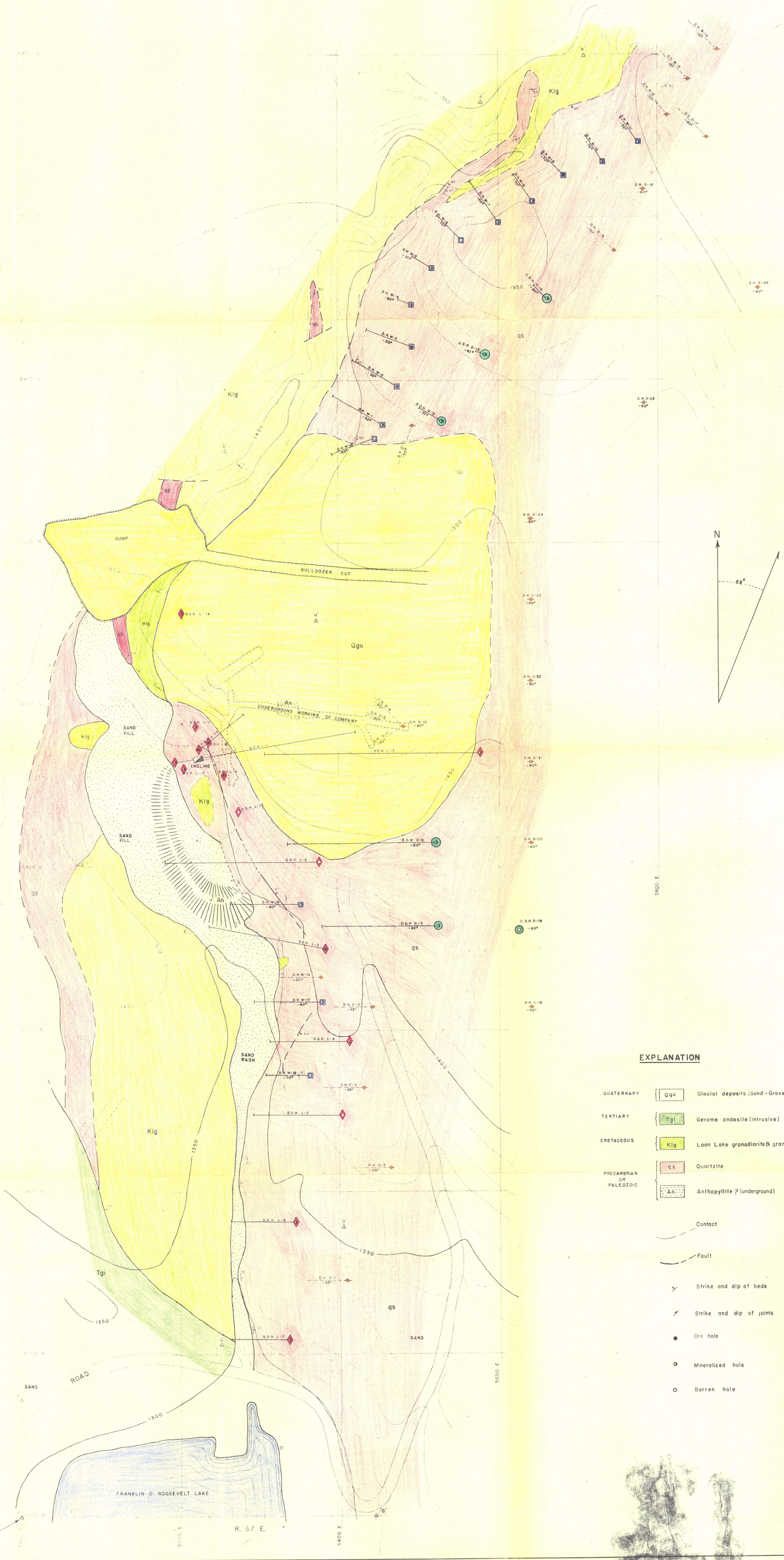
Contour Interval 10'

DAYBREAK URANIUM INC.
14707 E. VALLEYWAY
OPPORTUNITY, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
FINAL REPORT

DOCKET NO. DMEA-4958



◆ COMPANY DIAMOND DRILL HOLES
(Before DMEA Contract)

HOLE NO.	DEPTH	DIP	Radioactive Anomaly	ASSAY Radiometric % e U3O8 (AEC)	ASSAY Chemical % U3O8
L 1	304.0'	-42°	Slight		
L 2	231.3'	-50°	52'-78'	2.5' — 2.7 %	
L 3	265.2'	-45°	Slight		
L 4	153.0'	-50°	118.8'-119.5'	0.7' — 0.645%	
L 5	174.0	-50°	Slight		
L 6	124.9'	-50°	Slight		
L 7	110.0'	- 0°	Slight		
L 8	58.0'	-90°	11.5'-18.0'	6.5' — 0.56%	6.5' — 0.686%
L 9	61.8'	-90°	6.5'-9.5'	3.0' — 0.51%	
L 10	50.7'	-50°	None		
L-11	125.5'	-90°	5.0'-10.0'	5.0' — 0.14%	
L-12	120.0'	-90°	45.0'-50.0'	5.0' — 0.05%	5.0' — 0.05%
L-13	98.9'	-45°	Slight		
L-14	175.0'	-90°	Slight		
L-15	378.0'	-45°	Slight		

■ COMPLETED WAGON DRILL HOLES
DMEA Participation Stage I, July-Aug. 1958

HOLE NO.	DEPTH	DIP	Radioactive Anomaly	ASSAY Radiometric % e U3O8 (AEC)	ASSAY Chemical % U3O8
D.H.W. 1	108 ft.	-50°	38'-64'		
2	100"	-50°	8'-65'		
3	96"	-50°	24'-79'	4' — 0.279	4' — 0.321
4	96"	-80°	53'-66'		
5	112"	-75°	17'-64'		
6	124"	-70°	NONE		
7	124"	-60°	47'-77'		
8	114"	-70°	24'-74'		
9	104"	-70°	19'-64'	4' — 0.128	4' — 0.155
10	94"	-70°	20'-55°		
11	104"	-70°	36'-45'		
15	108"	-60°	20'-46'		
16	160"	-70°	NONE		
17	170"	-60°	30'-121'		
19	180"	-60°	42'-173'		
Total 15	Total 1794'				

● COMPLETED DIAMOND DRILL HOLES
DMEA Participation Stage II, Sept.-Oct. 1958

HOLE NO.	DEPTH	DIP	Radioactive Anomaly	ASSAY Radiometric % e U3O8 (AEC)	ASSAY Chemical % U3O8
DDH D-5	322'	-63°	135-274' Slight		
D-6	370'	-60°	52-340' Slight		
D-12	159'	-78°	80-110' Slight		
D-13	146'	-85°	105'-136' Slight		
D-14	134'	-80°	73'-95' Slight		
D-19	313'	-90°	Slight		
Total 6	Total 1444'				

APPLICANT'S PROPOSED DRILL HOLES
Deleted from Contract No. IDM-E1203

N
22°

EXPLANATION

QUATERNARY	Qgu	Glacial deposits (Sand-Gravel)
TERTIARY	Tgi	Gerome andesite (intrusive)
CRETACEOUS	Klg	Loon Lake granodiorite & granite porphyry
PRECAMBRIAN OR PALEOZOIC	qs	Quartzite
	An	Anthopyllite ? (underground)

Contact

Fault

Strike and dip of beds

Strike and dip of joints

Ore hole

Mineralized hole

Barren hole

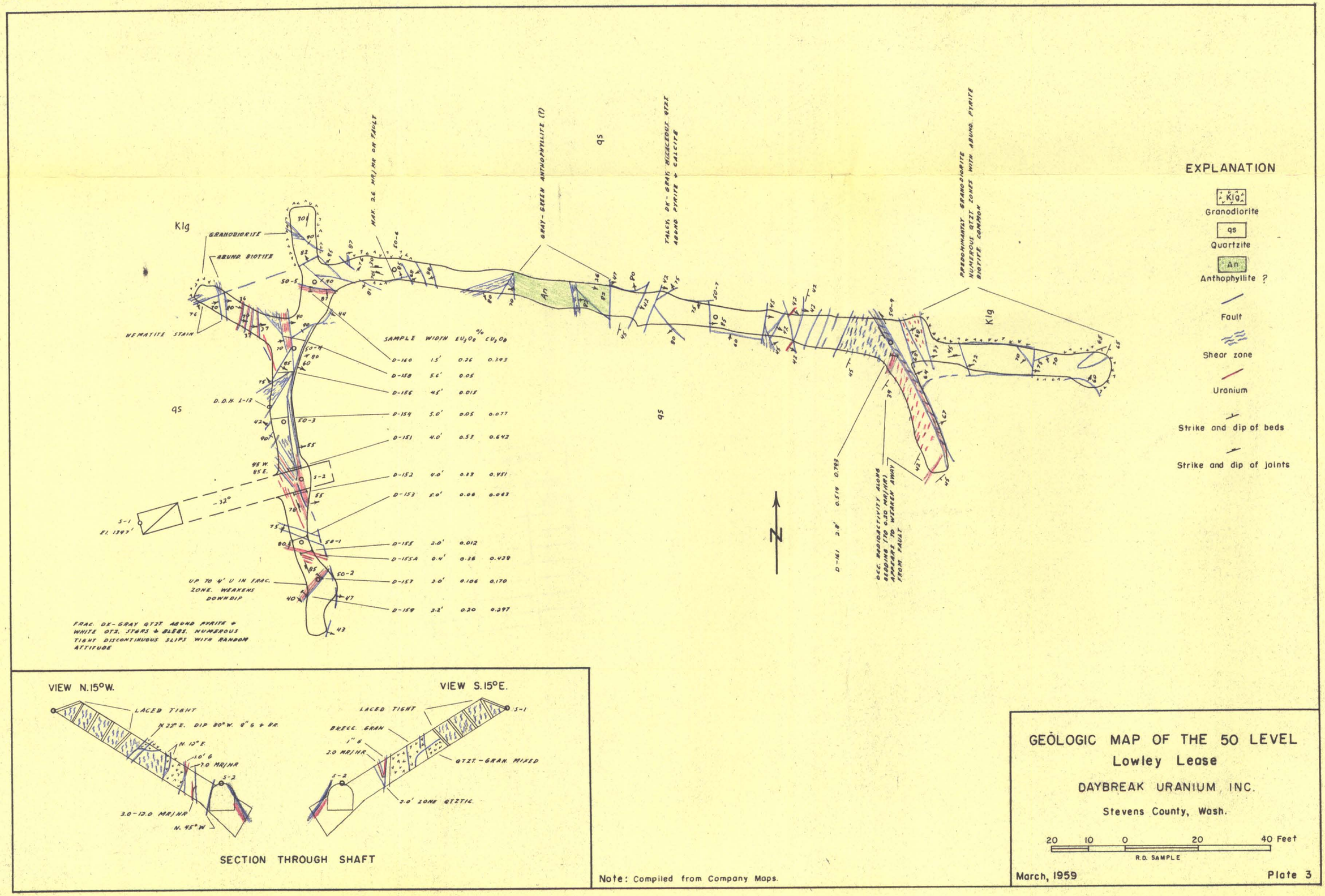
GEOLOGIC MAP
SHOWING COMPLETED and PROPOSED WORK
ON THE
LOWLEY LEASE
STEVENS COUNTY, WASHINGTON
DAYBREAK URANIUM, INC.

0 50 100 200 FT.
R.D. SAMPLE

Contour interval 10 ft.

Mar. 1959

PLATE I



Note: Compiled from Company Maps.

GEOLOGIC MAP OF THE 50 LEVEL
Lowley Lease

DAYBREAK URANIUM, INC.

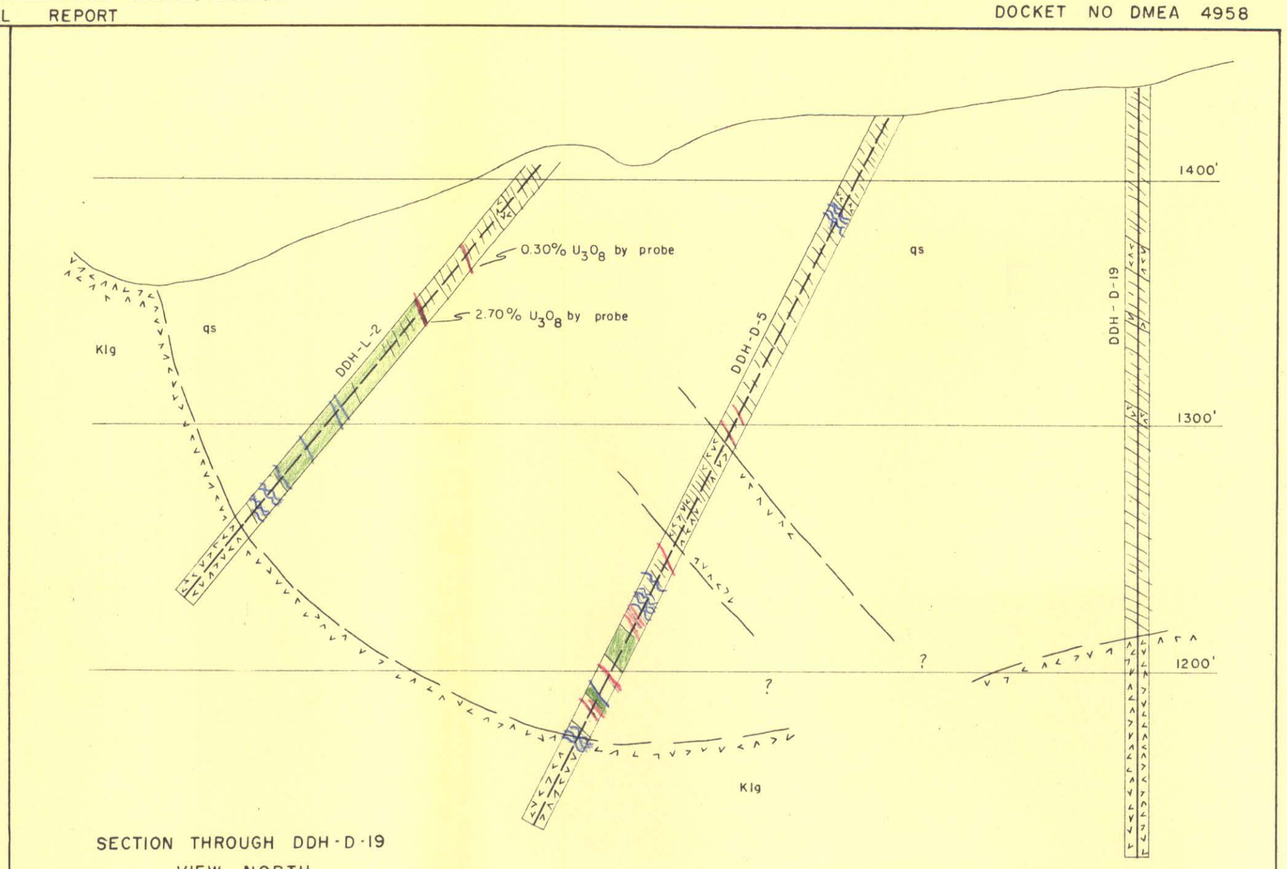
Stevens County, Wash.

20 10 0 20 40 Feet
R.D. SAMPLE

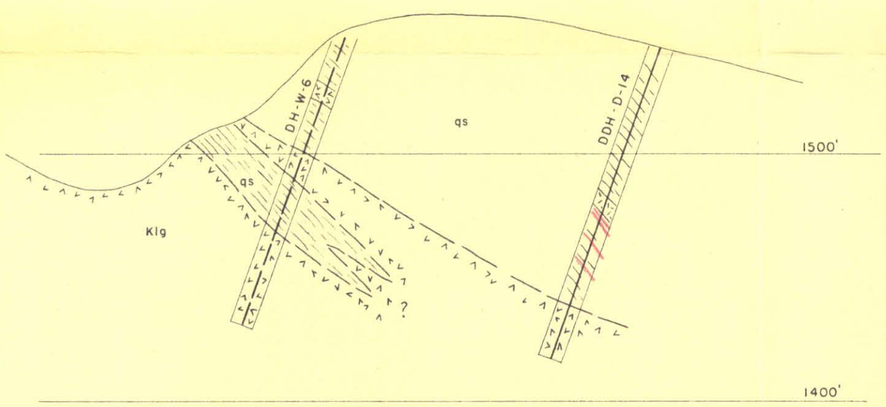
March, 1959

Plate 3

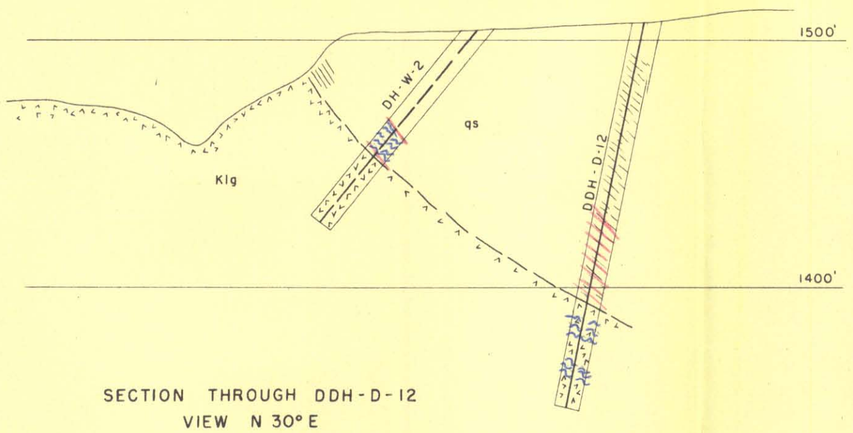
SECTION THROUGH DDH-D-6
VIEW NORTH



SECTION THROUGH DDH-D-19
VIEW NORTH



SECTION THROUGH DDH-D-14
VIEW N 45° E



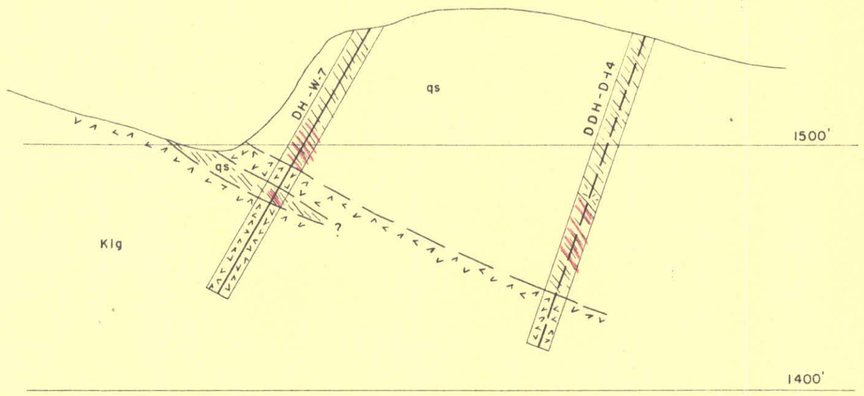
SECTION THROUGH DDH-D-12
VIEW N 30° E

EXPLANATION

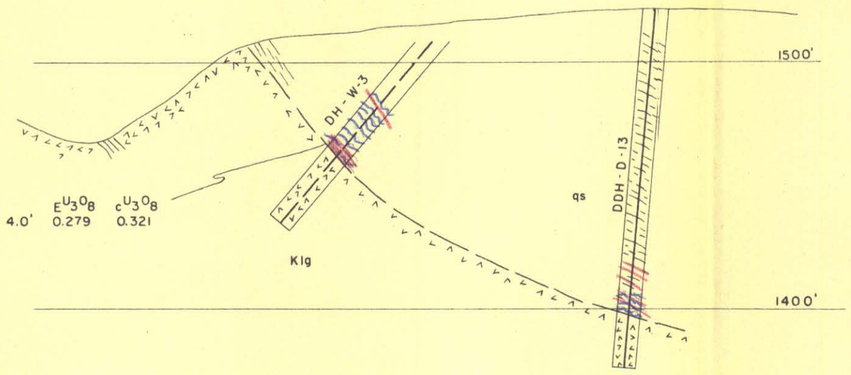
qs
Quartzite

Klg
Loon Lake Granodiorite
and Granite Porphyry

Contact



SECTION THROUGH DH-W-7
VIEW N 55° E



SECTION THROUGH DDH-D-13
VIEW N 20° E

CROSS SECTIONS
OF DRILL HOLES

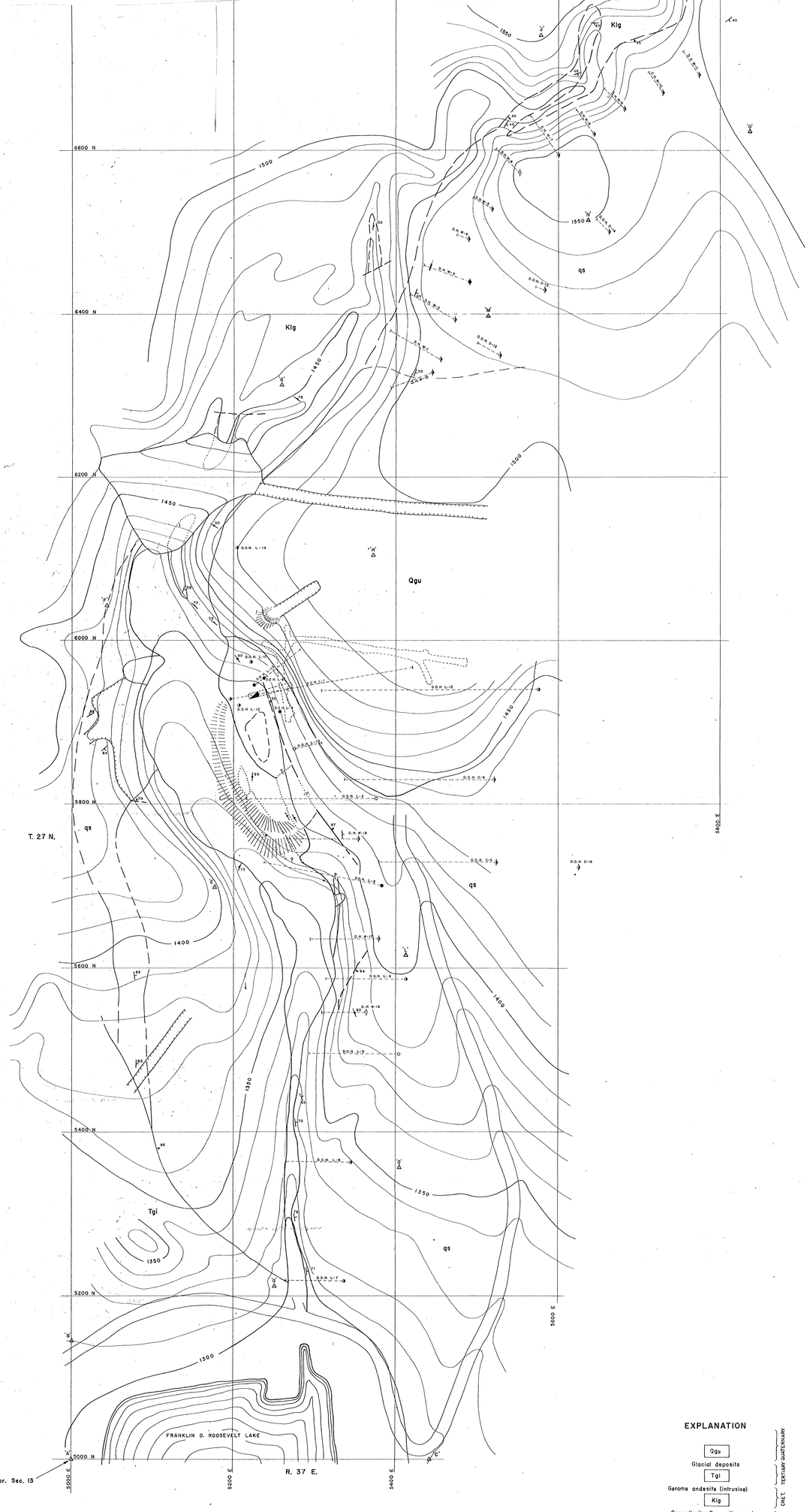
LOWLEY LEASE

DAYBREAK URANIUM, INC
Stevens County, Washington

50 0 50 100 FEET
R.D. SAMPLE

MARCH, 1959

PLATE 2



EXPLANATION

Qgu	Glacial deposits	QUATERNARY
Tgi	Gerome andesite (intrusive)	TERTIARY
Klg	Granodiorite & granite porphyry	CRET.
qs	Quartzite	PRECAMBRIAN
An	Anthophyllite ?	PALEOZOIC

Contact

Fault

Strike and dip of beds

Strike and dip of joints

Ore hole

Mineralized hole

Barren hole

D.M.E.A. Project hole

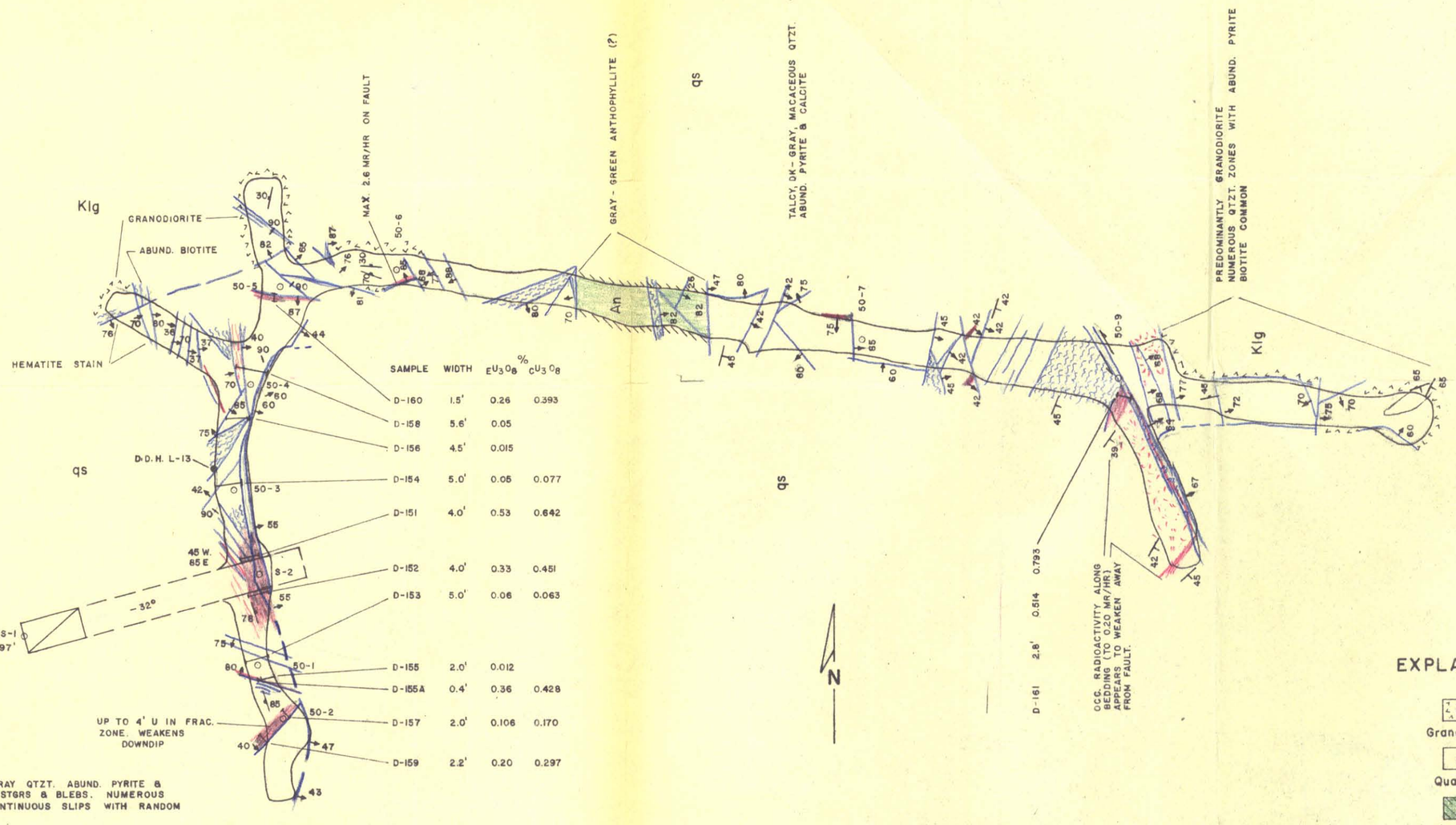
GEOLOGIC MAP
OF THE
LOWLEY LEASE
OF
DAYBREAK URANIUM, INC.

Compiled by H.W. Norman January, 1958

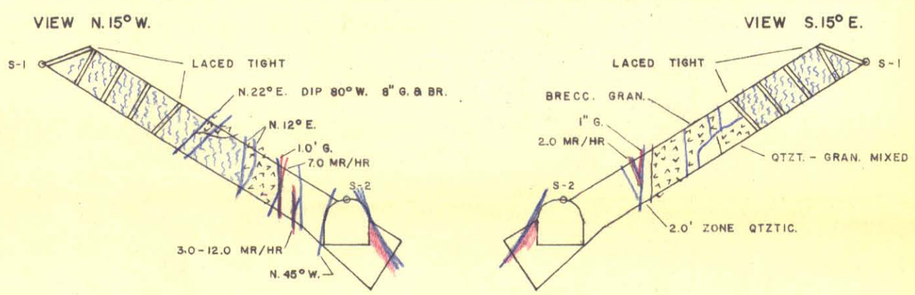
Scale 1" = 50'

Contour Interval 10'

DMEA-5958
Daybreak Uranium, Inc



SAMPLE	WIDTH	% EU_3O_8	% CU_3O_8
D-160	1.5'	0.26	0.393
D-158	5.6'	0.05	
D-156	4.5'	0.015	
D-154	5.0'	0.05	0.077
D-151	4.0'	0.53	0.642
D-152	4.0'	0.33	0.451
D-153	5.0'	0.06	0.063
D-155	2.0'	0.012	
D-155A	0.4'	0.36	0.428
D-157	2.0'	0.106	0.170
D-159	2.2'	0.20	0.297
D-161	2.8'	0.514	0.793



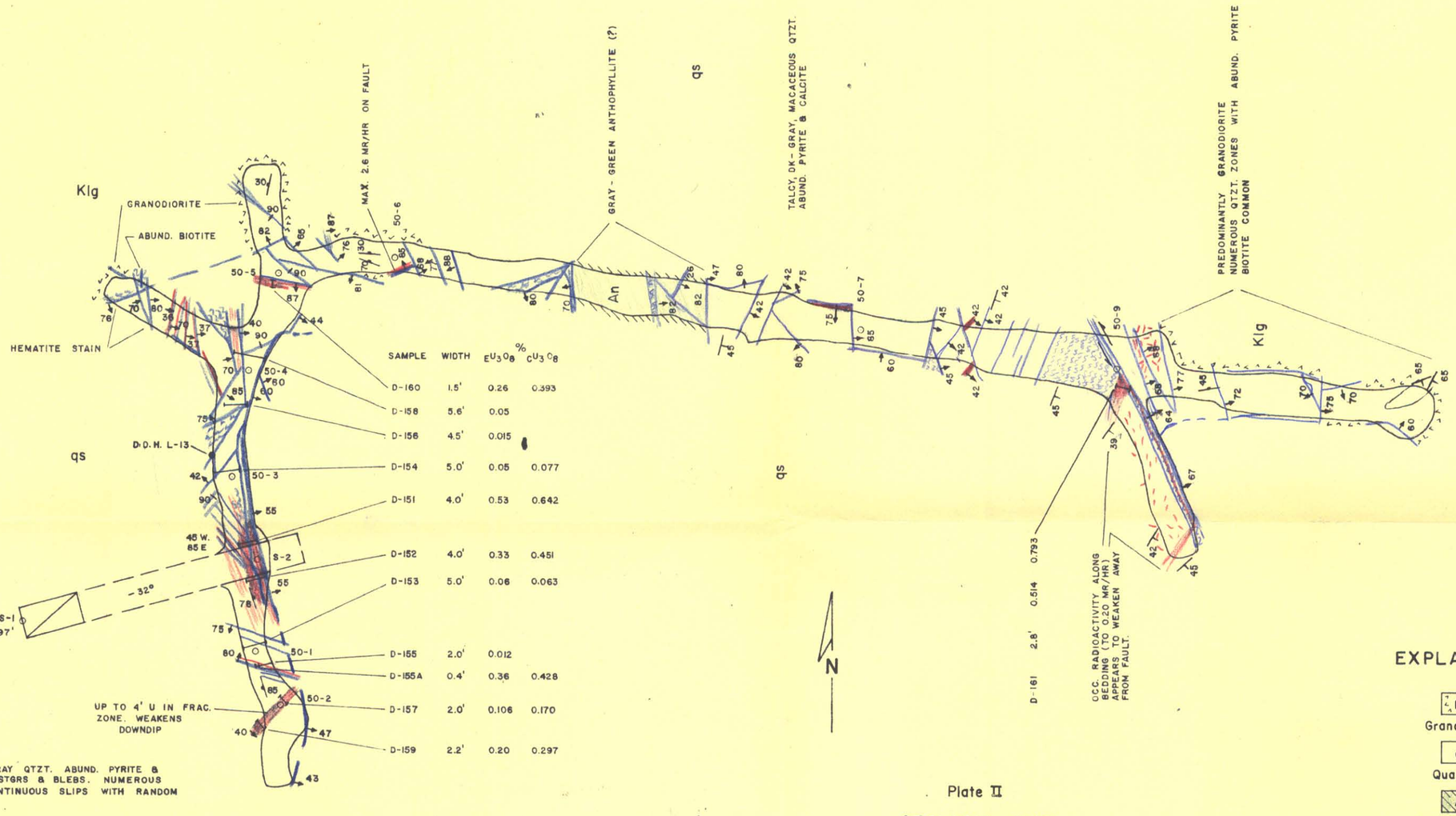
SECTION THROUGH SHAFT

GEOLOGIC MAP
50 LEVEL
LOWLEY LEASE
Mapped by H. W. Norman & C. Van Alstine
Scale 1" = 20'

EXPLANATION

- Klg — Granodiorite
- qs — Quartzite
- An — Anthophyllite ?
- Fault
- Shear zone
- Uranium
- Strike & dip of beds
- Strike & dip of joints

Note:
Printed from tracing furnished by applicant



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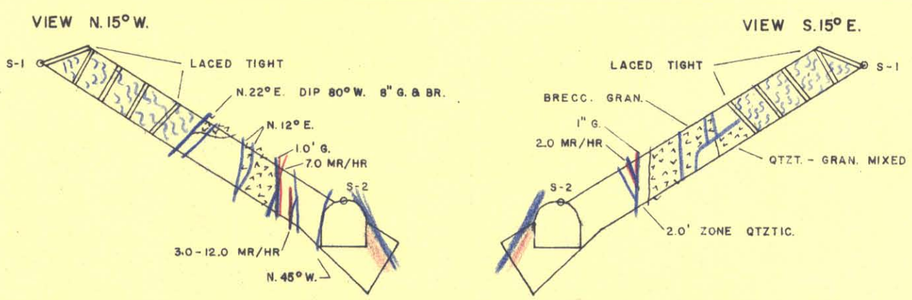

SECTION THROUGH SHAFT

Plate II

GEOLOGIC MAP

50 LEVEL

LOWLEY LEASE

Mapped by H. W. Norman & C. Van Alstine

Scale 1" = 20'

EXPLANATION

Klg — Granodiorite

qs — Quartzite

An — Anthophyllite ?

Fault

Shear zone

Uranium

Strike & dip of beds

Strike & dip of joints

DAYBREAK URANIUM INC.
12707 E. VALLEYWAY
OPPORTUNITY, WASH.