MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Contract No. 14-23-2209 Docket No. MME-6361

Application
- [x] Denied
- [x] Withdrawn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
- [x] Closing Letter
- [x] Cost Audits
- [x] Termination ~~Notice or~~ Agreement 11/23/66
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments
  Revised Application 7/10/65

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab) Rec'd. 12/23/66
- [x] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual 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

Correspondence should be mailed directly to the company at P.O. Box 26, Quincy, Calif.

(See Puge's ltr of 12/1/65)

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/12	R M Smith	120
1/12/67	Kirkham	120
		110
		220

JAN 12 1967

Homestead Gold Exploration Corporation
4620 Beverly Boulevard, Suite 200
Los Angeles, California 90004

Re: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California
Contract 2209

Gentlemen:

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

We sincerely regret that the work performed did not result in a discovery and a certification of possible production. In the absence of such certification, the Government retains no claim or lien against the property or against any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to Article 3 of the contract which requires the Operator to keep and preserve certain records for the periods indicated.

We appreciate your interest and participation in the OME exploration program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to: Mr. R. N. Fudge
Homestead Gold Exploration Corp.
P. O. Box 26
Quincy, California 95971

Copy to: Mrs. Pauline Pearl Smith
420 So. Pike St., Apt. 9
Shelbyville, Indiana 46176

cc: Director's Reading File
Division File
Economic Geology File
Branch of Budget & Finance
OME Docket
OME Region II
OME Reading File
Mr. Smith
120M

RMSmith/gla 12-29-66

Government's Copy

EXPLORATION CONTRACT
HOMESTEAD GOLD EXPLORATION CORPORATION
OME-6361

TERMINATION AGREEMENT

It is agreed this 23rd day of November, 1966, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Homestead Gold Exploration Corporation, hereinafter called the "Operator," parties to that certain Exploration Contract No. 2209 (OME-6361), dated September 14, 1965, as amended, hereinafter called the "Contract," that:

1. Effective October 20, 1966, 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 contribute only to the allowable costs incurred prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including furnishing to the Government three copies of a final report (in addition to the final monthly report) which 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 the related costs thereof.

4. All rights of the Government respecting certification of possible production, percentage royalty and liens to secure the payment thereof, reports (including preservation of the 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 or 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. Jorbanos
Chief, Office of Minerals Exploration
U. S. Geological Survey

Long

HOMESTEAD GOLD EXPLORATION CORPORATION

By R. Judge

Title President

Admin. Ass. Off.
Smith
Kilbourne
Kilsgaard
Pepper

UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURVEY AND REVIEW
AUDIT OPERATIONS
WASHINGTON, D.C.

REPORT OF REVIEW-CONTRACT 2209
DOCKET NO. OME-6361 (GOLD)
HOMESTEAD GOLD EXPLORATION CORPORATION (OPERATOR)
GOPHER HILL MINE
PLUMAS COUNTY, CALIFORNIA

Report Issued: December 1966

An examination of the disbursement records in the Branch of Budget and Finance, Administrative Division, U.S. Geological Survey and a review of the Office of Minerals Exploration contract files pertaining to the subject minerals exploration project was made at Washington, D.C., on December 6, 1966.

This contract provided for certain drifting, crosscutting, raising and long-hole drilling in the Gopher Hill Mine with the Government participating in 50 percent of agreed unit costs set forth in the contract. The exploration work was not completed. Instead, the Operator and the Government representative, the Field Officer, OME, Region III, Menlo Park, California, agreed that there were no worthwhile exploration targets remaining that would justify the use of the unused contract footage. A proposed Termination Agreement, terminating the contract as of November 23, 1966, has been sent to the Operator for approval.

The following is a tabulation of the units and fixed-unit costs provided in the contract, number of units and agreed values claimed by the Operator and found by the Field Officer to have been completed, and settlements made applicable to exploration work performed:

ESTIMATED COST OF THE WORK PER CONTRACT			ACCEPTED COST	
Item	Units	Value	Units	Value
Crosscutting in bedrock @ $36.00/foot	48 ft.	$1,728	48 ft.	$1,728
Long-hole drilling @ $1.10/foot	100 ft.	110	-0-	-0-
Raising @ $33.00/foot	114 ft.	3,762	68 ft.	2,244
Drifting and crosscutting in the channel @ $32.00/foot	650 ft.	20,800	573 ft.	18,336
Total Costs		$26,400		$22,308
Government Participation @ 50%		13,200		11,154
Paid to Operator				11,154
Balance due				-0-

No exceptions have been taken to the financial settlement made with the Operator.

C. E. Fisher, Auditor

Reviewed by:

Dwight E. Savage, Office of Survey and Review

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/7	R M Smith	
4/8/66	Kirkemo	

April 7, 1966

Memorandum

To: The File

From: R. M. Smith

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California
Contract 2209

Justification for Amendment No. 1

Of the 125 feet of crosscutting in bedrock provided by the contract for the first item of work, only 48 feet was required to reach the objective. After completing 280 feet of the 650 feet allowed for drifting in the gold-bearing channel, the Operator found that course gravels higher in the channel have a higher content of gold than the silty gravels along the bedrock surface. Since this condition is uncommon, the contract does not provide funds for exploration above the drift.

The Operator requested an amendment to convert the remaining footage for crosscutting in bedrock to raising in the gold-bearing gravels. As further crosscutting in bedrock is unnecessary, and as the proposed raising will increase the probability of a discovery, I concur in the Field Officer's recommendation to amend the contract in accordance with the Operator's request.

R. M. Smith

R. M. Smith

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Mr. Smith

RMSmith/mm (4/7/66)

2-63

Government's Copy

EXPLORATION CONTRACT
HOMESTEAD GOLD EXPLORATION CORPORATION
OME-6361

AMENDMENT NO. 1

It is agreed this 21st day of April, 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Homestead Gold Exploration Corporation, hereinafter called the "Operator," that Exploration Contract 2209 (OME-6361), dated September 14, 1965, is amended effective the date of the contract as follows:

In Exhibit A,

1. The opening paragraph is revised to read as follows:

The purpose of the project is to explore by crosscutting from existing underground workings, drilling long holes, and raising to a buried Tertiary river channel, and by crosscutting and drifting along and raising from the bottom of the channel for alluvial gold.

2. Under the heading General Provisions, the second paragraph is revised to read as follows:

The raise in bedrock shall have a manway and chute compartment and total about 8 by 5 feet in cross section. The raises in Tertiary gravels shall be timbered as necessary.

3. Under the heading Description of the Work,

(a) The first paragraph is revised to read as follows:

On the 134-foot level of the No. 1 shaft, extend the east bedrock crosscut, located about 50 feet north of the shaft, an additional maximum of 48 feet. From the crosscut drill vertical long holes as necessary to locate the lowest point in the gravel channel.

(b) The second paragraph is revised to read as follows:

From the bedrock crosscut drive a raise to the channel at approximately the lowest point. From the top of the raise drive a crosscut a maximum of 200 feet in an easterly and/or westerly direction. At approximately the lowest elevation in this crosscut drift about 300 feet northerly and southerly along the strike of the channel. At the north end of this drift drive a crosscut approximately 75 feet easterly and at the south end a similar crosscut westerly, or conversely. If feasible, the drift and crosscuts in the channel shall be along the bottom of the gravel, or partly therein. From the drifts or crosscuts in the channel drive raises on not less than 50-foot centers into the overlying gravel.

(c) The third paragraph is revised to read as follows:

The Government will not contribute to more than 48 feet of crosscutting in bedrock, 100 feet of long-hole drilling, 114 feet of raising, and 650 feet of drifting and crosscutting in the gravel channel.

4. Under the heading Estimated Costs of the Work, Fixed Unit Costs, the items are revised to read as follows:

Estimated Costs of the Work

Fixed Unit Costs

48 feet of crosscutting in bedrock @ $36.00/foot	$ 1,728.00
100 feet of long-hole drilling @ $1.10/foot	110.00
114 feet of raising, @ $33.00/foot	3,762.00
650 feet of drifting and crosscutting in the channel, @ $32.00/foot	20,800.00
Total Estimated Cost of the Project	$26,400.00
Government Participation @ 50%	$13,200.00

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

Long
Appd. Sol. Office
R M Smith
Kirkemo
Johnson
Kielgaard
Hagen

HOMESTEAD GOLD EXPLORATION CORPORATION

By Richard Buck

Title Pres

Government's Copy

MME Form 51
June 1963

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR *
~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6361	Gold	14-23-090- 2209	Plumas	California

It is agreed SEP 14 1965 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Homestead Gold Exploration Corporation, a California corporation

,

whose mailing address is ~~3460 Wilshire Boulevard, Suite 618~~ 4620 Beverly Boulevard, Suite 200, Los Angeles, California ~~90005~~ 90004, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before November 1, 1965 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 18 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $26,400.00. The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $13,200.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest at the rate of 6 ¼ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

(b) 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 Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

* U. S. Geological Survey

(c) The Operator shall preserve and maintain his right, title, or 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. 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 royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) 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 production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(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 and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of 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. 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 all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 three copies of a final report (in addition to the final monthly report). 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 the unit costs thereof.

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

(e) Compliance with requirements.--If the Government determines that 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 preparation or completion of same 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 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used 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, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used 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 thereof in the form in which and at the time 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) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such pruchaser 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 Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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 pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified 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 9. 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 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The [redacted] may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

HOMESTEAD GOLD EXPLORATION CORPORATION
(Operator)

By Richard N. Pudge

Title PRESIDENT

THE UNITED STATES OF AMERICA

By Arthur A. Baker
Acting Director, U. S. Geological Survey

Long
App'd. Sol. Off.

I, RONALD MEEPOS (Name), certify that I am the secretary of the corporation named as Operator herein; that RICHARD N. PUDGE (Name), who signed this contract on behalf of the Operator, was then PRESIDENT (Title) 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.

Ronald Meepos

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 31011

EXPLORATION CONTRACT
HOMESTEAD GOLD EXPLORATION CORPORATION
OME-6361

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of two (2) placer mining claims, in sec. 12, T. 24 N., R. 8 E., M D B & M, Plumas County, California.

The claims are recorded in the Placer Mining Records in the Office of the County Clerk and Recorder of Plumas County, Quincy, California, as follows:

Claim	Volume	Page	Area
Gopher Hill Extension	20	38	160 acres
Spanish Gopher	20	48	40 acres

The Operator is in possession pursuant to the terms of an Assignment of Lease executed May 7, 1963, by Bernard McDonald of all of his rights under a Mining Lease Agreement executed August 23, 1962 by G. B. M. Medearis, owner of the claims.

A Lien and Subordination Agreements dated August 17, 1964, executed by Mrs. Pauline Pearl Smith (successor in interest of G. B. M. Medearis, deceased) is attached hereto and made a part hereof.

The outer boundary of the above-listed claims is shown in green on Figure B entitled "Gopher Hill Extension & Spanish Gopher Claims," attached hereto and made part hereof.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

R GOVERNMENT USE ONLY	
Operator	
Docket No. OME –	
Contract No. 14-23-090 –	2209
Contract Date	SEP 1 4 1965

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Plumas, State of California;

described ~~xxxxxxxxxx~~[2] in a lease dated August 23, 1962 and recorded March 7, 1963 in Book 161 of Official Records at Page 481,

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

HOMESTEAD GOLD EXPLORATION CORPORATION[3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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]

2. 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.

3. 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 blank.)

None except a certain lease to Bernard McDonald dated August 23, 1962 and assigned to the operator by an instrument dated May 7, 1963 and recorded in Book 161 of Official Records at Page 1389.

1/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. 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 true copies of such notice; and

5. 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.

6. Added provisions None (State "None" or "See Annex No.____".)

Dated this 17th day of Aug, 1964.

Mrs. Pauline Pearl Smith (Seal) 420 So. Pike St. Apt 9 (Street) Shelbyville Indiana 46176 (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., 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)

INT.-DUP. SEC., WASH., D.C. 48694

EXPLORATION CONTRACT
HOMESTEAD GOLD EXPLORATION CORPORATION
OME-6361

EXHIBIT A

The purpose of this project is to explore by crosscutting from existing underground workings, drilling long holes, and raising to a buried Tertiary river channel, and crosscutting and drifting along the bottom of the channel for alluvial gold.

General Provisions

All drifts and crosscuts shall be not less than 5 by 7 feet in cross section in the clear of timber and shall be timbered as necessary using standard 8 by 8-inch drift sets or equivalent round timber.

The raise shall have a manway and a chute compartment and total about 8 by 5 feet in cross section.

Mine rails shall be not less than 16-pound size, main air lines not less than 3-inch size, water lines not less than 3/4-inch size, and vent lines not less than 10-inch size.

No work under this contract shall be performed at locations closer than 100 feet to the property boundary.

The Operator shall provide such supervisory and technical services as may be required to complete the project in a satisfactory manner.

The Operator's monthly reports shall include maps or sketches showing the work completed during the reporting period and shall include the number of cubic yards of gravel treated in the washing plant and the value of the gold recovered.

The location, direction, and extent of each work item shall be subject to Government approval.

Description of the Work

On the 134-foot level of No. 1 shaft extend the east bedrock crosscut, located about 50 feet north of the shaft, an additional maximum of 125 feet. Beginning about 50 feet east of the starting point in the crosscut drill vertical long holes at 50-foot intervals to locate the lowest point in the gravel channel.

From the bedrock crosscut drive a raise to the channel at approximately the lowest point. From the top of the raise drive a crosscut a maximum of 200 feet in an easterly and/or westerly direction. At approximately the lowest elevation in this crosscut drift about 300 feet northerly and southerly along the strike of the channel. At the north end of this drift drive a crosscut approximately 75 feet easterly and at the south end a similar crosscut westerly, or conversely. If feasible, the drift and crosscuts in the channel shall be along the bottom of the gravel, or partly therein.

The Government will not contribute to more than 125 feet of crosscutting in bedrock, 100 feet of long-hole drilling, 30 feet of raising, and 650 feet of drifting and crosscutting in the gravel channel.

The work described above is indicated in red on Figure 2 entitled "Proposed Exploration, Gopher Hill Mine . . .," attached hereto and made part hereof. However, the actual locations of the openings may vary from those shown.

Estimated Costs of the Work

Fixed Unit Costs

125 feet of crosscutting in bedrock @ $36.00/foot	$ 4,500.00
100 feet of long-hole drilling @ $1.10/foot	110.00 ?
30 feet raising @ $33.00/foot	990.00
650 feet of drifting and crosscutting in the channel @ $32.00/foot	20,800.00
Total Estimated Cost of the Project	$26,400.00
Government Participation @50%	$13,200.00

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 301, Executive Order 10925, March 6, 1961, as amended)

'During the performance of this contract, the contractor agrees as follows:

'(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited, to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.

'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

'(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, as amended, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

'(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, as amended, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, as amended, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

'(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

SECTION 12
T.24 N. R.8 E. MDM
PLUMAS COUNTY, CALIF.

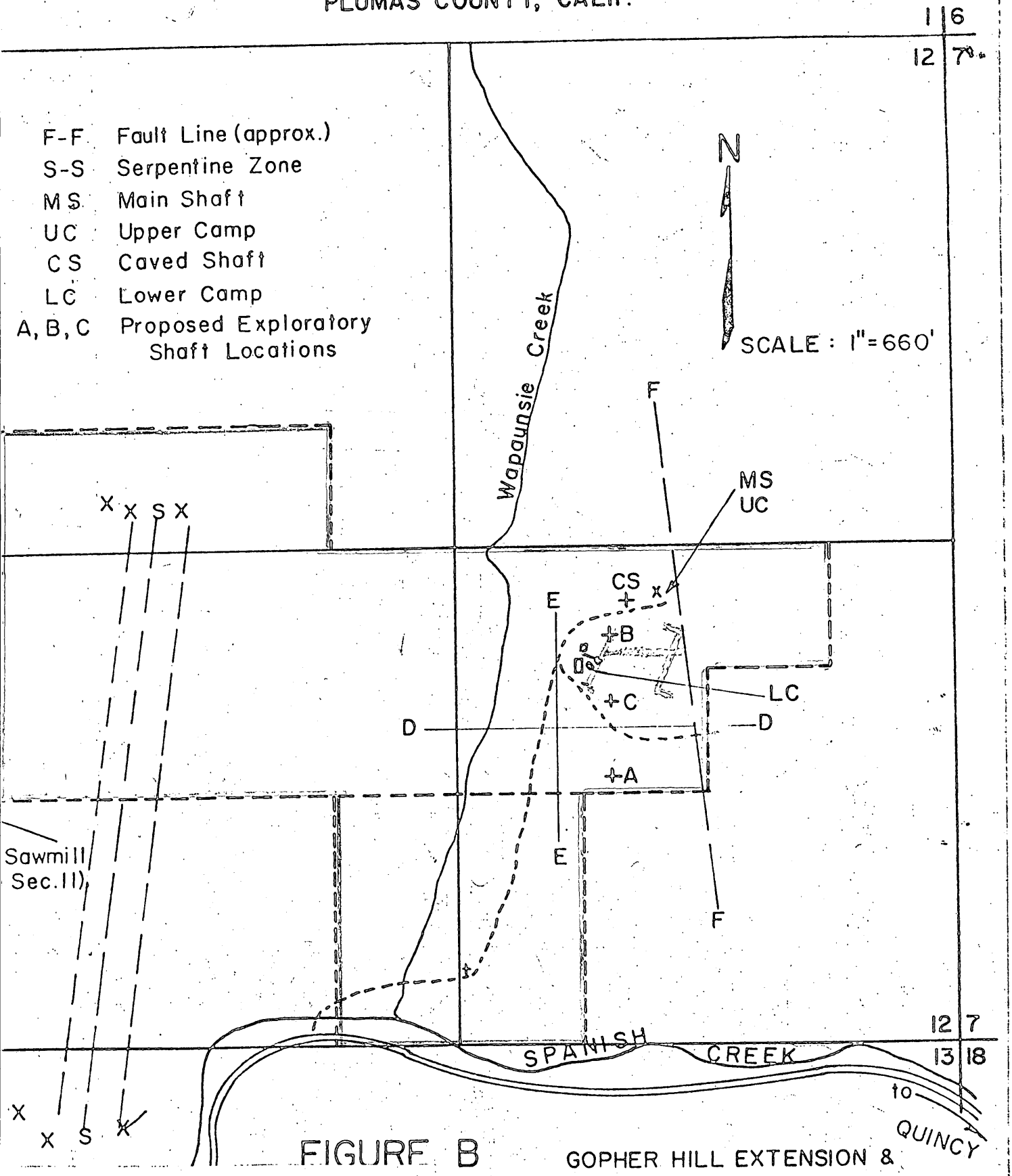
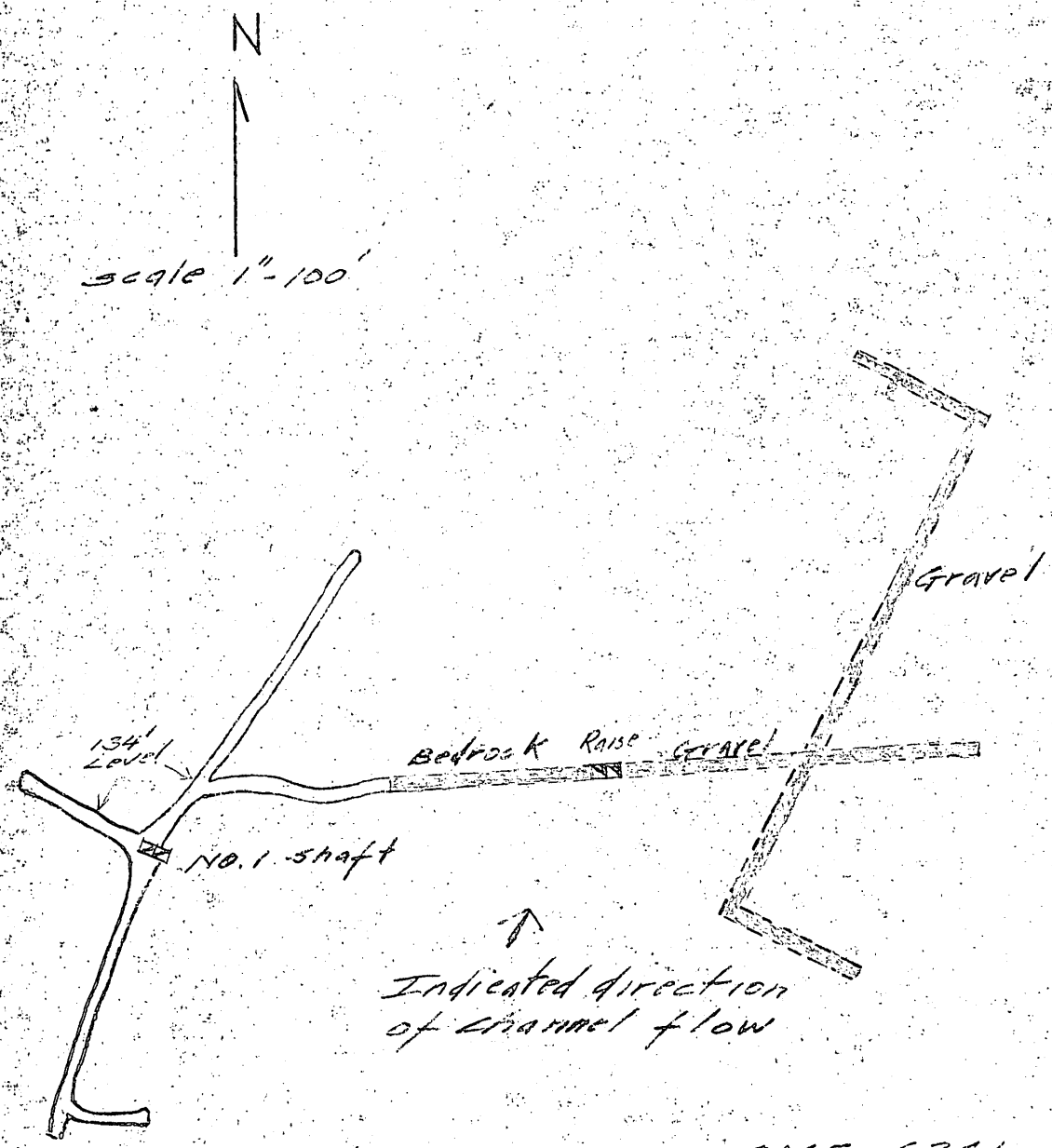


FIGURE B

GOPHER HILL EXTENSION & SPANISH GOPHER CLAIMS

omestead Gold Exploration Corporation
3460 Wilshire Boulevard, Suite 618
Los Angeles, California 90005



OME-6361

FIGURE-2- Proposed Exploration
Gopher Hill Mine
Plumas County, California

Homestead Gold Exploration Corp.

EXECUTIVE OFFICE
~~[illegible]~~ Calif.
~~Phone: 273-5760~~

Quincy, Calif.

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 12 1965
OPERATIONS
INITIALS CODE
120 m
120
July 7, 1965
120 m

United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: OM E-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California

Gentlemen:

With reference to your letter of June 29, 1965, I enclose herewith two fully executed copies of MME Form 40.

Thanking you for your prompt and courteous attention to our application, I remain,

Copy of Form 40 to Files 7/21/65 MM

Very truly yours,
Homestead Gold Exploration Corp.

Richard N. Pudge

Richard N. Pudge
President

Enclosures (2)

7/20/65

Filed advised Rel Judge he would not make another exam, but would forward his comments and recommendations. We will retain same and wait.

Copy of

MME Form 40
Jan. 65

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

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

Homestead Gold Exploration Corporation
P. O, Box 26
Quincy, California

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER

DATE RECEIVED

REGION

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL [ ]
CORPORATION [x]
PARTNERSHIP [ ]
OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED Calif.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
R. N. Pudge	111 Jackson, Quincy, Calif.	Pres.
Ronald Meepos	2600 Wilshire, L. A. Calif.	Sec. Treas.
John Liebes	1911 Parnell Ave. L. A. Calif.	V. Pres.
Paul Williams	2957 Randolph Ave. Costa Mesa, Calif.	V. Pres.
Robert Neiditch	8420 Lookout Mt. Los Angeles, Calif.	V. Pres.

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Gold

ESTIMATED COST OF PROJECT
$ $55,000.00

PROPERTY NAME Gopher Hill Extension
LOCATION COUNTY Plumas
STATE Calif.

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). 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 two 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 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. 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 3(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 Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME 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, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

July 10, 1965
DATED

Richard R. Pudge
BY *(Signature)*
President
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. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) 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 adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. 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 land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if 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, giving quantities and grades and sampling methods used. Support 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 have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show 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 *land boundaries* or to the closest identifiable corner.

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

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or 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. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. 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 equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *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 in the exploration work.

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

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(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*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

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

Homestead Gold Exploration Corp.

~~EXECUTIVE OFFICE~~
~~241 N. Beverly Dr. - Beverly Hills, Calif.~~
~~Phone 273-5560~~

OPERATIONS
Quincy, Calif.

June 15, 1965

United States Department Of The Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California

Gentlemen:

Pursuant your letter of May 19, I enclose herewith revised materials pertinent to our application for financial assistance. Should you desire additional information, please advise at your earliest convenience.

Thanking you for your kind attention to this matter, I remain,

Homestead Gold Exploration Corp.

Richard N. Pudge, President

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 21 1965

INITIALS	CODE
	120
	120

ITEM I, Financial Eligibility

Enclosed herewith please find letters to, and replies from the Bank of America and Guardian Bank concerning the possibility of borrowing funds to conduct mineral exploration at Gopher Hill Mine.

May 26, 1965

Guardian Bank
7014 Sunset Boulevard
Hollywood, California

Attention: Mr. Thorburg

Re: HOMESTEAD GOLD EXPLORATION CORPORATION

Gentlemen:

Please be advised this office represents Homestead Gold Exploration Corporation, a gold mining corporation which is engaged in the exploration of a mineral property in the vicinity of Quincy, California. The company at the present time does not have a producing mine and is desirous of obtaining some financial assistance. We propose to borrow from your bank the sum of approximately $40,000.00, repayable in monthly installments, commencing nine months from the date of such loan, over a period of ten to twelve years. Interest would be at the customary rate.

The company has in excess of $40,000.00 in cash and liquid assets, and the company's funds together with the funds to be borrowed would be used to finance an exploration of its leased property in Quincy, California, for the purpose of determining whether gold in commercial value exists on such property.

Would you be so kind as to advise this office whether or not your bank would be in position to make such loan, and if so what documents would be necessary in connection therewith.

Very truly yours,

ZEMAN & FISCHER

By:
B. D. FISCHER

GUARDIAN BANK

May 28, 1965

JAMES THORBURN
Senior Vice President

Mr. B.D.Fischer
Zeman & Fischer Law Offices
4620 Beverly Boulevard, Suite 200
Los Angeles, California 90004

Subject: Homestead Gold Exploration Corporation

Dear Mr. Fischer:

Thank you for your letter of May 26, 1965 in which you requested a loan in the approximate amount of $40,000.00, repayable in monthly instalments over a period of 10 to 12 years.

Our bank presently would not be interested in this type of loan primarily because of the speculative nature of the operation and the long term financing requirements. We do, however, appreciate your giving us the opportunity to consider your request and perhaps sometime in the future we might be able to give a different answer.

Sincerely,

James Thorburn
Senior Vice President

JT/jar

7014 SUNSET BOULEVARD, HOLLYWOOD, CALIFORNIA 90028 HOLLYWOOD 6-7611

May 26, 1965

Bank of America
Wilshire-Mariposa Branch
Los Angeles, California 90005

Attention: John MacLachen, Asst. Manager

Re: HOMESTEAD GOLD EXPLORATION CORPORATION

Gentlemen:

Please be advised this office represents Homestead Gold Exploration Corporation, a gold mining corporation which is engaged in the exploration of a mineral property in the vicinity of Quincy, California. The company at the present time does not have a producing mine and is desirous of obtaining some financial assistance. We propose to borrow from your bank the sum of approximately $40,000.00, repayable in monthly installments, commencing nine months from the date of such loan, over a period of ten to twelve years. Interest would be at the customary rate.

The company has in excess of $40,000.00 in cash and liquid assets, and the company's funds together with the funds to be borrowed would be used to finance an exploration of its leased property in Quincy, California, for the purpose of determining whether gold in commercial value exists on such property.

Would you be so kind as to advise this office whether or not your bank would be in position to make such loan, and if so what documents would be necessary in connection therewith.

Very truly yours,

ZEMAN & FISCHER

By:
B. D. FISCHER

Cable Address — BANKAMERICA

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION

WILSHIRE-MARIPOSA BRANCH • 3434 WILSHIRE BOULEVARD • LOS ANGELES 5, CALIFORNIA

June 3, 1965

Mr. Bernard D. Fischer
4620 Beverly Blvd., Suite 200
Los Angeles, Calif. 90004

Dear Mr. Fischer:

Upon receipt of your letter dated May 26, 1965, I verbally discussed your proposal with our Loan Committee.

It is our opinion that the type of capital which the Homestead Gold Exploration Corporation requires is in the nature of equity financing as opposed to normal commercial lending. In order for the bank to consider such a loan request, it would have to be on a basis involving personal signatures backed up by fully marketable collateral of sufficient amount. In the future, if the mine becomes productive, the bank can then consider short-term working capital loans.

We, naturally, appreciate very much your patronage and good will, Bernie, but I am sure that you understand that this loan method is not of the type which is normally handled by a commercial bank.

If you have any questions, however, please telephone me at MU. 3-4813.

Sincerely yours,

J. D. MacLachlan
Assistant Manager

JDM:ac

Item 5 - Proposed Exploration

Please refer to plats

Exploration conducted since our original application to the Office of Minerals Exploration has revealed that the body of blue, Neocene gravels being sought does not cross the property in a westerly direction, as origanally thought, but lies approximately parallel to the main workings on the West and is contained by a fault, shown on plats, on the East, in the immediate vicinity.

A drift, driven from the surface some 360' East of the shaft encountered the top 15' of the deposit and was pursued only far enough to offer more exact geologic data. Two churn drill holes (note maps and Section "A") were sunk at 100' intervals West of these surface workings. The first hole, 100' from the portal, struck blue gravel at 68' and remained in that section to bedrock, encountered at 110'. The second hole was drilled 106.5' without striking blue gravels, indicating an abrupt termination of blue gravels within a relatively short distance. This hole did not reach bedrock, as large boulders caused drilling costs to be greater than the expected benefits from the hole. Due to the close proximity of the second drill hole and bedrock in workings which run northerly from the shaft, it is doubtful that continued drilling at that location would have attained depths in excess of 115' without reaching bedrock.

It is believed that this drilling approximates a crosscut of the blue channel and that it has, within some 50', delineated the westerly rim of the channel.

Proposed exploration will begin from present workings with a drift driven East from a point 45' N35E of the shaft, in bedrock, some 250' until the drill hole that reached bedrock is encountered. This point should be near the western extreme of the deposit. At this point a working raise will be installed to the gravel bed and further cross-cutting of the channel, in gravel will be performed until the channel's direction of flow and other pertinent data are obtained. If current estimates of the channel are correct drifts will then be driven in a more or less N-S direction, following the channels course with crosscuts at 100' intervals, alternated from left to right from the main drift, to determine the width and character of the channel.

As indicated in Section "A", the bedrock, in the area of interest appears to have been dragged gently upward from our shaft site to the East, affording easy access to the gravels from present working depths, but since it is possible that troughed areas of the channel may lie at such attitudes as to be inaccessible from present depths, it is suggested that revision of plans and exploration procedures may be necessary to fully disclose the deposits value.

Sampling of all gravels removed will be conducted in a facility presently on the property. Accurate records will of course, be maintained.

ITEM 5, Continued

Each includes Timbering.

Estimated Exploration Distances and Costs

250' - 7' X 5'	Drift in Bedrock	@	$ 35.60 per ft.	$ 8,900.00
50' - 8' X 5'	Raise in Bedrock	@	$ 32.90 per ft.	$ 1,645.00
1375' - 7' X 5'	Drift in Gravel	@	$ 32.26 per ft.	$44,357.50
	TOTAL			$ 54,882.50

50% O M E Participation	$ 27,441.25
50% Homestead Corporation	$ 27,441.25
	$ 54,882.50

INDEX SHEET TO ITEM 7

PARAGRAPH "A":	None
PARAGRAPH "B":	Personal Service
PARAGRAPH "C":	Operating Materials and Supplies
PARAGRAPH "D":	Operating Machinery and Equipment
PARAGRAPH "E":	None
PARAGRAPH "F":	None
PARAGRAPH "G":	Fully covered in original application and other items of revision

ADDITIONAL NOTES:

ITEM:	PER. FT. 8X5 DRIFT IN GRAVEL:	PER. FT. 7X5 DRIFT IN BEDROCK:	PER. FT. 8X5 RAISES IN BEDROCK:	PER. FT. 7X5 DRIFT IN GRAVEL:
LABOR:	12.75	16.82	13.77	15.33 ?
SUPPLIES, MATERIALS:	11.43	9.63 ~~8.63~~	16.29 ~~15.39~~	11.55
**DEPRECIATION:	1.69	2.40	0.49	1.75
SUPERVISION:	3.00 25.87 36 %	7.75 28.85 29 %	2.75 32.55 30 %	3.38 28.63 29
GEOLOGY:	0.50	----	0.50	0.25
TOTALS:	29.37 ✓ 29 %	35.60 36 %	32.90 33.80 33 %	32.26 ✓ 32 %

** (Includes depreciation of applicable equipment only. See depreciation Schedule.)

- -

% SALARY FEE OR COST:

ITEM:	8X5 DRIFT IN GRAVEL:	7X5 DRIFT IN BEDROCK:	8X5 RAISES IN BEDROCK:	7X5 DRIFT IN GRAVEL:
SUPERINTENDENT:	30%	40%	20%	30%
FOREMAN:	---	50%	10%	50%
GEOLOGIST:	20%	---	20%	100%
ELECTRICITY:	40%	80%	20%	100%
HOIST MAN:	---	80%	20%	100%

LABOR:

Miner's Daily Wage	$22.00	
Hoistman's Daily Wage	18.00	
Underground Comp. Rate	12%	
Surface Comp. Rate	8%	
Approximate Payroll Taxes	7.6%	

SUPERVISION:

Superintendant	$800.00	(Monthly)
Foreman	600.00	"

GEOLOGIST:

Payroll	200.00	"

NOTE: Payroll preparation, accounting, ect. are all supplied free by corporate officers.

MATERIALS AND SUPPLIES

ITEM:	PER.FT. 8X5 DRIFT IN GRAVEL:	PER.FT. 7X5 DRIFT IN BEDROCK:	PER.FT. RAISES IN BEDROCK:	PER.FT. 7X5 DRIFT IN GRAVEL:
POWDER:	2.00	2.00	2.00	2.00
DETONATORS:	.17	.17	.17	.17
FUSE:	1.00	1.00	1.00	1.00
ROCK-BITS:	.20	.20	.20	.20
RAIL:	1.20	1.20	----	1.20
FISHPLATES, BOLTS, SPIKES:	.10	.10	----	.10
TRUCK FUEL:	.20	.20	.20	.20
AIR LINE:	.90	.90	.90	.90
VENT LINE:	.65	.65	.65	.65
LAGGING:	1.95	1.39	8.45	1.95
EIEC. POWER:	1.25	1.20	.60	1.56
DRILL STEEL:	.37	.37	.37	.37
ROUND TIMBER	1.44	.25	1.75	1.25
TOTALS:	11.43	~~8.63~~ 9.63	16.29	11.55

**NOTE: (See Appendix to Paragraph "C", attatched hereto)

"APPENDIX"

N O T E S:

POWDER: Costs $16.00 per case of approximately 120 sticks. Average round of 16 holes requires 64 sticks. Price is based on purchases of one ton lots of explosives.

DETONATORS: Cost based on $3.50 per 100 caps, purchased in lots of 1000 or more. 20 detonators are required for each 16 hole round, as extremely wet ground necessitates double priming of 4 lifters.

BLACK FUSE: Cost based on purchases of 6000' at $0.02 per ft. 20 ten ft. fuses are required, due to double priming of 4 lifters. 10 ft. fuses are result of widely spaced pattern in face.

ROCK-BITS: CRD 1½" knock off bits at $.27 each have proven most economical in 600' drifting.

RAIL: New 16 pound rail, purchased at $225.00 per ton results in a price of $0.60 per lineal foot; 8' of rail are required per 4' advance.

FISHPLATES,
BOLTS and
SPIKES: 1 set of fish plates and bolts are required every 3 shifts. Fishplates, bolts and spikes at $150 per unit cost approximately $0.10 per foot of drift.

3" COMPRESSED AIRLINE: Purchased new at $0.90 per foot, including couplings.

10" VENTILATION PIPE: Purchased new at $0.65 per foot.

DRILL STEEL: Based on breakage of 2 six foot steels per month per heading. Replacement cost: $15.00 each.

LAGGING: $130.00 per 1000 board feet=$.26 per lineal foot.

(a) 8'X5' heading: Back=30 lineal feet
(b) 7'X5' heading: Back=30 lineal feet
(c) 7'X5' heading 20% timbered=6 lineal feet
(d) 8'X5' raises: 130 lineal feet per 4' advance

(see continuation sheet)

"APPENDIX"

N O T E S: (CONTINUED)

ROUND TIMBER: Furnished at $0.25 per lineal foot

(a) 8'X5' heading: 2- 8½' posts
1- 6' cap

(b) 7'X5' heading: 2- 7½' posts
1- 5' cap

(c) 7'X5' heading 20% timbered: 4' per round

(d) 8'X5' raises: 2- 9' caps
2- 5' stulls

ELECTRICITY: 13 month average $250.00 / Monthly figures indicated

(a) 8'X5' heading: 40% total, $100.00 ÷ 20

(b) 7'X5' gravel heading: 100% total, $250.00 ÷ 20

(c) 7'X5' bedrock heading: 40% total, $100.00 ÷ 20

(d) 8'X5' Raises: 20% total, $50.00 ÷ 20

DUMP TRUCK FUEL: 6 Month average, 2½ gallons per shift at $.33

---------- ITEM 7 ---------- PARAGRAPH "D"

OPERATIVE EQUIPMENT FURNISHED BY HOMESTEAD GOLD EXPLORATION CORPORATION:

NUMBER:	ITEM DESCRIPTION:	CONDITION:	FAIR MARKET VALUE:
1	315 CFM Chicago Pneumatic Elec.Comp.	excellent	$3,500.00
1 ?	210 CFM Schramm Elec. Comp.	"	2,000.00
1	210 CFM Schramm Gas Comp.	"	1,500.00
1	International 1963 4X4 P/U	"	2,800.00
1	Hendy Elec. Mine Hoist	"	2,500.00
1	2 Ton Kimberly Type Skip	"	500.00
4	Hendy Mine Cars	"	400.00
1	Eimco 12-B Mucker	"	1,800.00
1	Gardner Denver 14 Mucker	"	2,200.00
3	Atlas-Copco Drifters ($250.00 ea.)	"	750.00
3	Air-Legs ($75.00 ea.)	"	225.00
3	Ingersoll-Rand Stopers ($500.00 ea.)	"	1,500.00
1	15 hp Delta Pump	"	1,500.00
1	10 hp Worthington Pump	"	350.00
1	10 hp Ingersoll-Rand Pump	Good	500.00
1	1952 F-800 Ford Truck	"	700.00
-	Electrical Installation	excellent	5,400.00 - ?
1	10 hp Elec. Vent. Blower	"	375.00
1	Model 909 Homelite Chain Saw	"	300.00
1	10" Mall Elec. Saw	"	100.00
1	7" Baldor Elec. Grinder	"	75.00
1	½" Milwaukee Elec. Drill	"	100.00
1	Set Gas Welding Equipment	"	100.00
1	Carver Gas. Powered Pump	"	100.00
1	Air Receiver	"	200.00 - ?
-	Miscellaneous Equipment	"	3,000.00
-	Buildings	"	1,500.00 - ?

DEPRECIATION SCHEDULE:

ITEM DESCRIPTION:	FAIR MARKET VALUE:	VALUE % USAGE:
(a) 8'X5' Drift in Gravel:		
1 - 315 CFM Compressor	$3,500.00	$3,500.00
1 - Mine Car	100.00	100.00
1 - G.D.14 Mucker	2,200.00	2,200.00
1 - Atlas-Copco Drifter	250.00	250.00
1 - Airleg	75.00	75.00
1 - Dump Truck	700.00	350.00
- - Electrical Installation	5,400.00	1,620.00
TOTAL:		60 $8,095.00

1349 2/mo

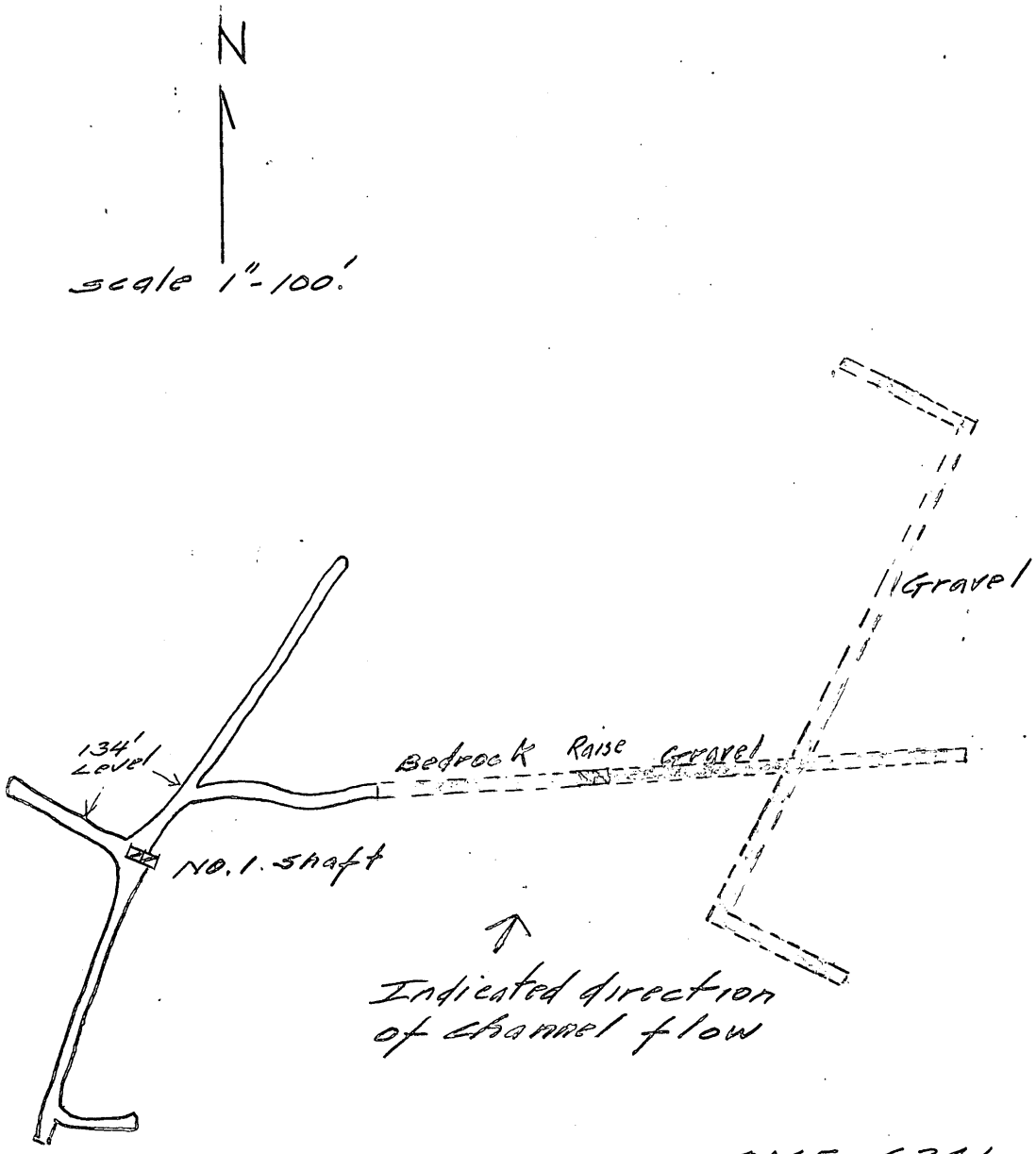
(b) 7'X5' Drift in Bedrock:	XXXXXXXXX	XXXXXXXXX
1 - 210 CFM Compressor	$2,000.00	$2,000.00
1 - Mine Hoist	2,500.00	2,000.00
1 - Skip	500.00	400.00
1 - Mine Car	100.00	80.00
1 - Eimco 12-B Mucker	1,800.00	1,800.00
1 - Atlas-Copco Drifter	250.00	250.00
1 - Air Leg	75.00	75.00
2 - Pumps	1,850.00	1,850.00
1 - Dump Truck	700.00	280.00
- - Electrical Installation	5,400.00	2,700.00 - ?
TOTAL:		60 $11,435.00

190.60/mo

(c) (SEE ATTATCHMENT HERETO)

DEPRECIATION SCHEDULE: (CONT.)

ITEM DESCRIPTION:	FAIR MARKET VALUE:	VALUE % USAGE:
(c) 7'X5' Drift in Gravel:		
1 - Eimco 12-B Mucker	$1,800.00	$1,800.00
1 - 315 CFM Compressor	3,500.00	3,500.00
1 - Mine Hoist	2,500.00	2,500.00
1 - Skip	500.00	500.00
2 - Mine Cars	200.00	200.00
1 - Atlas-Copco Drifter	250.00	250.00
1 - Air Leg	75.00	75.00
2 - Pumps	1,850.00	1,850.00
1 - Dump Truck	700.00	700.00
- - Electrical Installation	5,400.00	5,400.00 - ?
TOTAL:		60/ $16,775.00 279.42/mo
(d) 8'X5' Raises:		
1 - Mine Hoist	$2,500.00	$ 500.00
1 - Skip	500.00	100.00
1 - Mine Car	100.00	20.00
1 - Dump Truck	700.00	140.00
1 - Stoper	500.00	500.00
- - Electrical Installation	5,400.00	1,080.00 - ?
TOTAL		60/ $2,340.00 39.00/mo



OME-6361

FIGURE-2- Proposed Exploration
Gopher Hill Mine
Plumas County, California

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

450 Golden Gate Avenue, ~~Box 36012~~
San Francisco, California, 94102

Air Mail

Memorandum

OFFICIAL FILE COPY
C M E
RECEIVED July 17, 1964

DATE	INITIALS	CODE

To : Chief, Division of Exploration Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: New Application
Homestead Gold Exploration Corp.
3460 Wilshire Boulevard, Suite 618
Los Angles, California, 90005

Enclosed herewith is an application for financial assistance submitted by Ronald Meepos in the amount of $203,316.

The property is located in Plumas County, 6 miles west of Quincy, California, in the vicinity of Meadow Valley, and is known as the Gopher Hill mine.

The applicants proposed exploratory program consists of 800 feet of crosscut work; 1,400 feet of drift, laterals from crosscut; and 120 feet of raise work to the surface for ventilation and escape ways.

Their objective is to explore the Tertiary gravel channel on the Gopher Hill property, trending east - west.

The applicants' cost estimate is high, irregular, and with no basis for labor figures.

The applicants are aware of Form 52 is to be submitted; and, if an agreement cannot be reached with the owners, the applicants will present a performance bond.

Inasmuch as my scheduled field trip will take me through Quincy, California, I will examine the property on July 26, 1964.

Paul V. Fillo

Paul V. Fillo

cc:
Chief, Division of Exploration Operations, OME, Washington, D. C.

MME Form 40
Dec. 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85-701 (72 Stat. 700; 30 U.S.C. 641)

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

HOMESTEAD GOLD EXPLORATION CORPORATION
3460 Wilshire Boulevard, Suite 618
Los Angeles, California 90005

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6361

DATE RECEIVED: 7-20-64

REGION: II

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [X]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: California

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Richard N. Pudge	111 Jackson St., Quincy, Cal.	President
Bernard McDonald	23900 W. Malibu Rd., Malibu, Calif.	Vice Pres.
Charles Murano	8151 Santa Monica Blvd., Los Angeles, Calif.	Vice Pres.
Ronald Meepos	945 S. Western, Suite 203 Los Angeles, Calif.	Secretary-Treasurer

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Gold

ESTIMATED COST OF PROJECT: $ 203,316.00

PROPERTY NAME	LOCATION COUNTY	STATE
Gopher Hill Mine	Plumas	California

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). 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 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. 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 3(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 Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME 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, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

July 15, 1964
DATED

HOMESTEAD GOLD EXPLORATION CORPORATION
By: Ronald Meepos
BY *(Signature)*

Secretary
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. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) 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 adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. 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 land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if 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, giving quantities and grades and sampling methods used. Support 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 have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show 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 *land boundaries* or to the closest identifiable corner.

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

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or 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. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. 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 equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *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 in the exploration work.

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

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(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*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

INT.-DUP. SEC., WASH., D.C. 50399

SECTION 12

T.24N. R.8E. MDM

PLUMAS COUNTY, CALIF.

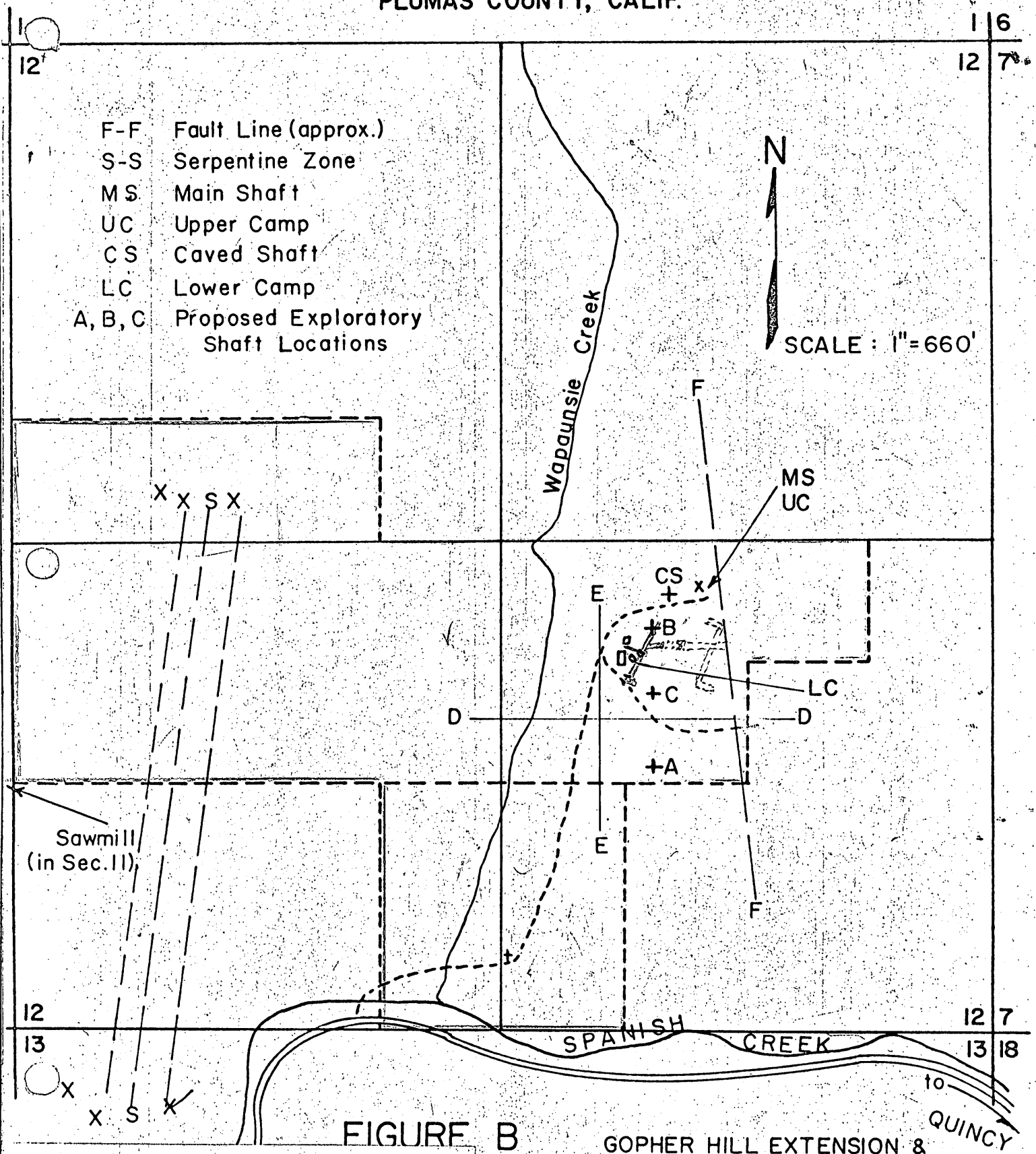


FIGURE B

GOPHER HILL EXTENSION & SPANISH GOPHER CLAIMS

Homestead Gold Exploration Corporation
3460 Wilshire Boulevard, Suite 618
Los Angeles, California 90005

XERO COPY XERO COPY XERO COPY XERO COPY

1. Financial Eligibility.

(a) Evidence of efforts made to obtain credit within the past 90 days:

(1) There is attached hereto a copy of letter dated July 13, 1964 addressed to Bank of America, Wilshire-Mariposa Branch.

(2) There is attached hereto a copy of letter dated July 13, 1964 addressed to Guardian Bank.

(3) There is attached hereto a copy of letter dated July 13, 1964 addressed to Bank of Los Angeles.

(4) There is attached hereto the reply received from Bank of America.

(5) There is attached hereto the reply received from Guardian Bank.

(6) There is attached hereto the reply received from Bank of Los Angeles.

(b) The company has no affiliated parents or controlling companies or organizations unless the holders of the promotional shares of stock issued by this company are considered affiliates. Such persons are: Richard N. Pudge (President), Bernard McDonald (Vice President) and Vivian K. Osborne. These three individuals own an aggregate of one-third of the issued and outstanding stock of this corporation, which stock is held in an escrow pursuant to a written agreement which provides, inter alia, that they shall not participate in dividends of the company or in liquidation of the company until the holders of the other outstanding shares shall have received $300,000.00, and further provides that if dividends are not paid by the company for a period of 2 years in an amount of 5% per annum, the holders of the other two-thirds of such shares shall have the right to elect a majority of the Board of Directors.

(c) The company proposes to furnish its share of the cost of the exploration work, partially by furnishing operating equipment and supplies it has on hand and the remainder with cash in the bank it presently has.

XERO COPY XERO COPY XERO COPY XERO COPY

2. Applicant's Rights In Land.

(a) The company has a leasehold interest in the property which consists of two unpatented mining claims. Included in the list of exhibits is a copy of said lease with recording information thereon, a copy of the assignment of said lease with recording information thereon, and a copy of a certificate of Plumas County Abstract and Title Company indicating the company's interest in said property and the state of title of such mining claims.

As may be seen from a review of the company's lease agreement, the lease is for a period of 10 years with an option to renew for an additional 10 years' period. The lease also contains provisions whereby the company may exercise an option to purchase such properties at any time during the lease term.

Pauline Pearl Smith, the person in whose name title is vested, is the successor in interest of G. B. M. Medearis, the lessor who appears of record. Mr. Medearis is deceased, having died in about March, 1963, and Pauline Pearl Smith succeeded to his interest in a normal probate proceeding held in Plumas County, California.

(b) The legal descriptions of the placer mining claims, together with the book and page number of the recordation of the notices of location with respect to such claims:

So far as is known the properties which the company has under lease have been known by the following names only:

(1) Gopher Hill Mine.

(2) Gopher Hill Extension Placer Mining Claim.

(3) Spanish Gopher Placer Mining Claim.

(c) Liens and Subordination Agreements:

The company has requested that Pauline Pearl Smith execute a lien and subordination agreement, MME Form 52. We have no reason to believe that such lien and subordination agreement will not be executed, and we will furnish the same as soon as received from Mrs. Smith. In the event Pauline Pearl Smith refuses to execute the lien and subordination agreement appropriate information as to the reason for refusal will be submitted and the company will post a fidelity bond to insure the government's position in the event of execution of an OME contract.

XERO COPY XERO COPY XERO COPY XERO COPY

(a) Describe in detail all mining or exploration operations which you know have been conducted upon the land:

The first attempt to explore this property was made in 1936 under the supervision of Charles Scott Haley, now deceased, formerly the Chief of the Division of Mines and Geology of the State of California. Mr. Haley's advice to a gentleman named Stevenson was to sink a shaft to bedrock and to drift in the bedrock. The explorer (named Stevenson) did not follow Mr. Haley's advice and rather than sinking the shaft as instructed the shaft descended only a total of 46 feet, which did not nearly approach bedrock. Such shaft is delineated on Figure C2 on the geology exhibits. All future references in this section to exhibits refer to geology exhibits. It was reported that in spite of Stevenson's failure to follow the advice of Mr. Haley, that gold was removed from the mine and Stevenson was evicted within weeks of the alleged strike for failure to pay a royalty to his lessor.

In 1950 G. B. M. Medearis, now deceased, the then owner of the mine claims, attempted to continue the Stevenson shaft but after reaching the 56-foot level was unable to continue and poor mining practices at that time damaged the Stevenson shaft making it useless for further work. The Stevenson shaft is completely filled with water and Homestead Gold Exploration Corporation (hereinafter referred to as the "applicant"), pumped out said shaft in June of 1964 and sent its President, Richard N. Pudge into said shaft; however, such shaft is extremely dangerous and it was concluded that further attempts to explore such shaft would constitute a violation of mining safety laws and the cost of refurbishing the same would in all likelihood be in excess of its worth.

In 1954 a small group leased the ground from Mr. Medearis and attempted to sink an incline shaft on the property. This shaft was poorly located and improperly financed resulting in a work stoppage after it had advanced only 75 feet down the incline. This shaft was inconclusive and has since collapsed.

Except for applicant's attempts to explore this property, as hereinafter set forth, there is no known prior exploration except as set forth in the preceding paragraph.

The applicant commenced operations on this property in the summer of 1963 and completed a vertical shaft which extended a total of approximately 150 feet below the surface of the ground. Contact of auriferous gravel with the bedrocks was reached at 118 feet and the location of that shaft in relation to the expectant boundaries of the channel

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can be seen on Figures B2 and C2, and a vertical section of the shaft can be seen in Figure C3. In the sinking of the shaft the applicant passed through undisturbed channel gravels and assays of those channel gravels varied from $1.26 to $3.11 per ton. (per cu ft)

After applicant completed its shaft and cut its station 134 feet below the surface it commenced a drift in a northerly direction in an attempt to locate the northerly rim of the channel. At approximately 40 feet north of the shaft applicant raised through bedrock a distance of approximately 12 feet above the floor of the drift. Assays of gravels removed from that raise varied from 4.6¢ per yard to $1.12 per yard. Applicant continued its drift in a northerly direction a distance of approximately 60 feet, at which time it installed a second raise and after driving through the bedrock at raise No. 2, no show of gravel had appeared 22 feet above the floor of the drift and due to bad ground and caving conditions no further advance was made. Heavy lagging was installed in that raise to prevent any damage from caving. Applicant continued its drift in the northerly direction to a total of 160 feet from the shaft and installed raise No. 3, at which point the channel gravels were approximately 25 feet from the floor of the drift. The higher position of the gravels appears to indicate a "bench" which the applicant believes to be the north rim of the channel. This deduction, together with the presence of heavy ground, facilitated applicant's decision to cease its northerly drift and to commence a drift to the south. Applicant, after reworking its station at shaft No. 1 is now commencing a drift in a southerly direction. The relative locations of raises Nos. 1, 2 and 3 mentioned above, may be seen in the vertical section shown in Figure E3.

No production facilities as such exist on applicant's property at this time although applicant has on such property a complete washing plant which, by grizzling down the material to 3 inches or less in size and then trommeling down to 1 inch or less in size, is capable of testing some 40 to 50 tons of material per day.

(b) State your interest, if any, in the operations described in (a).

Applicant had no interest in the operations described in (a) above except those described commencing in the summer of 1963 and as to these latter operations, it conducted them for its own account as a lessee and purchase optionee of the ground.

(c) State, if you know, the past and current production.

It is a wellknown fact that at best actual production figures for placer and high grade lode mines are not definitive and are generally substantially underestimated. After innumerable drift mines had

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removed the more accessible pockets of channel gravel in the properties known as Gopher Hill immediately adjacent to the applicant's property and due east of the fault shown in Figure C2 by the line FF, that area was hydraulically mined. The best available sources showed a production record of some $15,000,000 (more than $26,000,000 based upon the present price of gold), was hydraulically mined by the Plumas Mineral and Water Company until 1895. (Refer California State Mining Bureau Bulletin 92, 1923 - "Gold Placers of California" by Charles Scott Haley.)

It has been reported that a total of up to $34,000,000 was produced from the adjoining Gopher Hill properties, but your applicant is unaware of any specific reliable source of figures to substantiate such reports.

(d) Describe known ore reserves.

The applicant has not encountered as yet what may be considered pay streaks at or near the contact of gravel and bedrock. Although continued pannings are made substantial samples were taken when the shaft was driven through the contact between the ancient gravel and the bedrock and in the first raise north of the shaft. The results of those samples which with respect to the shaft delineated with numbers 580 to 583, inclusive, and those taken from raise No. 1 which were delineated with numbers 3851 to 3855, inclusive, are as set forth in (a) above, and copies of the assay certificates dated January 15, 1964 and May 7, 1964 are attached.

(e) Describe the geologic features of the property, geologic formations, if known, and type of deposit.

The exhausted Gopher Hill workings on the adjoining property show the barren slate bedrock abruptly cut off, leaving a north-south escarpment of 50 to 100 feet high. This feature was the result of normal fault which has dropped the applicant's property with its cover of auriferous gravel a considerable distance below the corresponding bedrock of the hydraulically mined area. The fault described appears along line FF of Figure C2. To complete the obscurity of the auriferous gravels, the area just below the escarpment was buried with tailings and debris from the hydraulic workings. This situation is more fully illustrated in Figures C1 and C2 contained in the geology report of Mr. Tomo Ito.

(f) State your reasons for expecting to find ore.

From the geological evidence gathered thus far, the conclusion is inescapable that applicant's property is the downthrow block

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of the same channel which was hydraulically mined on the adjoining properties from which substantial gold was removed. Based upon the physical examinations of the gravels in the area of the shaft and an examination of the bedrock surfaces at the gravel contact, it can be concluded that channel gravels which exist on applicant's properties are undisturbed. With a channel width of approximately 1,000 feet, pay streaks comparable to those found in the old Gopher Hill workings may be expected. Examination of the bedrock surfaces shows definite east-west grooves indicating the general direction of the channel and undistrubed gravel resting on the bedrock.

Samples were poor in general going north from the main shaft. The original estimate of the north rim was approximately 200 feet from the shaft, and the extension of the north drift some 160 feet places it extremely close, if not at, the bench gravels of the north rim. The decline in value of the samples in a northerly direction gives added potential to the area south of the shaft which has an anticipated minimum of 800 feet of channel to harbor the pay streaks. Figure A2 shows a section profile of a channel bottom indicating the irregular nature of pay streaks in ancient river channels such as exist on applicant's property.

(g) Geologic reports.

There are submitted herewith two copies of the geologic report of Mr. Tomo Ito, one of which contains several photographs. Applicant incorporates by reference such report for the purposes of this application and requests the return of the original of such report containing the photographs. The xerox copy of such report may be retained by the OME.

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4. Accessibility of Property.

(a) The following person will meet the OME representative: Richard N. Pudge, President, 111 Jackson Street, Quincy, California. Tele. Quincy 561

The property is reached by driving approximately 6 miles west of the City of Quincy to the vicinity of Meadow Valley. There is attached as an exhibit a map showing the general location of Quincy and Meadow Valley. The property is accessible by private passenger car, although it is required to cross a stream approximately 8 to 12 inches in depth. The mine workings are accessible and exploration work is presently in progress.

It is suggested that Mr. Pudge meet the OME representative at the Quincy Hotel in Quincy, California, and Mr. Pudge will then take the OME representative to the mine.

(b) Shipping and Supply Points:

The shipping and supply point would be Quincy, California. Quincy is served by both rail and bus and several trucking lines go directly to Quincy, including the Ringsby System.

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5. Exploration work.

(a) Describe fully the proposed exploration work.

The proposed exploration work is a continuation and expansion of the exploration work previously done. The principal objective of this exploration work will be not only to delineate the south rim of the old river channel, but also to locate, define and evaluate the pay streaks within this large channel. This will be done by cross-cutting and raising into the gravels in a systematic pattern. Figures C2 and E1 of the geologic exhibits furnish a plan view and section view of the general plan of drifting and cross-cutting. Immediately following this narrative summary is a detailed schematic plan of such drift and raise.

The main drift will run southerly from the existing shaft for approximately 800 feet. This drift will be 5 feet wide and 7 feet high, and will be timbered as required. Every 100 feet a cross-cut will be installed along the main drift 100 feet in each direction (east and west). While it might appear that applicant's cross-cuts are larger than normal, applicant has concluded that it is less expensive to drive tunnel utilizing a mucking machine and thus the reason for the 5' x 7' cross-cuts.

At a distance 200 feet and 600 feet south of the existing shaft applicant will install and fully timber a 4' x 4' raise to the surface. These raises will be used for ventilation and escapeways. 400 feet south of the existing shaft applicant will install a second prime shaft which will be equipped with a head frame, hoist, compressor house and allied equipment. This second prime shaft will be a dual compartment shaft containing an escapeway as well as a compartment for the shaft conveyance.

In addition to the drifts, cross-cuts and shafts mentioned, the exploration program requires the placing of approximately 3' x 4' raises 20 feet to 25 feet apart in the drift and cross-cuts into gravel. Applicant, in computing its estimated costs, has allowed for six raises in every 200 feet of main drift and eight raises in every 200 feet of cross-cut. It is believed that this number of raises is sufficient since in some areas the cross-cuts and possibly the main drift will cut directly into the gravels and, of course, raises may not be placed in too close a proximity to the ventilation-escapeway raises or the prime shafts.

(b) Access roads.

No access roads are required and a paved road passes within one mile of the No. 1 shaft; however, to gain access to this road it is necessary to ford Spanish Creek and during the winter months this is not feasible. A second method of access to the mine exists via

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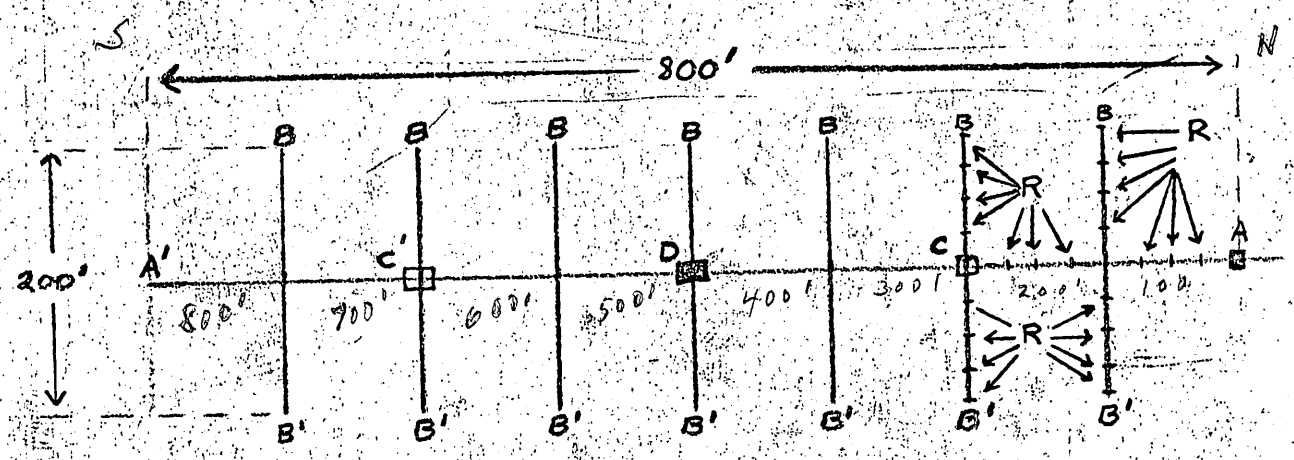
Meadow Valley; however, during the wet months it is necessary to have this road maintained by a Bulldozer. The cost of maintenance of this road has been included in miscellaneous expenses, item 7 (g).

(c) How soon would work be started and finished?

If an OME contract is executed it is anticipated that work will be commenced immediately at a more accelerated pace than the present pace at which applicant is proceeding and would be completed within one year. Applicant anticipates driving its drifts and cross-cuts at an average daily rate of 10 feet per day. Applicant anticipates installing its raises to the auriferous gravels at the rate of one per day and driving the ventilation and escapeway raises at a rate of approximately 8 feet per day, including timbering. It is estimated that the second prime shaft will proceed upwards at a rate of approximately 7 feet per day.



A - No. 1 Shaft (existing)
A' - Expected South Rim
B, B' - Cross-cuts (proposed)
C - Ventilation and escapeways (proposed)
D - No. 2 Shaft (proposed)
R - Raises to gravel (proposed, typical in all crosscuts and main drift)
A, A' - Main southerly drift 800'

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6. Experience.

Applicant was incorporated in the State of California and commenced activities in the summer months of 1963. Applicant's President, Richard N. Pudge, will supervise the exploration work in accordance with the advise of Mr. Tomo Ito, independent mining geologist.

Mr. Pudge completed his secondary education at the public schools located in Tucson, Arizona and after graduation attended the University of Arizona for a period of two years majoring in mining engineering. He next attended New York University in New York City, New York, for a period of two years majoring in business administration and subsequent thereto he took various correspondence courses from the University of California for a period of one year in the field of geology.

From August, 1956 through July, 1959, he was a production assistant at Popovich Copper Mine located in Carlin, Nevada. Contemporaneously with his employment at the Popovich Copper Mine and during the period July, 1957 to November, 1958, he directed exploration and development of small gold placer properties in California during which time he was a partner in Gold Crater Enterprises, a partnership located in Reno, Nevada. From January, 1959 to April, 1960, in addition to his other positions, he did mechanical design work of pneumatic equipment for K. A. Powell, Canada Ltd. In April, 1960, he commenced employment with Republic Carloading and Distributing Co., Inc., in New York City where his primary duties were administrative and dealt with coordination of policy. During 1961 and 1962 he was engaged as a consultant for various firms including Webb and Knapp with respect to the proposed Arizona location of Udy Process Steel Mill; with Malleable Iron Fittings Corp. of Connecticut with respect to expansion of product lines and reorganization of facilities; and with Pantasote Plastic Co. of New Jersey with respect to plant maintenance. Since January, 1962, he has done miscellaneous consulting work devoting the majority of his time to the development of information and the obtaining of leases on the property which applicant is developing.

Mr. Pudge was instrumental in the organization of applicant and since July of 1963, has been employed as President and Mine Director of applicant's properties.

The applicant has employed Mr. Tomo Ito, independent mining geologist, since the inception of its activities in January of 1963. Mr. Ito's qualifications include an A. B. degree in geology from Stanford University in 1932 together with graduate work in mining, metallurgy and ores from 1932 to 1934. From 1934 to 1940 he was a metallurgist and assistant superintendent for Mills Alloys, Inc., Los Angeles,

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manufacturers of tungsten, metals, alloys and chemical products. From 1947 through 1957 he has been employed or self-employed as a metallurgist or mine owner and operator or consulting geologist. From 1958 to 1959 he was a metallurgist in charge of construction and operation of a manganese mill in Bouse, Arizona, and in March, 1959, accepted employment as a consultant-metallurgist for the Tungsten Refining Company in Phoenix, Arizona. In late 1959 and continuously to the present time he has been self-employed as an independent mining geologist and metallurgist.

Among larger clients and employers of Mr. Ito during the past seven years are Sunshine Mining Company of Spokane, Washington; Southern California Gas Company; H. R. Golenor of Signal Oil & Gas Company and the Eisenhauer Laboratories.

Mr. Pudge and Mr. Ito are principally responsible for the applicant's mining operations, subject to the direction of applicant's Board of Directors. Such Board of Directiors, in addition to Mr. Pudge, includes the following persons:

Bernard McDonald - Dr. McDonald is a medical doctor and has interests in several mining enterprises in Britain, South America and Kenya, Africa. He personally has had experience in both mining and exploration in Scotland and Bolivia.

Ronald Meepos - Mr. Meepos, applicant's Secretary-Treasurer, is a Certified Public Accountant.

Charles Murano - Mr. Murano is semi-retired and derives his principal source of income from investments, including investments in mining and oil and gas ventures.

John M. Liebes - Mr. Liebes has for more than ten years been engaged in the real estate brokerage business.

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7. Estimate of costs.

(a) Independent contracts: None.

(b) Personal services:

	Unit Monthly Or Weekly Salary Or Fee	Total Cost 1 Year
Mine director (1)	$1,000.00	$12,000.00
Asst. mine director (1)	600.00	7,200.00
Consulting geologist (incl. exp.)	800.00	9,600.00
Hoist operators (2)	125.00	13,000.00
Miners (8) *	120.00	48,000.00
Washing plant operator	125.00	6,500.00
Contingency allowance (10%)		9,500.00
Total, Personal Service		$105,800.00

* 4 miners only during first 4 weeks

(c) Operating materials and supplies:

	Unit Cost	Total Cost
* Powder, 11 tons	$546.00/ton	$6,006.00
* Caps, fuses, etc.		1,000.00
* 24# rail, 18 tons	$220.00/ton	3,960.00
* Fishplates, bolts and nuts, 300 sets	$2.00/set	600.00
* Track spikes, 500#	$14.00/100#	70.00
* Track ties, 1100	50¢ ea.	550.00
* Ventilation pipe, 2200'	65¢/ft.	1,430.00
* 3" air pipe w/couples, 2200'	$1.00/ft.	2,200.00
* Drill steels, 100	$16.00 ea. (ave.)	1,600.00
* Timber (3 x 12) 51000 bd'	$135.00/M bd'	6,885.00
Nails, wedges, blocking		750.00
Electric power	$350.00/mo.	4,200.00
* Field telephones and wire (4)	$35.00 ea.	140.00
Gas and oil, auto equip.	$150.00/mo.	1,800.00
* Hand tools		750.00
Freight (principally rail and timber)		1,000.00
Contingency allowance (10%)		3,294.00
Total, Operating Materials and Supplies		$36,235.00

* Applicant will provide a portion of these items.

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(d) Operating equipment.

(1) Furnished by applicant:

	Fair Market Value
1 - 1963 Intl. Harvester 3/4 ton pick-up	$2,500.00
1 - 1952 Ford 5 ton dump truck	750.00
1 - Chicago Pneumatic 315 cu. ft. air compressor w/ receiver	1,800.00
2 - Schramm 210 cu. ft. air compressors @ $900.00	1,800.00
1 - Hendy mine hoist w/cable and skip	2,500.00
4 - 3/4 ton ore cars @ $55.00	220.00
10 - Atlas - Copco #656 pneumatic drills @ $90.00 junk?	900.00
4 - Ingersoll-Rand stoper drills @ $100.00	400.00
1 - Ingersoll-Rand 10 h.p. electric pump	350.00
1 - Worthington 10 h.p. electric pump	300.00
1 - Chicago Pneumatic model C-P-7 sludge pump	250.00
1 - Emico 12B tunnel mucker	2,000.00
3 - 36" Gardner-Denver air legs @ $55.00	165.00
2 - Atlas Copto air legs @ $55.00	110.00
1 - 11" ventilation blower	250.00
1 - Model 909 Homelite chain saw	150.00
1 - 10" Mall electric saw	75.00
1 - 7" Bench grinder	50.00
1 - 1/2" Mall electric drill	65.00
1 - Gas welding gauges and torch	150.00
1 - Denver washing plant and affiliated equipment	2,000.00
Total, Equipment Furnished By Applicant	$16,785.00

(2) Equipment to be acquired:

	Total Cost
? 1 - Emico 12B tunnel mucker	$2,500.00
1 - 11" ventilation blower	275.00
? 1 - Hendy mine hoist w/cable and skip	3,000.00
? 1 - Chicago Pneumatic 315 cu. ft. air compressor w/receiver	1,800.00
4 - 3/4 ton ore cars @ $65.00	260.00
? 1 - Head frame	2,000.00
Total, Equipment to Be Acquired	$9,835.00

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(3) Equipment to be rented:

	Annual Rental
1 - Head frame @ $35.00 per mo.	$ 420.00
Total, Equipment to Be Rented	$ 420.00

Summary:

Equipment furnished by applicant	$16,785.00
Equipment to be acquired	9,835.00
Equipment to be rented	420.00
Total, Operating Equipment	$27,040.00

(e) Initial rehabilitation and repairs: None.

(f) New buildings, fixtures and installations:

Hoist and compressor houses for second prime shaft	$ 425.00
Electrical installation for second prime shaft	2,000.00
Total, New Buildings, etc.	$ 2,425.00

Note: These prices based upon actual cost to applicant of comparable installation at its No. 1 shaft.

(g) Miscellaneous:

Repairs and preventitive maintenance on compressors, drifters, stopers and automotive equipment	$ 1,200.00
Repairs, maintenance, tires on automotive equipment	780.00
Road maintenance (based upon actual experience during winter 63-64)	600.00
Accounting and payroll services	2,400.00
Employer's payroll taxes (7%)	7,406.00
Workmen's compensation ($19.87/100 on miners; $8.60/100 on surface employees; $13.09 on washing plant operator; average rate - 15%)	14,430.00
Contingency allowance	5,000.00
Total, Miscellaneous	$31,816.00

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Summary - Estimated Costs:

(a)	Independent contracts	-0-
(b)	Personal services	$105,800.00
(c)	Operating materials and supplies	36,235.00
(d)	Operating equipment	27,040.00
(e)	Initial rehabilitation and repairs	-0-
(f)	New buildings and installations	2,425.00
(g)	Miscellaneous	31,816.00
	Total, Estimated Costs	$203,316.00

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INDEX TO EXHIBITS

Exhibit Number	Description
Exhibit 1-A	Letter of Bank of America.
Exhibit 1-B	Letter to Guardian Bank.
Exhibit 1-C	Letter to Bank of Los Angeles.
Exhibit 1-D	Letter from Bank of America.
Exhibit 1-E	Letter from Guardian Bank.
Exhibit 1-F	Letter from Bank of Los Angeles.
Exhibit 2-A	Copy of applicant's lease.
Exhibit 2-B	Copy of assignment of lease to applicant.
Exhibit 2-C	Copy of certificate of Plumas County Abstract and Title Company.
Exhibit 3-A	Geology figures.
Exhibit 3-B	Assay certificates samples 580 to 583.
Exhibit 3-C	Assay certificates samples 3851 to 3855.
Exhibit 4-A	Map showing general location of Quincy and Meadow Valley.

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July 13, 1964

Bank of America
Wilshire-Mariposa Branch
3434 Wilshire Boulevard
Los Angeles, California 90005

Attention: Herbert Warneke, Manager

Re: HOMESTEAD GOLD EXPLORATION CORPORATION

Gentlemen:

Please be advised that this office represents Homestead Gold Exploration Corporation, a gold mining corporation, which company is engaging in the exploration of a mineral property in the vicinity of Quincy, California. The company at the present time does not have a producing mine and is desirous of obtaining some financial assistance. We propose to borrow from your bank the sum of approximately $100,000.00, repayable in monthly installments commencing nine months from the date of such loan over a period of twelve years. Interest would be at the customary rate of your bank for such loans.

The company has in excess of $100,000.00 in cash and liquid assets and the company funds, together with the funds to be borrowed, would be used to finance an exploration of its leased property in Quincy, California, for the purpose of determining whether or not gold in commercial value exists on such property.

Would you be so kind as to advise this office whether or not your bank would be in position to make such loan, and if so please advise us of what further documents would be necessary in connection therewith.

Thank you for your courtesy and cooperation in the matter.

Very truly yours,

ZEMAN & FISCHER

By:
B. D. FISCHER
Attorneys for Homestead Gold Exploration Corporation

Homestead Gold Exploration Corporation
3460 Wilshire Boulevard, Suite 618
Los Angeles, California 90005

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EXHIBIT 1-A

July 13, 1964

Guardian Bank
7014 Sunset Boulevard
Los Angeles, California

Attention: Frank Qualls, President

Re: HOMESTEAD GOLD EXPLORATION CORPORATION

Gentlemen:

Please be advised that this office represents Homestead Gold Exploration Corporation, a gold mining corporation, which company is engaging in the exploration of a mineral property in the vicinity of Quincy, California. The company at the present time does not have a producing mine and is desirous of obtaining some financial assistance. We propose to borrow from your bank the sum of approximately $100,000.00, repayable in monthly installments commencing nine months from the date of such loan over a period of twelve years. Interest would be at the customary rate of your bank for such loans.

The company has in excess of $100,000.00 in cash and liquid assets and the company funds, together with the funds to be borrowed, would be used to finance an exploration of its leased property in Quincy, California, for the purpose of determining whether or not gold in commercial value exists on such property.

Would you be so kind as to advise this office whether or not your bank would be in position to make such loan, and if so please advise us of what further documents would be necessary in connection therewith.

Thank you for your courtesy and cooperation in the matter.

Very truly yours,

ZEMAN & FISCHER

By:
B. D. FISCHER
Attorneys for Homestead Gold Exploration Corporation

Homestead Gold Exploration Corporation
3460 Wilshire Boulevard, Suite 618
Los Angeles, California 90005

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EXHIBIT 1-B

July 13, 1964

Bank of Los Angeles
358 South Spring Street
Los Angeles, California 90013

Attention: George Ramsay, Vice President

Re: HOMESTEAD GOLD EXPLORATION CORPORATION

Gentlemen:

Please be advised that this office represents Homestead Gold Exploration Corporation, a gold mining corporation, which company is engaging in the exploration of a mineral property in the vicinity of Quincy, California. The company at the present time does not have a producing mine and is desirous of obtaining some financial assistance. We propose to borrow from your bank the sum of approximately $100,000.00, repayable in monthly installments commencing nine months from the date of such loan over a period of twelve years. Interest would be at the customary rate of your bank for such loans.

The company has in excess of $100,000.00 in cash and liquid assets and the company funds, together with the funds to be borrowed, would be used to finance an exploration of its leased property in Quincy, California, for the purpose of determining whether or not gold in commercial value exists on such property.

Would you be so kind as to advise this office whether or not your bank would be in position to make such loan, and if so please advise us of what further documents would be necessary in connection therewith.

Thank you for your courtesy and cooperation in the matter.

Very truly yours,

ZEMAN & FISCHER

By:
B. D. FISCHER
Attorneys for Homestead Gold Exploration Corporation

Homestead Gold Exploration Corporation
3460 Wilshire Boulevard, Suite 618
Los Angeles, California 90005

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EXHIBIT 1-C

Cable Address — BANKAMERICA

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION

WILSHIRE-MARIPOSA BRANCH • 3434 WILSHIRE BOULEVARD • LOS ANGELES 5, CALIFORNIA

July 14, 1964

Mr. Bernard D. Fischer
c/o Zeman & Fischer
3460 Wilshire Boulevard, Suite 618
Los Angeles, California 90005

Dear Mr. Fischer:

Upon receipt of your letter of July 13, 1964, I verbally discussed your proposal with our Loan Committee.

It is our opinion that the type of capital which the Homestead Gold Exploration Corporation requires is in the nature of equity financing as opposed to normal commercial lending. In order for the bank to consider such a loan request, it would have to be on a basis involving personal signatures backed up by fully marketable collateral of sufficient amount. In the future, if the mine becomes productive, the bank can then consider short-term working capital loans.

We, naturally, appreciate very much your patronage and goodwill, Bernie, but I am sure that you understand that this loan method is not of the type which is normally handled by a commercial bank. If you have any questions, however, please telephone me at MU. 3-4812.

Sincerely yours,

H. J. Warneke
Manager

HJW:ac

Homestead Gold Exploration Corporation
3460 Wilshire Boulevard, Suite 618
Los Angeles, California 90005

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EXHIBIT 1-D

Bank of Los Angeles

SPRING STREET AT FOURTH • LOS ANGELES 13, CALIFORNIA • TEL. 626 • 2301

T. W. Mawhinney
Vice President

July 16, 1964

Mr. B. D. Fischer
3460 Wilshire Boulevard
Los Angeles 5, California

Re: Homestead Gold Exploration Corporation

Dear Mr. Fischer:

This is to inform you that we have reviewed your credit request for $100,000 on behalf of Homestead Gold Exploration Corporation.

As the Bank of account for this corporation, we have given this matter considerable attention, however we are unable to grant the request. It is not our Bank policy to make term loans on a two year basis, particularly when there would be no repayment for the first nine months.

We sincerely hope that we will be able to accommodate you in the future.

Sincerely,

T. W. Mawhinney

TWM:erm

Homestead Gold Exploration Corporation
3460 Wilshire Boulevard, Suite 618
Angeles, California 90005

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EXHIBIT 1-F

MINING LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into this 23rd day of August, 1962, by and between G. B. M. MEDEARIS of Quincy, California, hereinafter referred to as "LESSOR" and BERNARD MAC DONALD of Los Angeles, California, hereinafter referred to as "LESSEE".

WHEREAS, LESSOR warrants and represents that he is the sole owner and is in possession of the mineral and mining rights, acquired by virtue of PLACER MINING CLAIM LOCATIONS properly and legally maintained by him in full accordance with the statutes of the United States and the State of California, in and to the following described unpatented mining property, to wit:

GOPHER HILL EXTENSION placer Mining Claim, as recorded on May 4, 1948, volume 20, page 38, Placer Mining Records, Plumas County, California, 160 acres more or less.

SPANISH GOPHER Placer Mining Claim as recorded June 12, 1948, volume 20, page 48, Placer Mining Records, Plumas County, California, 40 acres more or less.

Both of which mining properties are located in Section 12, Township 24 N., Range 8 E., M. D. M.; and

WHEREAS, LESSOR is desirous of leasing all of said property to LESSEE, and LESSEE desires to obtain such a lease;

Homestead Gold Exploration Corporation
3460 Wilshire Boulevard, Suite 618
Los Angeles, California 90005

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EXHIBIT 2-A

NOW, THEREFORE, the parties hereto agree as follows:

For and in consideration of the sum of Ten Dollars ($10.00), the receipt of which is hereby acknowledged, and in consideration of the faithful performance by LESSEE of all of the covenants, conditions, and provisions contained in this lease, LESSOR DOES HEREBY let, lease, and grant to LESSEE an exclusive lease of all of the above described property and all mining and mineral rights thereto upon the terms and conditions contained herein:

1. TERM. The term of this lease shall be ten (10) years commencing on the date first above written.

2. OPTION. LESSOR hereby grants to LESSEE the option to extend this lease for an additional period of ten (10) years upon the same terms and conditions as contained in this lease providingthat LESSEE is not then in default under this lease and further providing that LESSEE gives notice to LESSOR of LESSEE'S intention to exercise said option not later than ninety (90) days prior to the date said option is to be exercised.

3. OPTION TO PURCHASE. LESSOR hereby grants to LESSEE the option to purchase the property, the subject of this lease, together with all mineral and mining rights thereto for the sum of SIXTY-THOUSAND DOLLARS ($60,000.00) at any time during the term of this lease. IN ADDITION, LESSOR does hereby modify the conditions of the above stated option and agrees to sell aforementioned property to LESSEE or his agents for FIFTY-THOUSAND DOLLARS ($50,000.00) at any time within two (2) years from the date of execution of this lease, or FORTY THOUSAND DOLLARS ($40,000.00) if purchased within eighteen (18) months.

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Los Angeles, California 90005
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4. FLOOD DAMAGE. If during the term of this lease the United States through any of its agencies or the State of California, or the County of Plumas, or any authorized public utilities should dam the stream known as Spanish Creek and flood any part or portion of the above described property, LESSOR and LESSEE shall have no liability to each other for any damages which may be caused by waters resulting from said dam.

5. IMPROVEMENT BY LESSEE. LESSEE shall have the right to use said property for such purposes as LESSEE may desire, including, but not limited to the right to conduct testing, sampling and mining operations, remove and ship therefrom gold, other metals, other minerals, concentrates or products of any character found on or in said property; erect and construct mines, extraction and reduction equipment buildings and structures, install machinery and equipment, all as LESSEE may require. Upon the termination of this lease, LESSEE shall have the right to remove any buildings, equipment, machinery and any other materials placed upon said property by LESSEE during the term of this lease, provided, however, that LESSEE shall remove such materials from said property within ninety (90) days after the termination of this lease.

6. MINIMUM STANDARDS. LESSEE shall do, or cause to be done, mining development work on said premises commencing not later than ONE-HUNDRED-TWENTY (120) DAYS from the execution of this lease and proceed diligently and continuously thereafter performing at least ONE-HUNDRED (100) man shifts each and every calendar month except during the months of December, January, February, March and April of each year.

7. ANNUAL ASSESSMENT WORK. LESSEE shall perform the required annual assessment work on said property and shall furnish to LESSOR each year a proper affidavit to the effect

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that said annual assessment work has been done and performed, the affidavit to be given to LESSOR prior to July 1 of each year. Said affidavit will also state the approximate value of work performed.

8. ROYALTIES. In consideration of the rights and privileges hereby granted by LESSOR to LESSEE to conduct mining on said property and to remove and/or sell gold and/or other valuable products therefrom and as a rental for the use and occupancy of said premises, LESSEE does hereby agree to pay to LESSOR a Gross or earned royalty of TEN PER CENT (10%) of the total gross production of all metals, precious, or otherwise, minerals and products mined or produced from said property.

Said payment shall be paid to LESSOR immediately upon receipt by LESSEE of payment for each and every lot of gold or any other product, including black sands, concentrates, gold amalgam, or other metals or minerals, and whether these products are sold to the United States Mint, or elsewhere.

Transfer of the gold, minerals, black sands, or other products to another party on credit or other arrangements than payment in cash shall make the royalty due and payable immediately to LESSOR, even though LESSEE has not received remuneration for same.

It is further agreed and understood that LESSEE shall, at the time of each and every cleanup, weigh the accumulated free gold nuggets, grains, and dust, and immediately pay to LESSOR the required ten per cent (10%) royalty on same, and transfer immediately to LESSOR in the form of nuggets, grains, and dust, untreated placer gold, in lieu of money. LESSOR will at this time give to LESSEE a receipt stating payment of such royalties.

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9. SALES RECORDS. Every royalty payment made to LESSOR by LESSEE shall be accompanied by a copy of mint, smelter, mill, or other purchaser's invoice showing the type of product sold, the pprchase price and amount sold. In addition LESSEE shall keep an accurate account of all products mined or produced from said property showing the amounts said products were sold for and said records shall be open to LESSOR'S inspection at all reasonable business hours.

10. LESSOR'S RIGHT TO ATTEND CLEANUPS. LESSOR or his duly authorized agent shall have the right to attend all cleanups and to witness same including the weighing of gold. LESSEE agrees to notify LESSOR at least forty-eight (48) hours before any cleanups are made, provided, however, if LESSEE desires to make cleanups on a regular basis, LESSEE may notify LESSOR of his intention to hold cleanups at such regular times and in that event LESSEE shall hold cleanups at no other times without giving to LESSOR at least forty-eight (48) hours notice. In addition, LESSOR shall have the right at all reasonable times to enter upon and inspect all works and mining operations, and to take samples of the gravel for the purposes of determining their contents.

11. ASSIGNMENT OF THIS LEASE. LESSOR acknowledges that LESSEE is the nominee for a group of individuals who contemplate operation of said property. LESSOR hereby consents to the assignment of this lease by LESSEE to LESSEE'S principals and by LESSEE or said principals to any corporation organized for the purpose of operating said property, providing that LESSOR is notified in writing within five (5) days of all assignments to said principals, or assignments to a corporation as above stated.

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12. NOTICE OF NONRESPONSIBILITY. All labor performed and improvements made upon said property by LESSEE shall be made at the sole cost and expense of said LESSEE, and said property or mining claims shall not be encumbered by any liens for labor performed thereon or for materials furnished therefor. LESSOR shall have the right to post, keep, and maintain notices on said premises that LESSOR shall not be liable for any materials furnished, labor performed, or improvements made thereon or therein by LESSEE or his agents.

13. INSURANCE. LESSOR is not the employer of any person employed on said property under the terms of this lease, and LESSOR shall not be liable for any personal injuries to any person while on said property, whether they be employees of said LESSEE or not, whether they be workers or not, or "innocent bystanders", and to that end LESSEE shall insure and keep insured against all accidents and injuries all of his employees who are required to be insured under the laws of the State of California who are employed in connection with the operations of LESSEE in and on this property.

14. LAWS. LESSEE shall comply strictly with all the laws of the United States and the State of California, including the rules and regulations of the California Debris Commission, U. S. Forestry, Fish and Game, etc., regarding debris disposal and water pollution in carrying out mining operations on said property.

15. TAXES. LESSEE shall, before becoming delinquent, pay all taxes or assessments of every kind or nature which may be levied against any of the buildings, structures, improvements, machinery or equipment placed on said premises by LESSEE.

16. LIABILITY OF LESSOR. Except in the case of an act performed or caused by LESSOR, said LESSOR shall not be responsible to LESSEE if for any cause whatsoever LESSEE should be hindered or impeded in his mining operations.

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17. LIABILITY OF LESSEE. LESSEE agrees to keep LESSOR harmless from and against any and all loss, cost, expense, damage, claims or liabilities to any person or persons for death, personal injuries, damage to property or any cause in any way arising upon or from the above described property belonging to LESSOR, or any part thereof, or out of the use or occupation therein at any time during the life of this lease.

18. REMOVAL OF EXISTING HOUSE. If LESSEE'S mining operations approach the two-room dwelling on the hill, permission is granted by LESSOR for LESSEE to put same on adequate skids and remove out of the way, using due care and precaution, the new location to be decided between LESSOR and LESSEE.

19. ADVANCE ROYALTIES. Beginning one-hundred twenty (120) days after the execution of this lease, on the first day of each and every month LESSEE shall pay to LESSOR the sum of TWO HUNDRED FIFTY DOLLARS ($250.00) as advance royalty, the same to be charged against and deducted from actual earned royalties from production. These monthly advance royalty payments are not only an advance on future royalties but also cover the use and occupation of the property, are final and are not returnable.

20. LEGAL NOTICE. In the event either party, or his assigns or heirs, shall bring suit in court of law for breach by the other party of any of the covenants, terms, and conditions contained in this lease, or for possession of said property or for termination of this lease for reason of default by the other party, or for any monies due and unpaid as herein provided, and should the ~~other party~~ Plaintiff recover judgment in said suit, in court, the other party the defendant shall pay all costs of

OK Bonding
OK R.R.D.
OK Bonding
OK R.R.D.

—Rpm, U.P.

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said suit in court, including attorneys' fees, amounts and conditions of such payments to be fixed by said court of law as a part of the costs of said action.

21. TIME. Time is of the essence of this lease and each and all of the terms and conditions hereof, and should LESSEE fail to correct and cure any default in the performance of any of the terms and conditions of this lease on his part to be kept and performed within ten (10) days after LESSOR notifies him in writing of said default, then LESSOR may terminate this lease, and LESSOR shall be entitled to enter upon and take possession of said property.

22. TERMINATION. It is understood and agreed that LESSEE may terminate and surrender this lease at any time LESSEE may so desire, and that upon LESSEE'S doing so LESSEE shall be relieved from further liability under the terms of this lease, PROVIDED, however, that LESSEE must first pay all amounts due LESSOR for royalties, rentals, or advance royalties up to the date said termination and surrender of this lease by LESSEE, and LESSEE shall also submit a true and final accounting, together with a written notification setting forth his desire to terminate and surrender this lease, and LESSEE shall then execute a notarized quitclaim to said lease and said property.

23. NOTICES. Written notices to LESSOR shall be addressed to LESSOR at P. O. Box 1059, Quincy, California; notices to the LESSEE shall be addressed to LESSEE at

LESSOR and LESSEE shall promptly notify each other of any change in their mailing addresses.

24. The terms, conditions and provisions contained in this lease shall be binding upon and inure to the benefit of the heirs, administrators, or assigns of the LESSOR and LESSEE whose signatures are hereto affixed.

IN WITNESS WHEREOF, the LESSOR and LESSEE hereto have hereunto set their hands.

3214

RECORDED AT REQUEST OF
ZEMAN & FISCHER, ATTYS.
MARCH 7, 1963
AT 30 MIN. PAST 1 P M
VOL 161 PAGE 481
OFFICIAL RECORDS
PLUMAS CO. CAL. RECORDS
Ida Logan Jonvold
RECORDER
FEE 8.40

G. B. M. Medearis
LESSOR

Bernard McDonald
LESSEE

STATE OF CALIFORNIA } ss.
County of Plumas
On August 23rd, 1962, before me, Robert G. McArthur, a Notary Public, in and for said County and State, personally appeared
G. B. M. MEDEARIS
known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.
My commission expires March 20th 1965
Robert G. McArthur
Notary Public

STATE OF CALIFORNIA
COUNTY OF } SS.
LOS ANGELES
On September 12, 1962
before me, the undersigned, a Notary Public in and for said County and State, personally appeared
BERNARD McDONALD
known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.
WITNESS my hand and official seal.
(Seal)
Notary Public in and for said County and State
State of California - Principal Office, Los Angeles County
My Commission Expires August 9, 1964

Form 523 1-56 (Individual)

3826

RECORDED AT REQUEST OF
ZEMAN & FISCHER, ATTORNEYS
MAY 8, 1963
AT 12 MIN. PAST 10 A.M.
VOL 161 PAGE 1389
OFFICIAL RECORDS
PLUMAS CO. CAL. RECORDS
Ida Logan Jonvold
RECORDER
FEE 10.00

Homestead Gold Exploration Corporation
3460 Wilshire Boulevard, Suite 618
Los Angeles, California 90005

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ASSIGNMENT OF LEASE

THIS ASSIGNMENT OF LEASE AGREEMENT entered into this 7th day of May, 1963, by and between BERNARD McDONALD (hereinafter referred to as "Assignor") and HOMESTEAD GOLD EXPLORATION CORPORATION, a California corporation (hereinafter referred to as "Assignee").

WHEREAS, Assignor is the owner of all of Lessee's right, title and interest under and by virtue of that certain mining lease agreement dated August 23, 1962, a copy of which is attached hereto as EXHIBIT A and by this reference incorporated herein as though fully set forth at length; and

WHEREAS, Assignor desires to assign said lease to Assignee and Assignee desires to assume, undertake and perform Lessee's obligations under the provisions of said lease; and

WHEREAS, pursuant to paragraph 11 of said lease Lessee has a right to assign said lease;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

For a valuable consideration, the receipt of which is hereby acknowledged, Assignor hereby assigns to Assignee all of Lessee's right, title and interest under and by virtue of that certain mining lease agreement dated August 23, 1962, by and between G. B. M. Madearis as Lessor and Bernard McDonald as Lessee.

Assignee hereby accepts said assignment and agrees to perform all of the conditions, covenants and obligations of Assignor required by the mining lease agreement hereinabove referred to and Assignee hereby undertakes and agrees to indemnify and save Lessor harmless from any and all liabilities arising out of or in connection with said mining lease

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EXHIBIT 2-B

agreement from the date hereof.

IN WITNESS WHEREOF, each of the parties has hereunto set his hand this 7th day of May, 1963.

Bernard McDonald

BERNARD McDONALD,

Assignor

HOMESTEAD GOLD EXPLORATION CORPORATION

By Bernard McDonald
Vice President

By B. D. Fischer
Asst. Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.

On this 7th day of May, 1963, before me, M. M. BIRD, a Notary Public in and for said County and State, personally appeared BERNARD McDONALD, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

M. M. Bird

Notary Public in and for said County and State.

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.

On this 7th day of May, 1963, before me, M. M. BIRD, a Notary Public in and for said County and State, personally appeared BERNARD McDONALD and B. D. FISCHER, known to me to be the Vice President and the Assistant Secretary, respectively, of the corporation that executed the within instrument on behalf of the corporation named therein and acknowledged to me that such corporation executed the same pursuant to a resolution of its Board of Directors.

M. M. Bird

Notary Public in and for said County and State.

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OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 20 1964

DATE	INITIALS	CODE

Order Number 7295

PLUMAS COUNTY ABSTRACT AND TITLE COMPANY, a corporation, hereby certifies that an examination of the instruments shown by the indices in the office of the Recorder of the County of Plumas, State of California, discloses that the title to the mining claim hereinafter described that was acquired by the locators of said claim by the filing of said claim is at the date hereof vested in:

PAULINE PEARL SMITH

Subject to:

1. Paramount title of the United States of America
2. Any taxes or assessments that may be a lien.
3. The inadequacy of any proof of labor that may appear of record.
4. Adverse rights which may exist by reason of any encroachment of other mining claims onto theclaim hereinafter described or of any overlapping of the boundaries of said claim onto other claims.
5. Lease made by and between G. B. M. Medearis, lessor and Bernard McDonald, lessee, dated August 23rd 1962, recorded March 7th 1963 in Book 161 of Official Records, at page 481.

   By instrument dated May 7th 1963, recorded in Book 161 of Official Records, at page 1389, said Bernard McDonald assigned all his interest in said lease to Homestead Gold Exploration Corporation.

The mining claim above referred to is that certain claim situate in no organized mining district, County of Plumas, State of California, described as follows:

"Gopher Hill Extension Placer Mining Claim", consisting of the N½ of SW¼; NW¼ of SE¼; NW¼ of NE¼ of SE¼; SW¼ of SW¼ of NW¼; SE¼ of SW¼ of NW¼ and SW¼ of SE¼ of NW¼ of section 12, Township 24 North, Range 8 East, M.D.M., described in the Notice of Location, dated May 4th 1948, recorded in Book 20 of Placer Claims, at page 38.

"Spanish-Gopher Placer Mining Claim", consisting of the W½ of SW¼ of SE¼; E½ of SE¼ of SW¼ of section 12, Township 24 North, Range 8 East, M.D.M., described in the Notice of Location, dated May 14th 1948, recorded in Book 20 of Placer Claims, at page 48.

This certificate is issued and accepted upon the understanding that the liability assumed hereby shall not exceed $100.00.

Dated: July 3rd 1964 at 8:00 A.M.

PLUMAS COUNTY ABSTRACT AND TITLE COMPANY

By Robert G. McArthur

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EXHIBIT 2-C

GEOLOGY FIGURES

EXHIBIT 3-A

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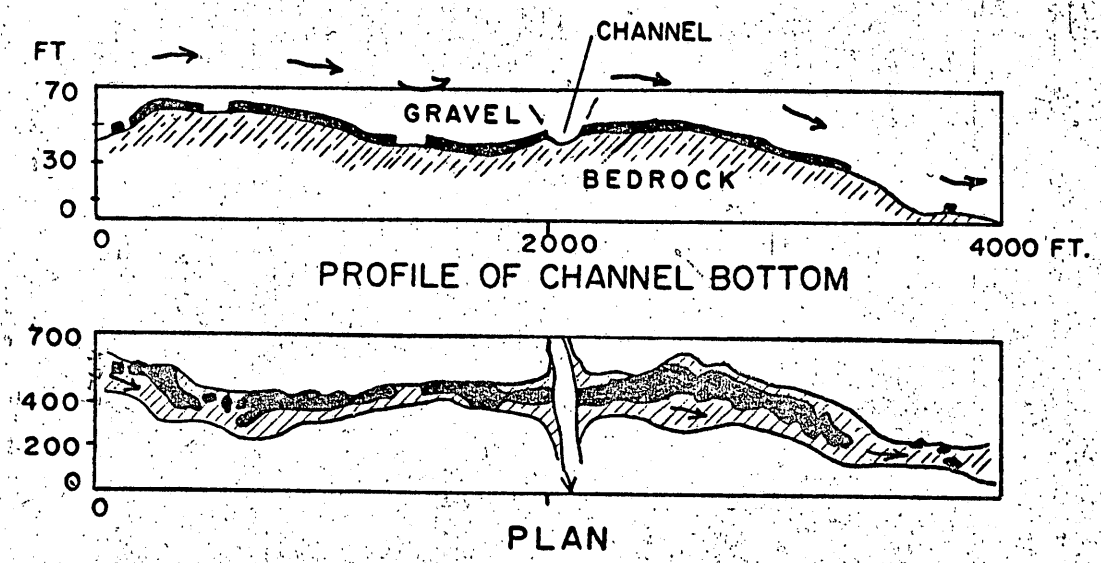

Section, Profile, and Plan of a rich buried channel; black areas indicate pay gravel. This is to illustrate the highly irregular nature of the "paystreaks" in these old channels. (Copied from USGS Prof. P.73 - Waldemar Lindgren)

FIGURE A-2

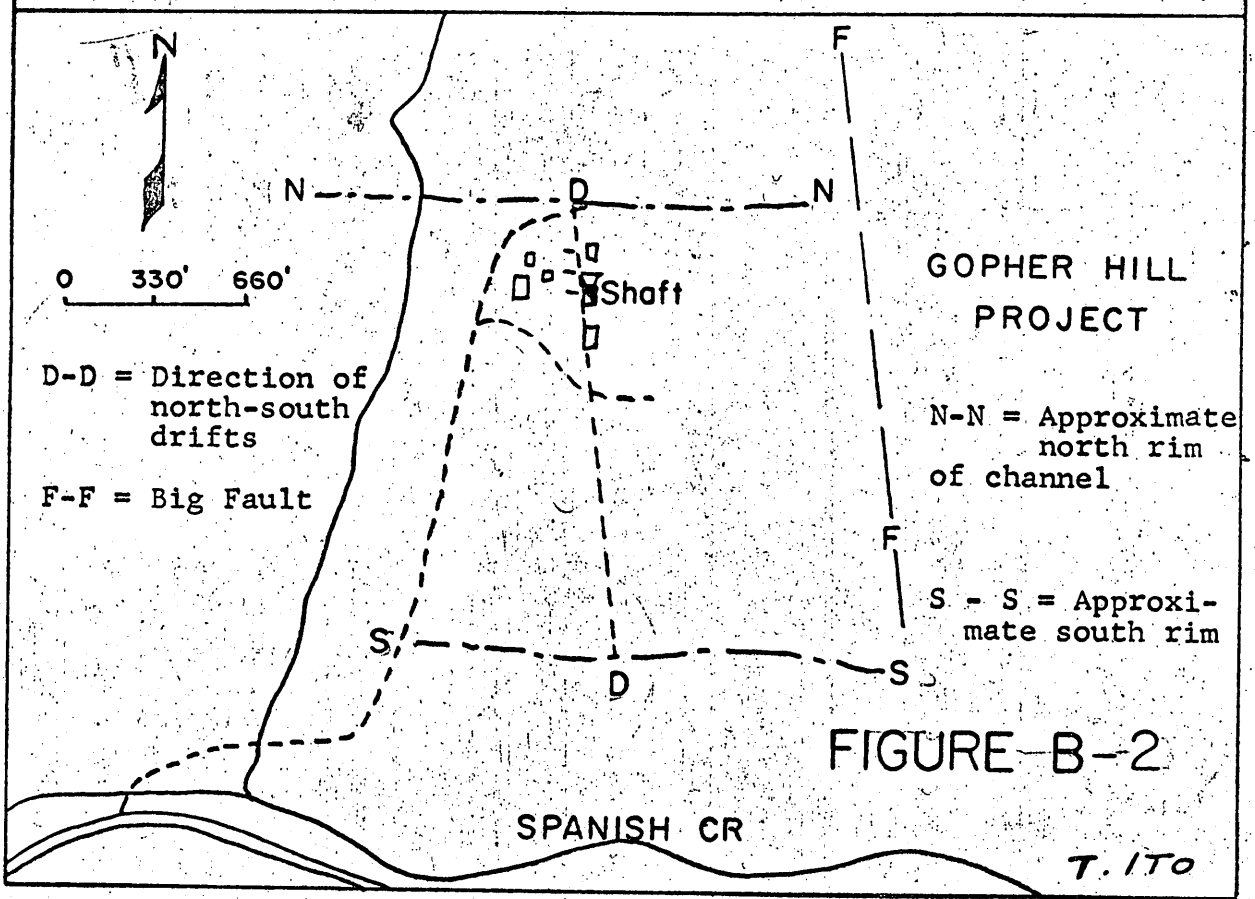

FIGURE B-2

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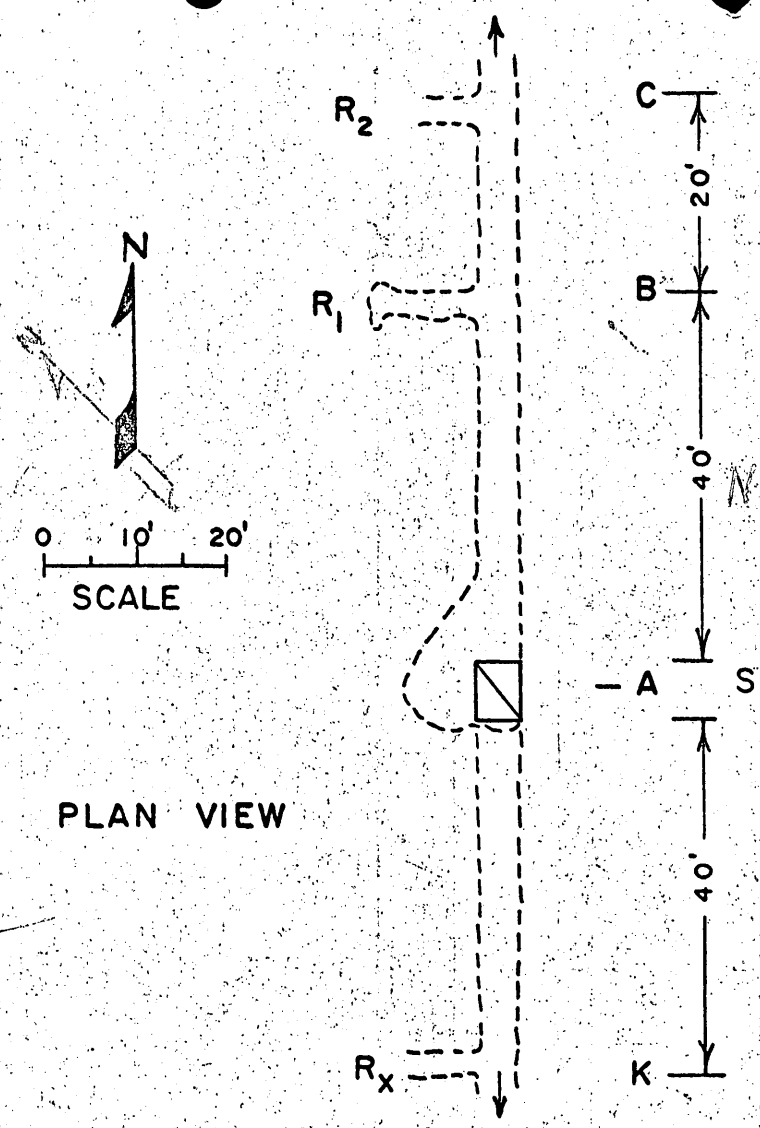

Continuation of Drift AC to the north rim of the channel

BC and R_2 (raise #2)

Next Objective

AB and R_1 completed as of May 1, 1964

NG

Future Project - Development of Drift AK toward south rim of channel

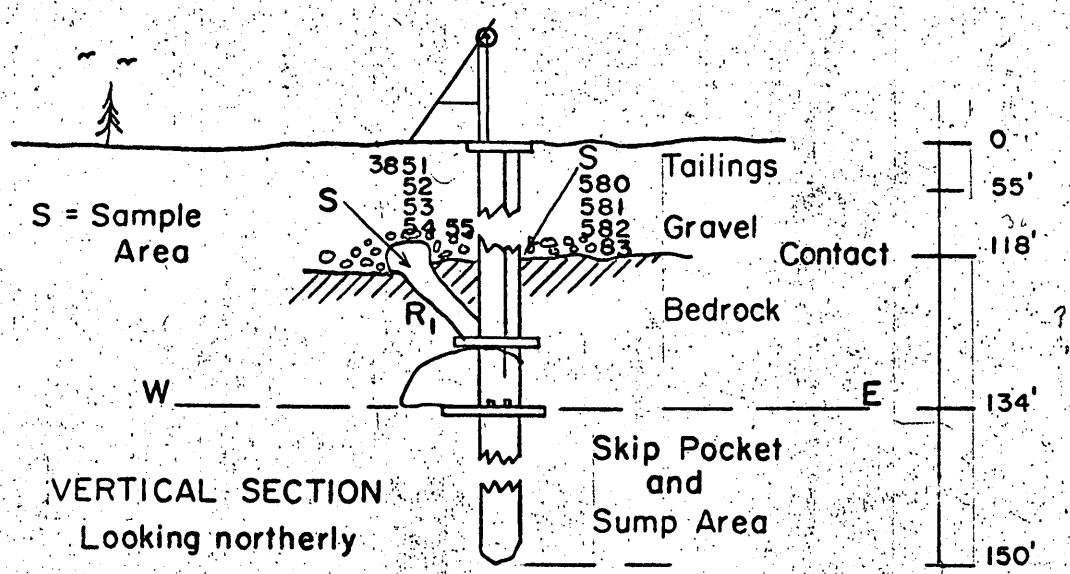

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FIGURE C-3

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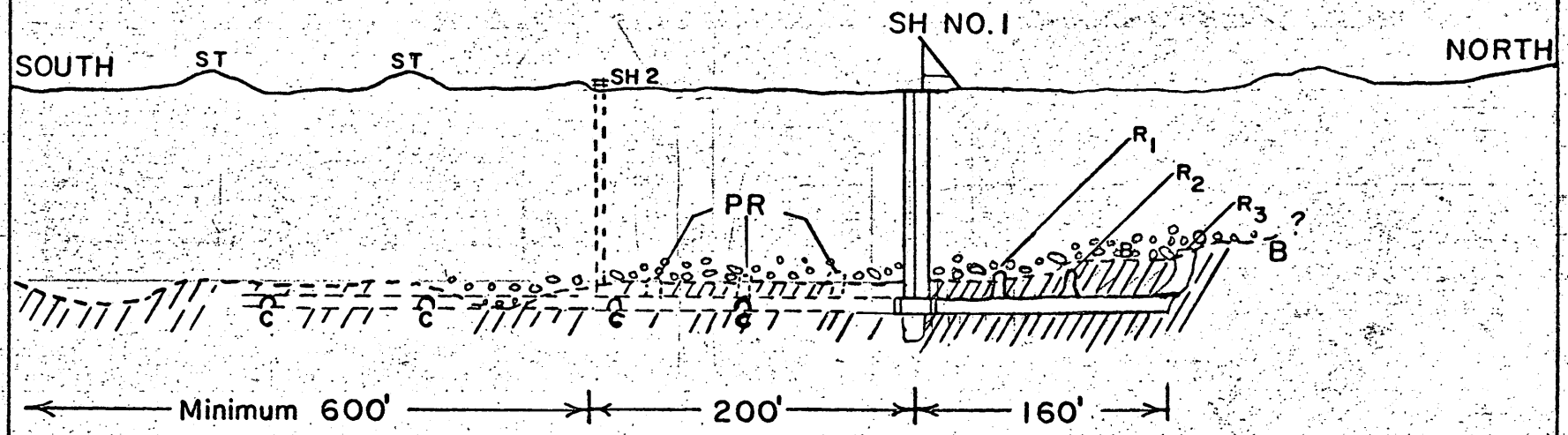
Los Angeles, California 90005

HOMESTEAD GOLD EXPLORATION CORP.
GOPHER HILL PROJECT



SCALE: 1" = 100'

GRAVEL

BEDROCK

LEGEND

R_1	RAISE NO. 1 – Now sealed
R_2	" " 2 – " " – Bad ground
R_3	" " 3 – " " – " "
ST	SLUICE TAILINGS
SH 2	AIR & ESCAPE SHAFT (PROPOSED)
PR	PROPOSED RAISES
C	CROSSCUT (PROPOSED)
B	BENCH ?

FIGURE E-1

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EXHIBIT 3-B

THE EISENHAUER LABORATORIES
316-322 South San Pedro Street
Los Angeles 13, California

ASSAY CERTIFICATE

PHONE MADISON 2-9328

Los Angeles, Calif. Jan. 15/64 19

I hereby Certify that the samples described below, received from

Homestead Gold Exploration Corp. assay as follows:

Owner's Mark and Sample	GOLD		SILVER		TOTAL VALUE PER TON	PERCENTAGE OF		
	OZS. PER TON	VALUE PER TON	OZS. PER TON	VALUE PER TON		COPPER	LEAD	ZINC
# 580	.08	$ 2.80	.26	$ .31	$ 3.11			
581	.03	$ 1.05	.27	$ .32	$ 1.37			
582	.035	$ 1.23	.41	$ .53	$ 1.76			
583	.02	$ .70	.40	$ .52	$ 1.22			

NG

GOLD @ $ 35 PER OZ.
SILVER @ $ 1.29 PER OZ.
LEAD @ ____ c.
COPPER @ ____ c.

CHARGES ____

ASSAYER

Established 1916

ED. EISENHAUER, JR.
C. EISENHAUER RAYMOND

The EISENHAUER LABORATORIES
316-322 South San Pedro Street
Phone MAdison 2-9328 . . . LOS ANGELES 13, CALIF.

Established 1916
ASSAYERS
METALLURGISTS
CHEMISTS
ORE TESTING

May 7, 1964

HomesteadGold Exploration Corp.
Los Angeles
California

Subject: Assays of Ores.

Marked:	Gold value per cubic yard	Silver oz. per ton
# 3851	9.3¢	0.18
3852	$ 1.12	0.30
3853	22.2¢ NG	0.28
3854	93.4¢	0.20
3855	4.6¢	0.17

Respectfully submitted,

The EISENHAUER LABORATORIES

Ed. Eisenhauer, Jr.

Ed. Eisenhauer, Jr.

Homestead Gold Exploration Corporation
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Los Angeles, California 90005

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EXHIBIT 3-C

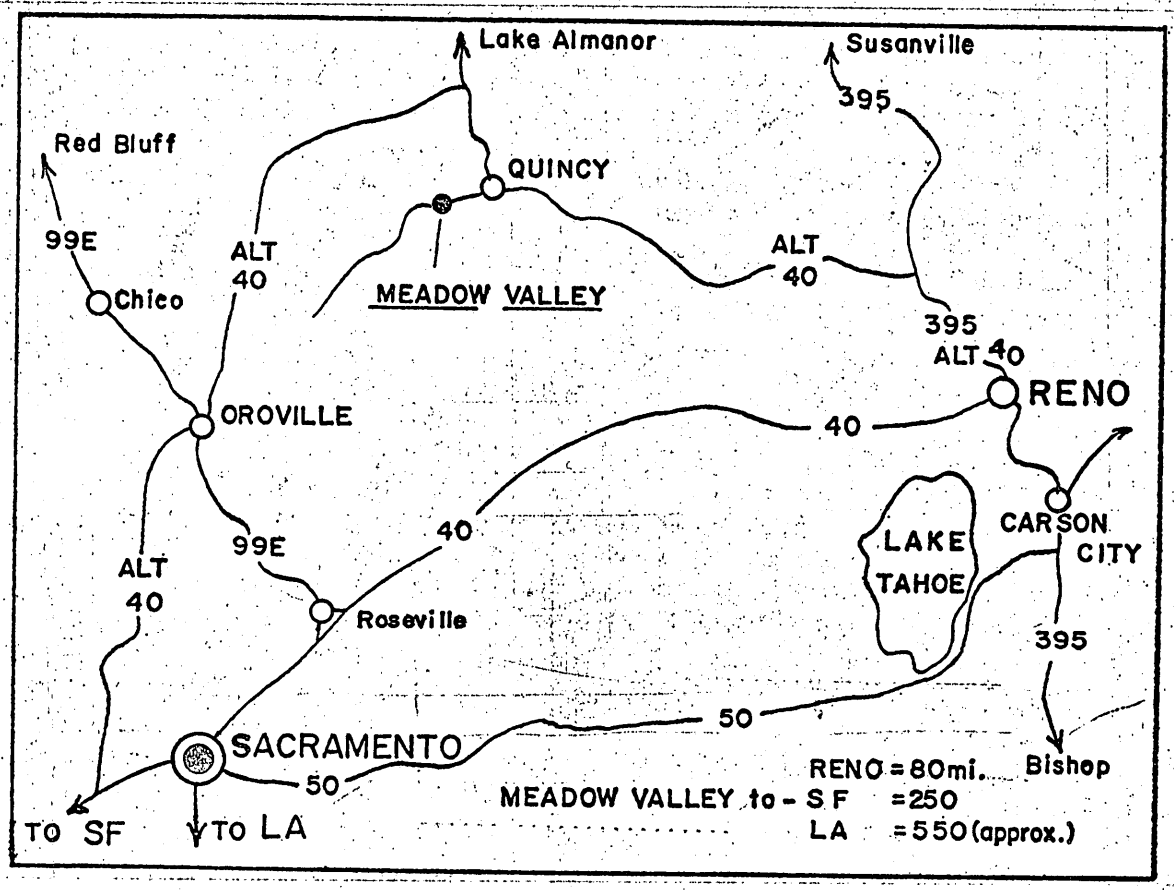

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EXHIBIT 4-A

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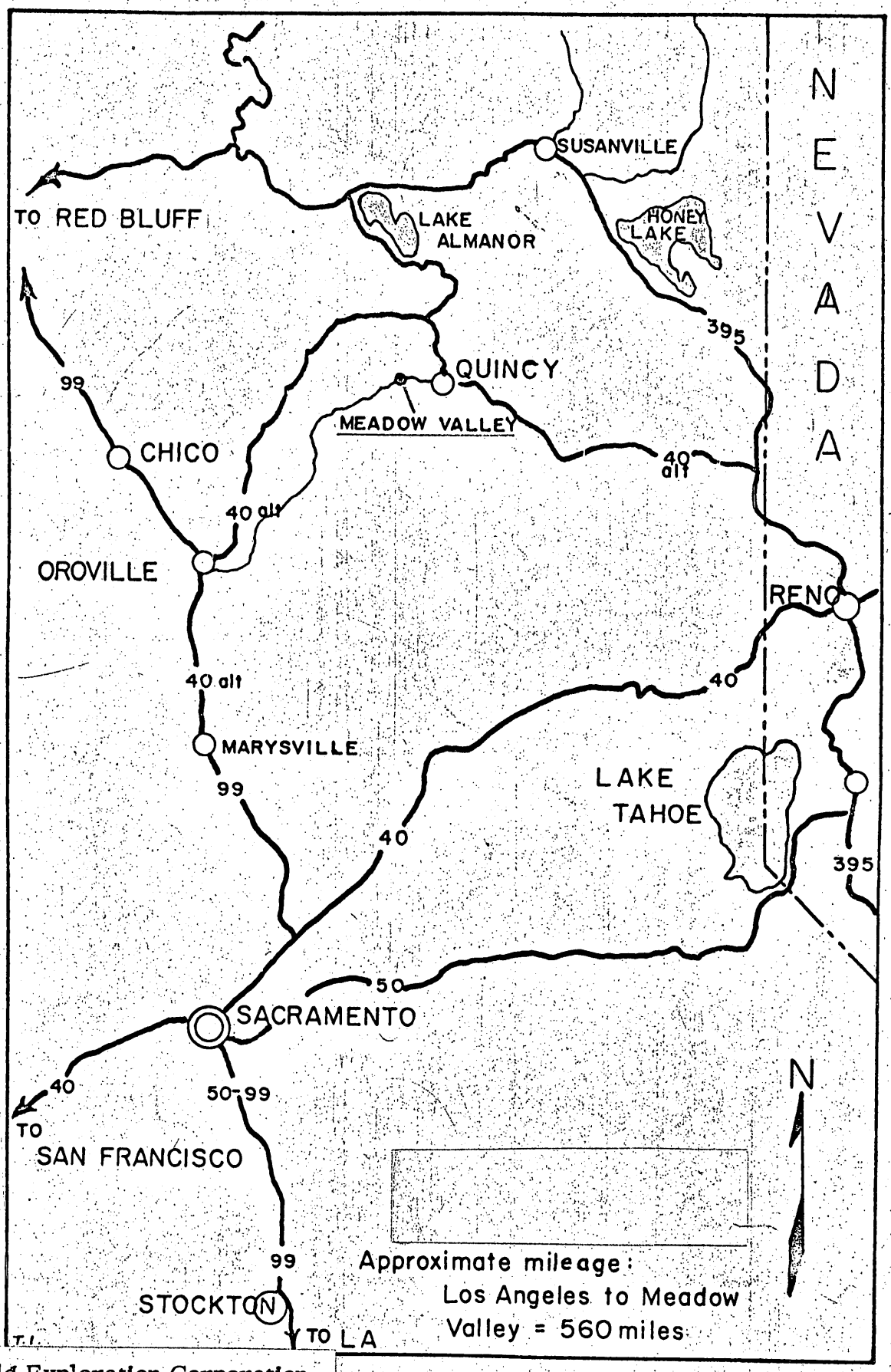
C. M. E.
RECEIVED JUL 20 1964

DATE	INITIALS	NOTE



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Los Angeles, California 90005

INTRODUCTION

The placer mining claims which comprise this property are located just off of the black-top Bucks Lake Road, approximately 6 miles West of the town of Quincy, the seat of Plumas County, California. Reference to this particular area on geological maps is made more easily by Spanish Ranch, but for practical purposes it is better known by Meadow Valley.

Quincy is served by alternate U.S. Highway 40, and a paved road passes adjacent to the property.

The elevation of the mine is about 3800 feet, with abundant water and timber, both of which are available for the proposed operation.

GENERAL GEOLOGIC HISTORY

In order to fully understand and appreciate the potentials of the property under consideration, it is necessary to get a picture, however brief, of the Sierra Gold Belt and the Tertiary gravels of the Sierra Nevada. Roughly, this covers the western slopes of the Sierra Nevada from Yosemite on the South to the Modoc Plateau on the North.

Gold, like most other minerals, is found in primary deposits known as lodes or veins, and in secondary deposits

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known as placers. Mechanical concentration is the natural gravity separation of heavy from light minerals by means of moving water (or air), by which the heavier minerals become concentrated into deposits classified as Placer Deposits. This is accomplished by (1) the freeing by weathering of stable minerals from their matrix, and (2) their concentration. Among the more common placer minerals are gold, platinum, tinstone, magnetite, and gemstones.

Near the most early geologic eras, in Paleozoic and early Mesozoic, seas once extended over the present site of the Sierra Nevada range. All this has been recorded in the marine deposited sediments with fossil corals and other tropical organic life. The soft sands, muds, and marl which deposited in this early sea are now changed into the form of very hard and dense quartzites, slates, schists, cherts, limestones and marble.

These metamorphosed rocks are so old and have undergone so many changes, including recrystallization and infiltration of mineral-bearing solutions, that it requires the highest skills to interpret the origin of these rocks. The early part of the Mesozoic was the Triassic, followed by the Jurassic, and the Cretaceous. The period of tremendous importance in this region is the Jurassic, and especially the latter part of this geologic period. Volcanic action was widespread throughout the whole area and seemed to serve as an ominous warning of

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of the mountain-making epoch which concluded the Jurassic and resulted in a huge, folded mountain range, the rocks of which were intruded throughout by a molten, granitic magma. After the intrusion, the fissures and joints of the granitic rocks and altered sediments became filled with veins and seams of gold-bearing quartz.

This series of events, which occurred over 100 million years ago, represent the end product of this major epoch of disturbance in California. The rocks of that period which we see exposed today probably were buried then at a depth of at least 10,000 feet.

A long period of erosion in the following Cretaceous period planed down the new-born mountains. This erosion period exposed the upper, richer parts of the gold-bearing quartz veins. The episode which followed resulted in releasing, removing, depositing and concentrating the gold from the upper portions of the veins and seams into placer deposits of unbelievable and fantastic richness. Pauses in erosion, when the topography had been reduced to gentle outlines, permitted deep rock decay and promoted the liberation of the precious metal from its matrix. It then found its way, because of a high specific gravity to the lower parts of crevices and into the beds of swift streams, where it was trapped in the natural rock riffles of slate and schist. These Eocene streams, however, were streams of 50 million years ago. They

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were destined to undergo entrapment and were preserved until a much later time.

Long-quiescent volcanic forces again asserted themselves, contemporaneously with the greatest volcanic action in the Great Basin. Light colored, finely divided volcanic ash (rhyolitic in composition) filled the valleys, covered the auriferous gravels, and outlined new stream courses in the old valleys. Volcanic activities increased in vigor, accompanied by other earth movements and severe earthquakes. The low hills of the area began to rise and the flow of the newly diverted streams was greatly accelerated. Earthquakes of undescribable intensity must have resulted from the great earth movements and faulting which marked the late Pliocene and early Pleistocene eras. This renewed disturbance began along the scarcely healed eastern breaks, resulting in a westward tilting of the main blocks; in consequence of this disturbance the monoclinal nature of the Sierra Nevada range was greatly emphasized. The streams immediately began to cut their beds deeper, and they repeatedly crossed their old courses and the concentration of gold in the new canyons proceeded under less favorable, torrential conditions. The new streams excavated sharp, V-shaped trenches in the hard rock, to a depth of 1,000 to 4,000 feet below the old surfaces. Thus were exposed parts of the old Tertiary surface, formed 50 million years ago, with its weathered mantle and red soil, and the rich

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concentrations of gold lying in the beds of thousands of ancient streams. It is understandable now why these old river channels, originally controlled in direction by bedrock structure over which the water flowed, have no parallelism to the new streams which exist today.

Wherever the canyon cutting streams destroyed the old channels, the gold in thise channels became concentrated in the recent river beds. The peace of this wilderness was interrupted in 1849 by a veritable army of gold seekers who invaded one of the richest treasure houses of the world. The auriferous gravels of the present streams were attacked first, but the miners soon traced the gold to the ancient channels on the summits of the ridges or those with a protective cap of volcanic rocks. The old "channels" proved to be extremely rich but difficult to mine and new methods were devised. Hydraulic mining was the answer in many cases, but after its prohibition, drift mining and dredging came into prominence. However, various economic conditions and considerations have forced this important industry into an unfortunate state of dormancy and decay. Gold is still contained in the Tertiary channels; miles of them are still unworked.

THE AREA

The area discussed in the remainder of this report will include Meadow Valley, Gopher Hill Channel, with particular reference to the portion known as Gopher Hill Extension and a Pleistocene channel, originating North of

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of the area, called Australia channel. The following landmarks will often be referred to, so a brief description here, correlated to FIGURE "A" of this report will assist the reader in his understanding.

(A) SPANISH CREEK is a substantial stream, having its origin on the slopes of Spanish Peak, West of Meadow Valley, crossing Meadow Valley from West to East, pursuing an easterly course to Quincy, seven miles distant, where it turns northward 12 miles, joins Indian Creek and subsequently the North Fork of the Feather River.

(B) WAUPONSIE CREEK flows southward from Snake Lake, two miles North of Gopher Hill Mine, crossing the property 2800 feet East of the Serpentine dike noted in Figure "A", and joins Spanish Creek at the southern extremity of the property.

(C) FAULT "F" is a North-South trending, probable Pleistocene fault, forming the eastern boundry of Gopher Hill Extension and the western boundry of old Gopher Hill hydraulic mine. It has been chosen as a convenient reference point both because of strategic location and geological importance to the property under consideration.

(D) AUSTRALIA CHANNEL lies predominantly North of Gopher Hill Mines, had, in Pleistocene time, a generally North-South course, closely paralleling that of the present Wauponsie Creek and converged with the gravels of Gopher Hill Channel just West of the Serpentine dike, near

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the present site of the Meadow Valley Sawmill, noted on the attached topographic map.

(E) WHITLOCK RAVINE forms the eastern boundry of the old Gopher Hill Mine and the western boundry of Badger Hill Mine. It was used for tailings disposal by both operations.

(F) The SERPENTINE DIKE, described later, crosses Gopher Hill Extension from North to South and forms the division line between Gopher Hill Extension and Meadow Valley. It is of vast importance to the property here considered.

Gopher Hill Channel and Meadow Valley constitute related areas of interest to the present developers. Other mines, both hardrock and placer, are abundant within a short radius, the majority of these mines, unlike Gopher Hill, owe their origin to geologic activity of a much later date, particularly the intrusives associated with Spanish Peak and related mountains.

The elaborate network of old channels comprising the La Porte area complex begin about nine miles southeast of Meadow Valley and although they make an apt comparison, the discussion would be too lengthy and has been treated in detail by various engineer-authors.

Most of the area surrounding Meadow Valley on the North and East and Gopher Hill Mines, on all sides, excepting Australia Channel to the North, is comprised of a schist bedrock commonly called Calaveras Slate, covered by a usually thin mantle of red, volcanic clay.

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All areas having a direct bearing on, or aiding the understanding of the present development will be presented in detail.

FOR THE FOLLOWING STUDY, PLEASE REFER TO FIGURES "A","B", &"C"

GOPHER HILL CHANNEL lies in a generally East-West course which has been traced for several miles in the immediate vicinity, beginning on the slopes of Spanish Peak to the West and ending in Quincy Valley on the East. Meanders of Spanish Creek and dissection by numerous, smaller streams and gulches, following a parallel, N-S system of Pleitocene faults have obliterated much of the channel, creating excellent secondary placer deposits. These secondary deposits, being relatively shallow, have been thoroughly mined, the notable exceptions being, the channel of Spanish Creek and Quincy Valley. These areas are presumed to be of low-grade, due to their size, the ground is heavy and depths exceeding dredging limitations obviate further exploration.

MEADOW VALLEY was probably formed by late Miocene downthrusting, may have been a glacial lake in later periods, fed by Pleistocene streams but, was left virtually barren during Tertiary time. Pleistocene faulting afforded later channels access to the deeply buried Gopher Hill Channel gravels, subsequently enriching Meadow Valley with borrowed values. Meadow Valley's production has been set by C. S. Haley (Calif. Div. Mines Bull. # 92) at $24,000,000.00; nearly all derived from sections of

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Gopher Hill Channel. It can readily be shown that later channels in the area are poorly enriched above (North of) Gopher Hill Channel and that those on the other sides of Meadow Valley afforded scarcely any values.

As an excellent and relative example, we will examine the Australia Channel (Pleistocene.)

Following a generally North-South course, the Australia Channel crossed Gopher Hill Channel near the present sawmill site, some 3/4 miles West of the proposed operation. Below this convergence, of the two channels, in Meadow Valley, Australia gravels were well enriched and supported extensive dredging, although the section Australia Channel had cut from Gopher Hill Channel was small and the values thus accumulated were scattered over a considerable area of Meadow Valley. Examination of Meadow Valley showed that the average depth of gravels dredged to be some 12 to 18 feet. Knowledge of these gravels led early miners to suppose that Australia Channel, like Gopher Hill Channel would provide good results if hydraulicked.

7000 feet N.N.W. of the proposed site and 600 feet higher, in the Center of Australia Channel, a semi-circular area on a 150 foot radius was hydraulicked. The cut exposed a face of barren gravel some 250 feet thick, emphasizing the size of the channel. Bedrock was equally barren. In addition, several shafts and hundreds of feet of drift were run beneath the channel to no avail. All of this

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work merely substantiated further, that Gopher Hill Channel, not later streams, is responsible for the area's production. Australia Channel production is not recorded but, is thought to be far less than the expenditures for development.

Of great importance, Spanish Creek nearly parallels the old course of Gopher Hill Channel for several miles and is largely responsible for the down-cutting and redistribution of the auriferous gravels. The occurence of a large North-South trending dike of serpentinized Olivine (?) (Line S-S all figures) prevented Spanish Creek from ravaging the portion of channel under consideration, although the bedrock of the channel lies well beneath the present bed of Spanish Creek.

No positive identification of the Serpentine dike has at this time been made but, there exists a strong posibility that it was present, in it's current position, when Gopher Hill Channel was flowing. These reasons are offered for this conclusion:

(1) Serpentine is absent, in quantity, from prominent geology of the area. (i.e. Spanish Peak and related mountains)

(2) On both the North and South sides of the channel, the formation is very much higher, reflecting that Gopher Hill Channel eroded it.

(3) No other stream has flowed in such a way as to have eroded this section of the dike, except for Spanish Creek, whose activity can be closely traced and which would have eroded the channel proper long before the dike.

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(4) Although the top of the dike is visible, thus establishing it well above the auriferous gravels, it is possible, in light of this section of channel being dropped during late activity, that the channel was dragged below the level of the exposure.

The down-flow side (West) of the channel, across the dike has been destroyed by Australia Channel and dredging operations so observation did not disclose erosion products of the Serpentine. The conclusion can be drawn that, the dike may have damned Gopher Hill Channel, during it's flow, forming an immense riffle. This feature, though not under direct consideration, is very attractive.

On the North side of Meadow Valley, two small patches of gravel were all of Gopher Hill Channel that escaped erosion by later streams. Both of these patches (noted in Fig. A) were on very precipitous hills and were easily drifted and hydraulicked. The production from and names of these mines is unknown to the author.

2500 feet East of Whitlock Ravine (Fig. "A"), a relatively small remnant of Gopher Hill Channel known as Badger Hill was hydraulicked. This mine lay at an elevation some 400 feet higher than Gopher Hill hydraulic mine, illustrating the abrupt uplifting in short distances. Production records were not reviewed, but the type and amount of work performed on this small property, indicates that extreme enrichment was present to warrant the expenditure on a property that had already been drifted.

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An inclined, southwest directed tunnel, several hundred feet long and twelve feet in diameter was used as a tailings raceway, emptying into Whitlock Ravine, near its convergence with Spanish Creek. Water was diverted from the system supplying Gopher Hill Mine for this project.

Railroad Hill, another segment of the channel, lies still farther East and probably 300 feet higher than Badger Hill. Observation shows that only a small remnant of gravel, clinging to an extremely steep hill was hydraulicked here. The remainder of the channel had succumbed to erosion by Spanish Creek and many gulches. Production from this property is not established and it is clear that the same water source was employed.

The effort expended to hydraulic these two properties, though both were amendable to drifting, shows that even relatively small patches of Gopher Hill Channel constitute immensely valuable properties.

Railroad Hill marks the eastern extreme of prominent remains of the channel, the extension toward Quincy Valley having undergone rather thorough erosion.

Referring to Figure "A", reference is made to the fact that the previously mentioned Serpentine dike was also effective in damning the area of Meadow Valley, permitting redeposition of values and delaying erosion of the valley by Spanish Creek. Spanish Creek has, so

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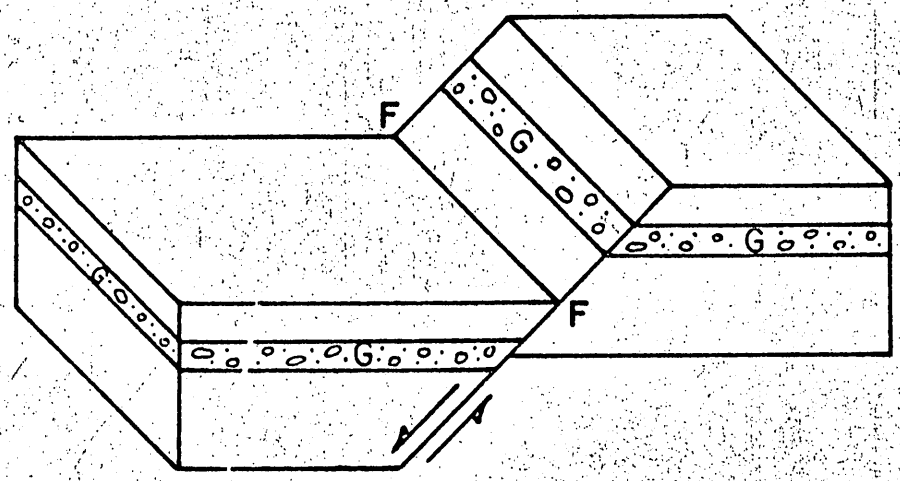
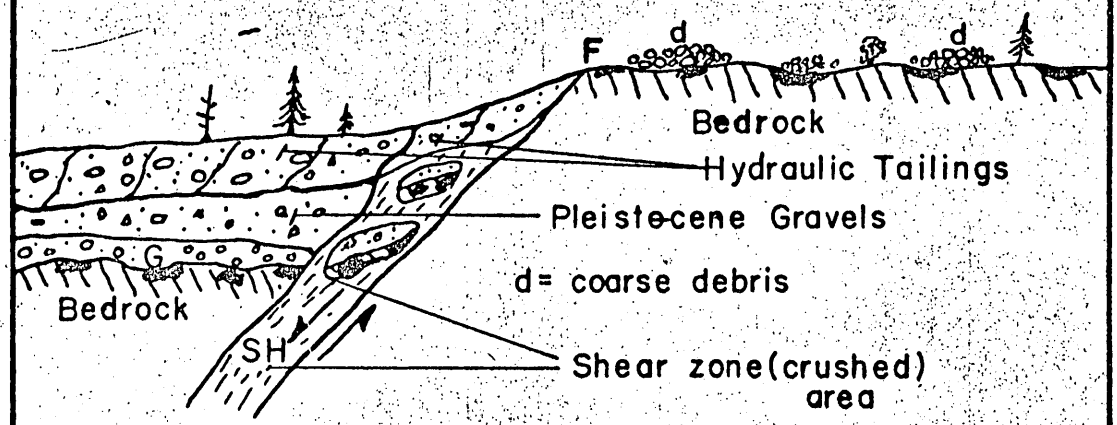


BLOCK DIAGRAM - showing normal faulting and resulting positions of the displaced auriferous gravels (G)

FIGURE C-1



SKETCH - showing the completely mined (hydraulicked) area, with bedrock exposed, as the upthrow side on the right, and the "hidden", untouched auriferous gravels (G) on the downthrow side on the left

FIGURE C-2

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far cut some 100 feet into the Serpentine. Further substantiating Gopher Hill Channel's contribution to the enrichment of Meadow Valley, it is noted that nearly all of the mining performed in the valley was on the North, old channel side, of the valley and that no prominent streams entered the valley from the other three sides. For all practical purposes, it may be stated that the combined production of Gopher Hill Mine and Meadow Valley resulted from parts of an area $2\frac{1}{4}$ miles long and some 1000 feet wide. The combined production, conservatively estimated by California Division of Mines Bulletin # 92 (Placer Mining & Methods) and Bulletin # 38 (Plumas County) is $34,000,000.00.

OLD GOPHER HILL HYDRAULIC MINE

Prior to hydraulic operations, Gopher Hill underwent extensive drifting by small groups and individuals, thus deriving it's name. Drifting of this ground was facilitated on this mine, Badger Hill and Railroad Hill, as all had been greatly uplifted. Drifting operations did not extend West of Fault "F", as noted on the various plats, as that bedrock has been dropped far below the level permitting access by drifting. Shaft sinking operations, beyond those undertaken much later and discussed in this report, were never started.

Water for the hydraulic operation, was conveyed through an eleven mile system of ditches, pipes and trestles.

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The water originated on Spanish Peak, where Gold Lake and Smith Lake were built for storage; the water then traversed the hills to Snake Lake, provided for additional storage, form there being released as required by the operation.

Bedrock of Gopher Hill, unlike the property under consideration, is situated well above Spanish Creek, affording an excellent opportunity to discharge tailings. Much of the clay overburden and fine, near-surface gravels was washed into the creek. Whitlock Ravine, on the East and Wauponsie Basin, on the West were used as sluiceways, being better suited to the purpose. Both offered sufficient gradient to operate large sluices but, were not nearly as steep as the drop South to Spanish Creek. For this reason, the operation advanced from both ends, toward the middle, beginning roughly in the center (across) of the channel and working outward, North and South.

Wauponsie basin, at the beginning of hydraulicking lay near the present level of Spanish Creek and was a willow swamp. The old level is illustrated later in a photograph, looking down a steep tailing bank, into the creek. Natural (non-tailing) ground begins immediately accross Wauponsie Creek, to the West, allowing appraisal of the original contour. The top of a small, natural hill, near fault "F" on the extreme East of Gopher Hill Extension, provides for depth determination studies.

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The mine hydraulicked between 1865 and 1895, by the Plumas Mineral and Water Company, covered the full width of the channel between Whitlock Ravine and Fault "F". Every inch of bedrock was thoroughly scoured by the monitors, and by hand, leaving little gravel in place for appraisal. The first evidence of virgin gravel when examining the property, lies near the Stevenson Shaft, noted on the plats as "Main Shaft". A photograph, taken by the mine's owner, illustrates the type of overburden covering both the old property, before mining and the type on the property now considered. (Photo appears later)

Excepting a shear zone bordering Fault "F" to the East, for some 500 feet, the bedrock of the hydraulic property was fairly smooth and inclined upward to the East. Overall, the bedrock shows an idealized channel bed, both rims being raised, the center marking a gently curved trough. Much of the present roughness of this bedrock is due to the blasting of raceways. lower to west

Gopher Hill gravels, judging by the abundant tailings, are generally small, form 1 to 4 inches in diameter and by far the greater number of them are flattened. Few larger, well-worn pebbles about a foot in diameter are scattered through the tailings and on the barren bedrock. (see color photo at beginning of report)

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The gold-bearing gravels were covered by roughly 100 feet of material which, in part must be volcanic ash.

The approximate dimensions of the hydraulicked area are; E-W 2500 feet and 1000 N-S. The exhausted Gopher Hill workings show the barren slate bedrock abruptly cut off, leaving a North-South escarpment of 50 to 100 feet high. This feature is the result of a normal fault, which has dropped the Gopher Hill Extension block, with its cover of gold bearing gravels, a considerable distance below the corresponding bedrock of the hydraulickally mined area. (see fig. D).

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GOPHER HILL EXTENSION MINE

Referring to figure "C", the area of the channel under consideration is bounded as follows, by natural objects:

(1) North: exposed rim of channel
(2) South: Spanish Creek
(3) West: Serpentine Dike
(4) East: Fault "F"

In addition, the direction and size of the channel can be judged by the old workings.

The workable width of the gravel will be 400 to 750 feet and the length some 2000 feet. Gravel containing sufficient values to support drifting will vary from 6 to 20 feet in thickness. After areas are worked out by drifting, it is probable that much lower grade material can be stoped and economically processed. Gopher Hill Extension is as large as the old mine and much larger than any other property mined in the area, unless

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Meadow Valley is considered as a whole.

Fault "F" generally conforms to the following description throughout its length, although is has been broken by fault "K" near its northern end. Strike N 12 W; Dip 78 W 12 S. The fault provides a prominent escarpment 50 to 100 feet high, completely across the channel.

It is not to be supposed that the fault parted the respective sections of channel by a maximum of only 100 feet. A survey from the down throw side of the fault, between the "Main Shaft" and a point on Wauponsie Creek (Line E-S, fig C) showed a vertical variance of 186 feet; bedrock and the auriferous gravels lie approximately 120 feet beneath this point on the creek. By adding these distances to the obvious height of the fault, the magnitude of the fault and down throw of the channel is put in it's proper perspective. The vertical distance separating bedrock of the old mine and that of Gopher Hill Extension can reach 406 feet. Judging by exposed bedrock and conditions reportedly encountered in the "Main Shaft", bedrock immediately West of Fault "F" and extending for perhaps 300 can be expected to be somewhat dislodged from it's original position.

Wauponsie Creek crosses the property at the lowest vertical section and follows a course roughly parallel and related to Fault "F"; related by virtue of it's following another, less pronounced fault of similar origin and age. From Wauponsie Creek, westward the ground profile becomes gradually higher, attaining an elevation above the

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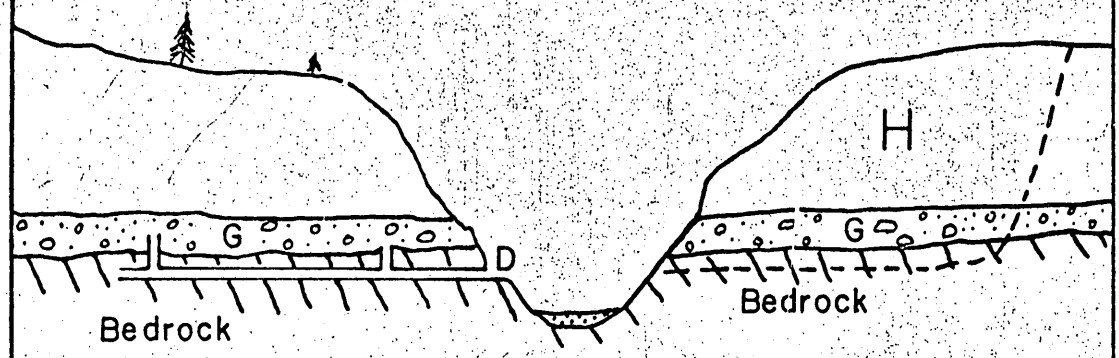
FIGURE D-1



DRIFT MINING HYDRAULIC MINING

An old river channel exposed by a recent(geologically) stream. Dotted line is boundary of area to be removed hydraulickally.

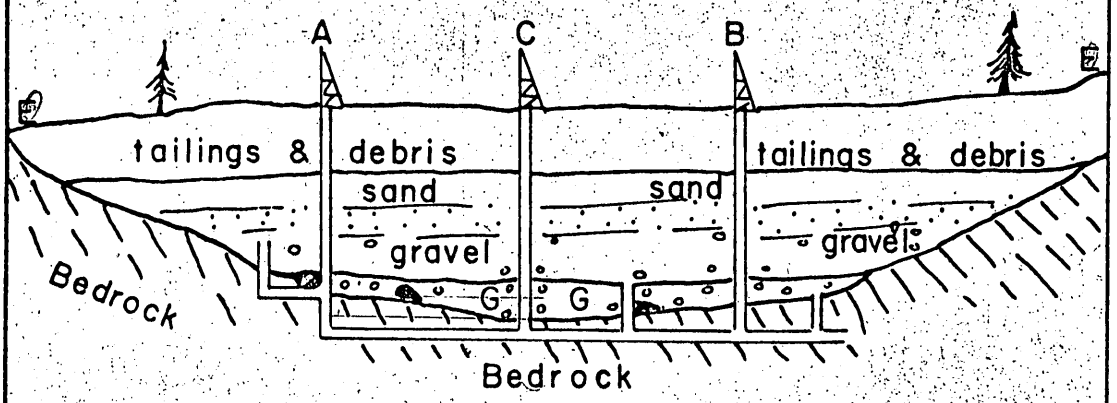


DIAGRAM- illustrating exploration shafts and drifts which can be utilized later for production mining of the gold-bearing gravels(G)

FIGURE D-2

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creek of about 250 feet at the West boundry. Although Parts of the overburden could have been washed from this ground, into Spanish Creek, the gold-bearing strata could not be reached by hydraulicking and no development was undertaken. Also it is possible that the displaced channel was not recognized until after the Sawyer act had stopped hydraulicking. Thick, Pleistocene gravels and much clay cover the western end of the property, while there is every reason to believe that bedrock continues near the level it attains beneath Wauponsie Creek, abbutting on the Serpentine dike on the West.

An interesting geological feature is evidence that this bedrock dips gently northward, across the channel; this observation is supported by the apparent interruption of Fault "F" by an East-West trending Fault ("K") traceable to the Serpentine dike. Rotation of bedrock may have been caused by this fault, in conjunction with the others noted and the highly probable occurance of a large E-W fault coinciding with the present course of Spanish Creek. This rotation of the entire mass affords a clear outline of the Channel's North rim for some distance and a few bedrock exposures on the South; notably, where Wauponsie and Spanish Creeks join.

Hydraulic tailings cover the entire area between Fault "F" and Wauponsie Creek, in places be much deeper than the average. The mine's owner asserts that the tailings were sounded with drill holes in 1956, by a firm marketing building materials; the figures used later,

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on the tailings plat are based both upon observation and the mine owners words. Wauponsie Creek marks the West boundry of tailings, has cut a gorge through them and is flowing on a bed of clay and Pleistocene gravels. Tailings throughout the course of the creek, on the property are 15 to 30 feet thick. Immediately West of the creek, a natural overburden of clay and gravel, illustrated in following photographs, cut by several small gulches, covers the bulk of the property and it's auriferous gravels. An access road to the mine, form West to East and making several swith-backs, has cut Pleistocene gravel in several spots. Examination of these exposures, in places 20 feet high, showed some enrichment, the direction of the old flow and the dip of the strata; also substantiating the northward dip of bedrock in the area, presuming the stratification continues to bedrock.

A few years after the cessation of hydraulicking all of the ground was included in a timber purchase by Meadow Valley Lumber Company. The firm refused to lease the property until 1936 when a Mr. Stevenson obtained a lease for the purposes of mining in what is now Gopher Hill Extension. Stevonson employed C. S. Haley for advise on location of the shaft and drifting instructions when bedrock was reached. As indicated on the plats, an area near the Fault "F", on the North side of the property was selected.

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Haley's advise was to sink to bedrock and drift southwest. Mr. Haley then proceeded with other business and returned to find that Stevenson had stopped the shaft, in gravel, at the 26 foot level and was drifting North, away from the channel. It should be noted here that the overburden , at this shaft site has been largely removed by the hydraulicking of a sluiceway during the old operation, affording Stevenson easy access to gravel. The shaft was continued at Haley's insistance. Stevenson once more disregarded the expert's advise and began drifting North at the 36 foot level. The tunnel, according to the mine's owner, who surveyed the underground workings, proceeded in a downward inclined loop for some 135 feet, where heavy concentrations of gold were encountered on a piece of bedrock left mixed with the gravel when Fault "F" had occurred. The spot was glory-holed and some $35,000.00 was reputedly removed from an area 20 by 30 feet. When the strike was made the end of the drift was 50 feet East of the shaft and some 10 feet deeper, or a total of 46 feet. Normal bedrock, that is, in place, was not nearly approached during this operation.

Stevenson was evicted from the mine within weeks of the strike for failure to pay a royalty to the Lumber firm. He was reported killed a short time later for displaying his gold in poor company.

The mines present owner promptly negotiated a lease with the lumber firm, but was unable to raise sufficient funds for an operation. Being a close friend of the lumber company's president he retained his lease on the

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property until 1947, when the property once again became public domain, due to the sale of the ground to the United States Government. He then claimed, with seven associates, the entire property and has retained it since, the association claims being quitclaimed to him.

In 1950, Medearis took a partner and they attempted to continue the Stevenson shaft, but after reaching the 56 foot level and drifting North a few feet, they were financially unable to continue. Poor mining practice during this time damaged the shaft making it useless for further work.

A small group leased the ground from Medearis in 1954 and attempted to sink and inclined shaft at the point designated "caved shaft" on attached plats. The shaft was poorly located, in heavy ground, too far North on the property, so the inevitable work stoppage occurred after they had advanced only some 75 feet down the incline. This shaft was totally inconclusive and has since collapsed. A photograph of the operation, taken in 1954-5 is attached. The failure of this project further illustrates that nothing less than a well planned and financially secure effort will achieve the desired results.

No further development was attempted, except for annual assessment work and a few shallow pits dug with a small dragline, near the fault in 1959. This work was performed by a man completely inexperienced in mining but, with the approval of the mine's owner, as the work provided assessment work for that year.

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An attached photograph shows a shallow pit and the dragline employed. The pits were dug so near to Fault "F" that they all struck directly on it in a few feet. There is no possible method of estimating the extent or tenor of the gold bearing gravels without an actual, systematic and organized exploration of the property. On the basis of study and personal examinations of the property, it appears to warrant this effort.

RECOMMENDATIONS

Of all the methods of testing alluvial ground, that by means of shaft-sinking and drifting is the most satisfactory; no alluvial ground is finally and properly tested until this is done.

To remove the highly speculative aspect from this project, a shaft, put down at one of the places designated on the plats, with accompanying lateral drifting, with crosscuts is recommended. The shaft is to be purposely removed from the vicinity of Fault "F" in order to stay away from this highly disturbed and crushed zone, and to avoid sinking through excessive tailings. Lateral development and blocking out of pay gravel will be modified to suit local conditions, once that point is reached. A buried gravel deposit is usually prospected with crosscuts from the shaft or from the drift which should be run along the course of the channel. By first crosscutting from rim to rim of the channel, the best paying troughs are more probably located. Gravel in ancient

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channels generally is compact enough to stand without timbering and blasting is usually required.

A shaft 5 by 7 feet, inside timbers and drifts measuring 5 by 6 feet will be adequate for this operation.

Aside from the values of the property, and the facilities of the operation, is the adaptation of mining methods. Different deposits require different methods of attack, because of the conditions under which operation must be conducted. It is for this reason that further plans should be delayed until the shaft and a certain amount of drifting is accomplished, with a program of intensive, systematic and accurate sampling.

Usually, the best results are obtained by having this type of development performed by a reputable mining contractor. Not only is it the most economical, but it is also the fastest.

If the property responds to development, a maximum of 1000 feet of drift, in addition to the proposed shaft should be sufficient to place the property in position for profitable operation. When this time is reached, another, strategically located shaft is advisable, both for economy of operation and safety of underground crews.

Respectfully submitted,

September 17,1962
TI/ksi

Tomo Ito

Tomo Ito, Mining Geologist

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GEOLOGICAL SURVEY

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Memorandum

April 10, 1967

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Enclosed is a summary-type Final Report for the subject project.

H. K. Stager

Enclosure

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By H. K. Stager, Field Officer, Region II

April 10, 1967

1. OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Operator: Homestead Gold Exploration Corp.
241 Beverly Drive
Beverly Hills, California 90210

Property: Consists of two unpatented placer mining claims, Gopher Hill Extension and Spanish Gopher, in sec. 12, T. 24 N., R. 8 E., MDBM, Plumas County, California.

Ownership: The Operator is in possession of the property pursuant to the terms of an Assignment of Lease executed May 7, 1963, by Bernard McDonald of all his rights under a Mining Lease Agreement executed August 23, 1962, by G. B. M. Medearis, owner of the claims. A Lien and Subordination Agreement dated August 17, 1964, was executed by Mrs. Pauline Pearl Smith (successor in interest of G. B. M. Medearis, deceased), and attached to the contract. The address of Mrs. Smith is 708 Montgomery St., Shelbyville, Indiana 46176.

2. Purpose of Project: The purpose of the project was to explore by crosscutting from existing underground workings, drilling long holes, and raising to a buried Tertiary river channel, and crosscutting and drifting along and raising from the bottom of the channel for alluvial gold.

3. Contract: Dated September 14, 1965, for a term of 18 months.
Original contract amount - $26,400.00
Government participation - 50 percent, $13,200.00

Amendments

No. 1 - April 21, 1966, to reduce the amount of crosscutting and increase the amount of raising allowed by the contract.

Termination Agreement - November 23, 1966, provided for termination of the contract before completion when it became apparent that further work was not justified.

4. Project Work: Started - October 1965. Terminated - November 23, 1966.

Cost Items	Authorized			Completed	
	Units	Rate	Amount	Units	Amount
Crosscutting in bedrock	48	$36/ft	$1,728.00	48	$1,728.00
Long-hole drilling	100	$1.10/ft	110.00	0	0
Raising	114	$33/ft	3,762.00	68	2,244.00
Drifting and cross-cutting in the channel	650	$32/ft	20,800.00	573	18,336.00
Total amounts			$26,400.00		$22,308.00
Government participation at 50 percent			-$13,200.00		$11,154.00
Paid to Operator					$11,154.00

The Government retained no equity in any of the equipment or supplies used.

Effectiveness of the work - The project target area was adequately explored.

Efficiency of Operation - The project work was accomplished in a satisfactory manner but because of the unfavorable results obtained by exploration in the channel much time was lost in attempts to find more favorable areas to justify continued work.

5. Reports:

Operator's Final Report - An acceptable Final Report was received on December 23, 1966.

Cost Review - A Report of Review was issued by the Office of Survey and Review in December 1966.

Final Audit - A final audit was not requested inasmuch as no additional work was done after the Cost Review and no additional vouchers were submitted or paid. The final voucher was paid on September 8, 1966.

Royalty Review - The only gold-bearing material washed during the period of the contract consisted of small samples that were panned by the Operator. Only trace amounts of gold were recovered from these samples. No gold was sold and no royalty was due the Government.

6. Project Results:

Discoveries - There were no discoveries of minable gold-bearing material made as a result of the OME exploration. Sample data are indicated on the map attached to the Operator's Final Report and show a range of values from a trace to $9.30 per cubic yard. There are no reserves of minable material and future production is not economically feasible. Future development and exploration are not warranted.

Certification - Certification was not recommended because of the small quantity and low grade of the gold-bearing gravel exposed by the exploration.

The Operator was notified on January 12, 1967, that the Government retains no claim or lien against the property.

Production - There was no gold-bearing material mined, sold, or stockpiled during the period of the contract.

Royalties - There was no gold produced; no royalties were paid or due the Government.

7. Geologic Summary: Placer gold occurs on the property in gravels of Tertiary age overlying metasedimentary rocks of the Calaveras Formation of Carboniferous age. The gravels range from a few feet to about 100 feet in thickness, are poorly sorted, and have been offset by faults of Pleistocene age that greatly complicate the underground mining. No records are known to exist of any gold production from the property although the Operator states that several million dollars' worth of placer gold was recovered by hydraulic mining of the gravels on adjacent properties.

OFFICIAL FILE COPY

Date	Surname	Code
1/12	R McSmith	120
1/12/67	Kirkemo	120
		110
		220

Mrs. Pauline Pearl Smith
420 South Pike Street, Apt. 9
Shelbyville, Indiana 46176

Re: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California
Contract 2209

Dear Mrs. Smith:

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

This correspondence relates to the Lien and Subordination Agreements dated August 17, 1964, executed by you under the Office of Minerals Exploration program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Region II
OME Reading File
Mr. Smith
120M

GLAult/a 12-29-66

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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Memorandum

January 10, 1967

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, Calif.
Contract No. 2209

Enclosed are the Government's copy and Budget and Finance's copy of the Termination Agreement of the above-subject contract, properly executed by the Operator. The remaining copies of the agreement have been distributed in the usual manner.

H. K. Stager
by MHB.

Enclosures-2

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

December 27, 1966

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To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, Calif.
Contract No. 2209

Enclosed are three copies of the Operator's Final Report on the subject contract. All of the vouchers have been paid and a Report of Review has been concurred in and sent to the Operator. The Operator has signed the Termination Agreement but returned the wrong copies to the Field Office. As soon as the Government's and Budget and Finance's copies are returned they will be forwarded.

The project target area was adequately explored but no economically minable gold-bearing gravels were discovered. I recommend that a Certificate of Possible Production not be issued.

H. K. Stager

Enclosures

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

December 27, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 28 1966
MATERIALS CODE

Mr. R. N. Pudge
Homestead Gold Exploration Corp.
P.O. Box 26
Quincy, California 95971

Re: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Dear Mr. Pudge:

Thank you for submitting your Final Report on your OME project received in this office on December 23, 1966.

Apparently in error you returned the Operator's copy and Field Office's copy and retained the Government's copy and Budget and Finance's copy of the Termination Agreement. I am returning your (Operator's) copy to you and ask that you please send me the other copies of the Agreement.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosure

cc:
Chief, OME, WDC
D RF
ACG RF
MP RF
File 6361
HKStager:mlb
12-27-66

OPERATOR'S FINAL REPORT

OFFICIAL COPY
O. M. E.
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(1) a. O.M.E. No. 6361-Au
b. Contract No. 14-23-090-2209
c. Homestead Gold Exploration Corporation
d. Gopher Hill Extension Mine
S12 TWP 24N R8E
Plumas County, California

(2) a. Summary of Project:
Starting Date - November, 1965
Completion Date - October 14, 1966

b. Work Completed Under Contract:

	Cost
48 feet Bedrock Drifting	$ 1,728.00
573 feet Gravel Crosscuting	18,336.00
68 feet Raising	2,244.00
Total Cost	$22,308.00

(3) Geologic features at Gopher Hill Extension Mine include the Calaveras slate bedrock formation, containing minor quartz impregnations showing, with one exception of pyrite encrustations near the gravel-bedrock contact, very little mineralization. The only other formations of interest are tertiary gravel deposits of varying thickness and attitude.

Throughout the exploration values ranged from nothing to approximately $ 9.30 per cubic yard; the higher values being found in a narrow zone of some 8 feet along the XC in the N10E gravel crosscut. No concentration of commercial value was located.

cut-off grade is $8 per yd.^{3} only a few yds. represented,

Existing values are noted on the accompanying plat.

Several attempts at production were made, but all failed due to low values and steeply rising bedrock, which maintained the gravel contact in a position affording little gravel per foot of advance in the headings.

OPERATOR'S FINAL REPORT

(3) cont.

Values were determined by cutting and weighing samples of 40 pounds, panning, drying, and cleaning of concentrate and weighing of gold thus accumulated. No area in the workings escaped careful scrutiny.

(4) Progress throughout the operation was hindered by heavy ground and occasionally severe water conditions.

It was determined early in the operation that one shift per day was more effective than other accomodations. To this end a comparitivily efficient crew of 3-4 underground and 1-2 surface employees was instituted.

There appears to be no reason for further exploration on the property as underground and surface examinations have failed to reveal concentrations of placer minerals and other commercial mineralization is absent in the area.

No further operations on the property are planned by this firm.

OFFICIAL FILE COPY

Date	Surname	Code
12/21	RM Smith	120
12/22/66	Kirkham	120
		110
12/22	cae	220
		120M

DEC 2 2 1966

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California
Contract 2209

Enclosed is a copy of a letter dated December 16, 1966, from the Field Officer, Region II, transmitting to the Operator a copy of the Report of Review issued in December 1966, on the subject contract. A copy of the report also is enclosed.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region II
Mr. Smith

GLAult/a 12-21-66

23263

OFFICIAL
COPY
O. M. E.

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

December 16, 1966

Mr. R. N. Pudge
Homestead Gold Exploration Corp.
P.O. Box 26
Quincy, California 95971

Re: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, Calif.
Contract No. 2209

Dear Mr. Pudge:

Enclosed is a copy for your files of a Report of Review covering the work done and payments made on your OME contract. I concur in the facts presented.

Will you please sign and return the Termination Agreement that I sent to you on November 28, 1966, as soon as possible, and tell me when you expect to submit your final report, so that we can wind up this project.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosure

cc: OME, WDC (2)
ACG RF
MP RF
File 6361
HKStager:mlb

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/13	R McGrath	120 8
12/13/66	Ser Barno	130 R
		110
		220
		130 R

DEC 13 1966

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-4361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California
Contract 2209

Enclosed are two copies of a Report of Review dated December 1966, on the subject contract.

If you concur in the facts as stated in this Report of Review, one copy should be sent to the Operator with any comments you may care to make, and the other copy retained for your files. As evidence of your concurrence, two copies of your letter transmitting the Operator's copy of the report should be furnished this office. If for any reason you do not concur, both copies of the report should be returned to this office with appropriate comments.

FRANK E. JOHNSON (gfe)

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Econ. Geology File
OME Reading File
130

MMerrithew/mm (12/13/66)

23263

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

November 28, 1966

Mr. R. N. Pudge
Homestead Gold Exploration Corp.
P. O. Box 26
Quincy, California 95971

Re: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Dear Mr. Pudge:

Enclosed are the original and three copies of a proposed Termination Agreement signed for the Government.

If the proposed agreement is satisfactory to you, all four copies should be signed by an authorized representative of the Homestead Gold Exploration Corporation. If any part of the proposed agreement does not have your approval, the original and all copies should be returned to this office with your proposed changes for consideration.

After signing please return the Government's copy, Budget and Finance's copy, and Field Office's copy to this office. The Operator's copy should be retained in your files.

May we please have your final report, as called for in paragraph 3 of the Termination Agreement, as soon as possible.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc:
Chief, OME, WDC ✓
Dir RF
ACG RF
MP RF
File 6361
HKStager:mlb

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

DEC 7 1966

Memorandum

To: Director, U.S. Geological Survey

From: Assistant Director, Audit Operations, Contract and Grant Audit, Office of Survey and Review

Subject: Review of Contract 2209
Docket No. OME-6361 (Gold)
Homestead Gold Exploration Corporation (Operator)
Gopher Hill Mine
Plumas County, California

Pursuant to a request dated November 1, 1966, from the Chief, Office of Minerals Exploration, we have made a cost review of Contract 2209, examining the contract and accounting records and files of OME and the Branch of Budget and Finance, U.S. Geological Survey. Four copies of the report of review are attached.

No exceptions have been taken to the financial settlements made with the Operator.

Donald R. Mooney

Enclosures

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To		Date	To		Date
S	SECRETARY		MR	ASST. SECY.—MINERAL RES.	
US	UNDER SECRETARY		MCR	Office of Coal Research	
SO	SOLICITOR		MGE	Office of Geography	
SOL	Office of the Solicitor		MSF	Office of Min. & Solid Fuels	
DL	Division of Legislation		MOG	Office of Oil & Gas	
SA	Office of the Science Adviser		MOI	Oil Import Administration	
OI	Office of Information		MBM	Bureau of Mines	
CL	Congressional Liaison Office		XX MGS	Geological Survey Rm 5243 GS Bldg	
RP	Resources Program Staff				
EO	Office for Equal Opportunity		LM	ASST. SECY.—PUBLIC LAND MGT.	
PA	Office of Program Analysis		LIA	Bureau of Indian Affairs	
CAB	Board of Contract Appeals		LLM	Bureau of Land Management	
OW	Office of Water Resources Research		LOT	Office of Territories	
JCC	Job Corps Coordination		LAR	Alaska Railroad	
SOAB	Oil Import Appeals Board		LOR	Bur. of Outdoor Recreation	
AA	ASST. SECY. FOR ADMINISTRATION		PC	ASST. SECY.—WATER POLL. CON.	
DCCO	Deptl. Corres. Control Office		PFW	Fed. Water Poll. Con. Adm.	
AMO	Office of Management Operations		WSA	Office of Saline Water	
ASR	Office of Survey and Review				
ADB	Office of Budget		WP	ASST. SECY.—WATER & POWER DEV.	
AMR	Office of Management Research		WBR	Bureau of Reclamation	
APM	Office of Personnel Management		WBP	Bonneville Power Adm.	
			WSE	Southeastern Power Adm.	
FW	ASST. SECY. FOR F & W & PARKS		WSW	Southwestern Power Adm.	
FOC	Off. of Commissioner of F & W		WDE	Defense Electric Power Adm.	
FCF	Bur. of Commercial Fisheries				
FSF	Bur. of Sport Fisheries & Wildlife				
FNP	National Park Service				

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Remarks:

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From: Assistant Director, Contract & Grant Audit - ASR/AO

Phone: 33338

Date: 12-7-66

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ME Form 7
(2/63)

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11/18	R.E. Smith	1208
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11/22	Kilgard	
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11/23	cae	210
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Memorandum

NOV 2 9 1966

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California
Contract 2209

Enclosed are the original and three copies of a proposed Termination Agreement signed for the Government. Also enclosed is an extra copy for field use.

If the proposed agreement is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

If the proposed agreement does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON (gla)

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
OME Docket
130

MMerrithew/mm (11/18/66)

23263

MME FORM
REV. 2-59

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Assoc.Sol.--MR, Rm. 6554 Through Rm. 6042		
2. Mr. Smith, Rm. 4459 H-65-2177.11		
3. INTERIOR DEPT.		
4. NOV 14 1966		
5. SOLICITOR		
FROM: Chief, OME		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions ____ Your information

REMARKS:

SOLICITOR
NOV 17 1966
INTERIOR DEPT.

FROM SOLICITOR
NOV 17 1966
FOR SIGNATURE

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

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20 Legal 11/10

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120 Kirkham 11/10/66

110 Jones "

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DRAFT 11/10/66
RMSmith/gla

EXPLORATION CONTRACT
HOMESTEAD GOLD EXPLORATION CORPORATION
OME-6361

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1966, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Homestead Gold Exploration ~~Company~~ Corporation, hereinafter called the "Operator," parties to that certain Exploration Contract No. 2209 (OME-6361), dated September 14, 1965, as amended, hereinafter called the "Contract," that:

1. Effective October 20, 1966, 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 contribute only to the allowable costs incurred prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including furnishing to the Government three copies of a final report (in addition to the final monthly report) which 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 the related costs thereof.

4. All rights of the Government respecting certification of possible production, percentage royalty and liens to secure the payment thereof, reports (including preservation of the 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 or demands under or arising out of said Contract except as otherwise provided in this termination agreement.

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

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

HOMESTEAD GOLD EXPLORATION CORPORATION

By_____

Title_____

OPTIONAL FORM NO. 10

UNITED STATES GOVERNMENT

Memorandum

TO : Chief, Office of Minerals Exploration
Washington, D. C.

DATE: October 26, 1966

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FROM : Field Officer
OME, Region II

SUBJECT: OME-6361 (Gold)
Homestead Gold Exploration Company
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Interim Inspection

An inspection was made of the subject property on October 20, 1966, accompanied by Mr. Richard Pudge, President and Mine Superintendent.

The annual shareholder's meeting to determine future activities of the Company was held in Los Angeles on September 15, 1966, but a quorum was not present and a decision could not be reached. A second meeting was then held in Quincy on October 15, at which meeting it was decided to stop work at the Gopher Hill Mine and to give up the lease on the property. Sampling of surface gravels has not revealed any sizable yardage of material that could be washed profitably. Rail and pipe has been removed from the underground working and the pumps shut down, allowing the mine to flood.

Mr. Pudge will request a mutual termination of the OME contract within the next few weeks and will prepare his final report. Only about 77 feet of drifting and 46 feet of raising remain of the work allowed by the OME contract, or about $2,000 of unexpended Government funds. It was agreed that there were no worthwhile exploration targets remaining that would justify the use of this unused contract footage. I recommend that a termination agreement be approved and, inasmuch as no minable gold-bearing material was found by the completed work, that a Certificate of Possible Production not be issued.

H. K. Stager

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

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August 23, 1966

Mr. George R. Jones
1506 West Crescent Avenue
Redlands, California

Re: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Dear Mr. Jones:

In reply to your letter of August 20, 1966, regarding the Gopher Hill Extension and Spanish Gopher Claims in Plumas County, California, under lease to the Homestead Gold Exploration Corporation of Quincy, California, this letter is to suggest that you communicate directly with Mr. Richard N. Pudge, president of Homestead Gold Exploration Corp. His address is P.O. Box 26, Quincy, California, and his telephone number is Quincy 561.

In the contract between the Office of Minerals Exploration and the Homestead Gold Exploration Corporation the operator agreed to preserve and maintain his right, title, or interest in the land, and this would include the filing of required notices of annual assessment work. Sufficient work has been done this year under the OME exploration contract to satisfy the assessment work requirements for the claims and if the operator is required to file the notices by the terms of the lease I feel sure he has done so. However, I will contact Mr. Pudge and inquire if he has filed the notices.

Under the terms of OME contracts the Government does not contribute to property payments to owners of the land. Payments by the Government are limited to a percentage reimbursement of agreed exploration costs for expenditures or work performed by the operator. At the present time there are no payments due the Homestead Gold Exploration Corporation for completed units of work.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: Chief, OME, WDC
Director
ACG RF
MP RF
File 6361
HKStager:mlb

August 20, 1966

Mr. Harold K. Stager
Office of Mineral Exploration
345 Middlefield Road
Menlo Park, California

Dear Mr. Stager:

Your name has been referred to me by Mr. Ronald B. Coombs of Culver City, California, the lawyer of record for Mrs. Pauline Pearl Smith of 708 Montgomery St., Shelbyville, Indiana who isthe Lessor of the Gopher Hill Extension and Spanish Gopher Mines in Plumas County, now under lease to the Homestead Gold Exploration Corporation of Quincy, California, Mr. Robert Pudge, President.

The corporation to this date has not filed the necessary assessment work proof to comply with the Mining Laws. Therefore, is it possible for us to make the recording from the monthly reports of work they have done this year as reported to your office?

The corporation has a lease agreement with my mother on a monthly basis and for the first five months of this year, she has received nothing. Following inquiry as to the reason for this ommission, they ask for and received on July 23 an extension of non-payment until September 15, 1966. If at the end of this extension period Mr. Pudge still makes no payments to Mrs. Smith, could this not come out of the monthly exploration grant fund you are sending to Mr. Pudge?

I am enclosing a self-addressed envelope in the hopes that you might be able to clear up some of the above points.

Very truly yours,

George R. Jones

George R. Jones, Power of Attorney for
Mrs. Pauline Pearl Smith.

GRJ/RM

P. S. Until August 18, neither my mother nor I had received any information of what work had been done since the beginning of the lease and I had to call the Plumas County Courthouse this week to ask if the yearly assessment report had been filed with them.

RECEIVED
AUG 23 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

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O. N. P.
RECEIVED
AUG 25

August 23, 1966

Mr. R. N. Pudge
Homestead Gold Exploration Corporation
P.O. Box 26
Quincy, California

~~120 mc~~
By 110

Re: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Dear Mr. Pudge:

We are in receipt of a letter from a Mr. George R. Jones acting for Mrs. Pauline Pearl Smith, lessor of the Gopher Hill Extension and Spanish Gopher Claims, stating that you have not filed the necessary notices of assessment work for the claims. If you have overlooked this will you please file the notices immediately, and let me know that you have done so.

You were to inform me of your future plans regarding work under the OME contract after your Board of Directors' meeting in Los Angeles the week of July 25-29, 1966. Will you please do so as I am anxious to wind up this contract if you do not plan additional work.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: Chief, OME, WDC
Director
ACE RF
MP RF
File 6361
HKStager:mlb

OME-6361 (Gold)
Homestead Gold Explor. Corp.
Gopher Hill Mine
Plumas County, Calif.
Contract No. 2209

Dear Mr. Stager,

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~~110~~
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Enclosed herewith please find our voucher for June, 1966.

As we discussed during your recent visit to Quincy, the property was not operated during July and so far, August. This was made necessary by severe ground conditions, lack of values, and a labor shortage.

There is some possibility that a sizable tonnage of $3.00 to $5.00 gravel exists on the surface, some 2000 feet southerly from our shaft and I am currently trying to arrange for a loader, etc. to remove and process a large sample of the deposit.

Our annual shareholder's meeting will be held September 15, 1966, in Los Angeles and until then I will not know for certain the direction of further activities at the mine.

If it is proper, I wish to request a recess of our contract until September 20, 1966, that we may have time to determine the most profitable course of action.

Hoping not to have inconvenienced you with our late filing of the voucher, I remain,

Very truly yours,

R. N. Pudge

R. N. Pudge

RECEIVED
AUG 23 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

July 25, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 27 1966
INITIALS | CODE
120
110
120
HK 120

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Co.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Interim Inspection

An inspection was made of the subject property on July 20, 1966, accompanied by Mr. Richard Pudge, president and mine superintendent.

Drifting to the northeast, on the OME contract, was stopped early in June 1966 when the ground became too heavy to hold and the bottom of the gravel channel steepened to about 15°. The Operator has pumped out the Stevenson shaft, and the pond to the east, allowing access to the old workings in that area. This work has indicated that the gold-bearing gravel, mined from the Stevenson shaft and the open pits along the G-H fault, occurs in a narrow zone adjacent to the fault. West of this narrow zone are thick beds of muddy gravel containing widely disseminated fine particles of gold too low in grade to be economically mined and washed. The gravels along the fault are too broken up and heavy to permit underground mining, and the depth of the pay streak is too deeply buried to be stripped and mined by open-pit methods.

The Operator is reappraising its exploration program at this time to determine if it is economical to proceed with additional work on the property. Expenditures to date have totaled about $200,000 of Operator's funds and about $21,000 under the OME program.

Mr. Pudge is to meet with the Homestead Gold Exploration Corp. Board of Directors in Los Angeles during the week of July 25-29, 1966. After this meeting he will inform me of their future plans. About 120 feet of drifting and 46 feet of raising remain under the OME contract. Mr. Pudge's present feelings, with which I concur, are to mine and wash any gravels exposed that contain $8 or more gold per yard and then to abandon their lease on the property or sublease it to any party interested in cleaning up pockets of marginal material.

H. K. Stager

8/12/66

Mr. Ontiveros —

Please Respond

Immediately Needed

Wait for Dr. Wi's
Sept. 15
probably terminate

AR

FORM 60
OCT. 1959

OFFICIAL COPY O. M. E. RECEIVED SEP 8 1966 INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. 6361
Contract No. 14-23-090-2209
Contract Amount $ 26,400
Gov't. Participation % 50% 13200
Mineral(s) Gold

OPERATOR'S MONTHLY VOUCHER

For Month of June, '66

Operator's Name Homestead Gold Expl. Corp.
Address P.O. Box 26 — Quincy, Calif

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting BEDROCK	—	1728	1728			
Crosscutting GRAVEL	1344	16992	18336			
Drilling						
RAISING	—	2244	2244			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	1344	20964	22308			

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

Date 8/19/66 *Payee Homestead Gold Expl. Corp.

Per R. Rudge Title President

* 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.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 672.00

Signature 14X0804
(Authorized Certifying Officer)

Date SEP 8 1966 Vou. No. 2074

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2209

Signature H B Stager Title FIELD OFFICER Date AUGUST 23, 1966

Approved by OME Executive Officer or Alternate: OME REGION II

Signature H B Stager Title FIELD OFFICER Date AUGUST 23, 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

AUG 30 8 12 AM '66
U.S. GEOLOGICAL SURVEY
BUREAU OF MINES

0 9 0 1 4 8

ME FORM 61
PT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of June, '66 Docket No. 6361

Operator's Name Homestead Gold Expl. Corp. Contract No. 14-23-090- 2209

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting Bedrock	48	—	48	1728	—	48	$1,728
Crosscutting Gravel	650	42	573	15336	42	573	18,336
Raising	114	—	68	2244	—	68	2,244
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				22308			$22,308

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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 8/19/66 Operator Homestead Gold Expl. Corp

Per R M Rudge Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature H B Stager

Title Field Officer, OME Region II
Government Representative

Date August 23, 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

NARRATIVE REPORT - JUN E, 1966

Work performed during June advanced the N65E heading 42 feet in heavy ground, requiring excessive timbering and forepoling.

Careful examination of gravels found on and near (within 8 ft.) the bedrock contact, in raises recently completed reveal no values whatsoever; the first time such occurance has been noted.

The possibility of entering an area some 150 feet farther along the present course from the surface is being considered, as it appears that bedrock may lie nearer the surface than originally suspected. Additionally a deposit of gravel on the surface, near the south property line is being sampled to determine if volume, low-grade production is feasible.

OME-6361 (Gold)
Homestead Gold Explor. Corp.
Gopher Hill Mine
Plumas County, Calif.
Contract No. 2209

Dear Mr. Stager,

Enclosed herewith please find our voucher for June, 1966.

As we discussed during your recent visit to Quincy, the property was not operated during July and so far, August. This was made necessary by severe ground conditions, lack of values, and a labor shortage.

There is some possibility that a sizable tonnage of $3.00 to $5.00 gravel exists on the surface, some 2000 feet southerly from our shaft and I am currently trying to arrange for a loader, etc. to remove and process a large sample of the deposit.

Our annual shareholder's meeting will be held September 15, 1966, in Los Angeles and until then I will not know for certain the direction of further activities at the mine.

If it is proper, I wish to request a recess of our contract until September 20, 1966, that we may have time to determine the most profitable course of action.

Hoping not to have inconvenienced you with our late filing of the voucher, I remain,

Very truly yours,

R. N. Pudge

R. N. Pudge

RECEIVED
AUG 23 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

May 24, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 26 1966

INITIALS	CODE
	120
JCS	110
RMH	120

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Co.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Interim Inspection

An inspection was made of the subject property on May 20, 1966, accompanied by Mr. Richard Pudge, president and mine superintendent.

Drifting to the northeast along the bottom of a gravel channel is continuing. The channel bottom is rising rapidly and a maximum grade is being held to keep the drift in the gravel. Much of the drift is in bedrock with only a foot or two of the back in gravel. One raise has been driven upward 20 feet into the gravel in search of better sorted strata that might carry higher gold values. Most of the gravel is poorly sorted and contains abundant clay and decomposed volcanic rocks. The gold content is extremely fine grained and ranges from a trace to as much as $10 but probably averages less than $1 per yard.

The Operator is driving the drift toward the old Stevenson shaft (caved) in an area that was partly worked in 1936. The gold content of the gravels in this area is known to be high. Less than 200 feet of drifting remains to be driven under the contract, not enough to reach the shaft. The Operator plans to request an increase of funds in the contract to allow an additional 100 to 200 feet of drifting and crosscutting to reach and explore this favorable target area.

H. K. Stager

MMS FORM 50
SEPT. 1959

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 20 1966
INITIALS CODE
Car 210
HK 422

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. 6361
Contract No. 14-23-090-2209
Contract Amount $ 26,400
Gov't. Participation % 50 $ 13,200
Mineral(s) GOLD

OPERATOR'S MONTHLY VOUCHER

For Month of MAY '66

Operator's Name HOMESTEAD Gold Exploration CORP.
Address P.O. Box 26 -- QUINCY, CALIF.

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting Bedrock	—	1728	1728			
Crosscutting GRAVEL	2720	14272	16992			
Drilling						
RAISING	594	1650	2244			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	3314	17650	20964			

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

Date JUNE 6, '66 * Payee HOMESTEAD Gold Expl. CORP.

Per R M Pudge Title PRESIDENT

* 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.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 1657.00

Signature 14X0804
(Authorized Certifying Officer)

Date JUL 7 1966 Vou. No. 168
(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2209

Signature H.R. Stager Title FIELD OFFICER Date JUNE 20, 1966

Approved by OME Executive Officer or Alternate: OME REGION II

Signature H.R. Stager Title FIELD OFFICER Date JUNE 20, 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of MAY 1966 Docket No. 6361

Operator's Name HOMESTEAD Gold Exploration Corp. Contract No. 14-23-090- 2209

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting ~~Bedrock~~	48	—	48	1728	—	48	$ 1,728
Crosscutting GRAVEL	650	85	531	16992	85	531	16,992
Raising	114	18	68	2244	18	68	2,244
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				20964			$ 20,964

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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 JUNE 6, '66 Operator Homestead Gold Expl. Corp

Per R M Budge Title PRESIDENT

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature H B Kagen

Title FIELD OFFICER, OME REGION II
Government Representative

Date JUNE 20, 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

NARRATIVE REPORT - MAY, 1966

During May 60 feet of drift was driven N65E in rock made extremely heavy by its proximity to the GH fault.

An additional 7 feet was broken in the last raise, exposing gravels identical to those at the bedrock contact. Lack of values also remain constant.

A stub was driven easterly from the raise some 25 feet where another 11 foot vertival raise disclosed the gravels climbing about 15 degrees to the east.

Heavy ground and the steeply climbing gravel section may demand an altered approach to exploration of this channel and several alternatives are being considered.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

May 2, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 4 1966
CODE
120
110
130.8

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Co.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Enclosed are the original and one copy of Amendment No. 1 of the subject contract, properly executed by the Operator. The remaining copies of the amendment have been distributed in the usual manner.

Also enclosed are the vouchers for the month of April 1966.

H. K. Stager

Enclosures

HOMESTEAD GOLD EXPLORATION CORPORATION
P. O. Box 26 Phone
Quincy, California 561

May 1, 1966

RECEIVED
MAY 2 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

U. S. Geological Survey
345 Middlefield Road
Menlo Park, California

Attention: Mr. H. K. Stager

Dear Mr. Stager,

Enclosed herewith please find our voucher and progress report for the month of April, 1966.

I am also enclosing the Government's three signed copies of the contract amendment.

As per your request and indicated in red on map attached to original copy of voucher, please find notations as to values encountered at various points in our workings.

Our supply of forms MME 60 and MME 61 has again been exhausted. I would appreciate your supplying me with additional forms by month end.

Thank you for your courteous attention.

Very truly yours,

R. N. Pudge

R. N. Pudge
President

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

April 25, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
APR 27 1966
INITIALS | CODE

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Co.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Enclosed are the vouchers for the month of March 1966 for the subject contract that I had returned to the Operator for his signature on April 19, 1966.

Also enclosed is a copy of a letter from the Operator in reply to my letter of April 18, 1966 that was prompted by your memo of April 1, 1966.

H. K. Stager

Enclosures

4-23-66

Dear Mr. Stager

Returned herewith March vouchers properly signed.

Dick Pudge has instructed me to advise you that the workings in the gravel are indicated on the maps by a dotted line (beginning at the top of the raise.)

Dick is preparing assay maps with appropriate notations and will forward them as per your request as soon as possible.

Thank You,

Dan Marshick
Sect.

RECEIVED
APR 25 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

SPECIAL AGENT
RECEIVED
MAY 12 1966
INITIALS CODE

Docket No. 6361
Contract No. 14-23-090-2209
Contract Amount $ 26,400
Gov't. Participation % 50 $ 13,200
Mineral(s) Gold

OPERATOR'S MONTHLY VOUCHER

For Month of April, 1966

Operator's Name HOMESTEAD GOLD EXPLORATION CORP.
Address P.O. Box 26 - Quincy, California

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting Bedrock	-0-	1,728	1,728			
Crosscutting Gravel	2656	11,616	14,272			
Drilling						
Raising	660	990	1,650			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	3,316	14,334	17,650			

2 vouchers .00 T
1,658.00
1,328.00
2,986.00 T
14X0804

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

Date May 1, 1966 * Payee Homestead Gold Expl. Corp.

Per [signature] Title President

* 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.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 1658.00

Signature [signature] 14X0804
(Authorized Certifying Officer)

Date MAY 12 1966 Vou. No. 8549

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2209

Signature [illegible] Title FIELD OFFICER Date MAY 2, 1966

Approved by OME Executive Officer or Alternate: OME REGION II

Signature [illegible] Title FIELD OFFICER Date MAY 2, 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 6
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of April, 1966 Docket No. 6361

Operator's Name HOMESTEAD GOLD EXPLORATION CORP. Contract No. 14-23-090- 2209

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting Bedrock	*48	-0-	48	1,728	0	48	$1,728
Crosscutting Gravel	690	83	446	14,272	83	446	14,272
Raising	*114	20	50	1,650	20	50	1,650
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				17,650			$17,650

REMARKS * Revised figures as per O.M.E. contract amendment dated April 21, 1966

(Continue on back)

REMARKS

(Continue on back)

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 May 1, 1966 Operator Homestead Gold Expl. Corp.

Per R. N. Burley Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature H. B. Hagen

Title Field Officer, OME Region VII
Government Representative

Date May 2, 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

NARRATIVE REPORT FOR APRIL, 1966

As previously stated, attention was turned toward reaching a target area some 250 feet to the east and drifting during April totaled 83 feet. At this point a raise was driven to the south on a 50 degree inclination 20 feet to the gravel contact, which had been lost on a steeply climbing bedrock some 25 feet before.

Fifty feet of this drifting was carried out in a markedly different formation, corresponding to surface features in the target area.

Gravels in the raise have changed to extremely well washed and consolidated strata, totally unlike those previously encountered. An absense of gold and other heavy concentrate indicates that during deposition sufficient water was present to effect good concentration.

Little doubt is left that the property contains more than one old channel and it is my belief that we are now approaching potentially productive ground.

Respectfully submitted

R. W. Ruff

MME FORM 50
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL MAIL RECEIVED MAR 2 1966 MINERALS CODE

Docket No. OME 6361
Contract No. 14-23-090-2209
Contract Amount $ 26,400
Gov't. Participation % 50 $ 13,200
Mineral(s) GOLD

OPERATOR'S MONTHLY VOUCHER

For Month of March, 1966

Operator's Name Homestead Gold Exploration Corporation
Address P. O. Box 26 Quincy, California

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting Bedrock		1728	1,728			
Crosscutting Gravel	2656	8960	11,616			
Drilling						
Raising		990	990			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	2656	11,678	14,334			

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

Date April 8, 1966 Payee Homestead Gold Expl. Corp.

Per [signature] Title President

* 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.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 1328.00

Signature KB 14X0804
(Authorized Certifying Officer)

Date 5/12/66 Vou. No. 8549.

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2209

Signature [illegible] Title FIELD OFFICER Date APRIL 19, 1966

Approved by OME Executive Officer or Alternate: OME REGION II

Signature [illegible] Title FIELD OFFICER Date APRIL 19, 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61,
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of March, 1966 Docket No. 6361

Operator's Name Homestead Gold Exploration Corp. Contract No. 14-23-090-2209

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting Bedrock	125	-0-	48	1,728	0	48	1,728
Crosscutting Gravel	650	83	363	11,616	83	363	11,616
Raising	30	-0-	30	990	0	30	990
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				14,334			$14,334

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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 April 8, 1966 Operator Homestead Gold Expl. Corp.

Per [signature] Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [signature]

Title FIELD OFFICER, OME REGION II
Government Representative

Date APRIL 19, 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 27162

NARRATIVE REPORT FOR MARCH, 1966

The S50E heading has been extended to 91 feet where it was terminated on what appears to be a channel rim, in very unstable ground. Values throughout this drift were decididly poor.

Melting of snow on adjacent ground allowed renewed examination of surface geology, and it is felt that information obtained from underground study and notation of bedrock control features in old hydraulic workings nearby indicate a definite target area some 250 feet to the northeast.

After completion of the aforementioned drift, efforts were again concentrated on the N10E (N20E in previous reports was a magnetic error) drift and it has been driven to 102 feet from which point it seems opportune to turn easterly and approach the target area.

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

April 26, 1966

Mr. R. N. Pudge
Homestead Gold Exploration Corp.
P.O. Box 26
Quincy, California

Re: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Dear Mr. Pudge:

Enclosed are the original and three copies of proposed Amendment No. 1, signed by the Chief, Office of Minerals Exploration for the Government.

If the proposed Amendment meets with your approval, please sign and return the following copies to this office:

Government's copy
Budget and Finance's copy
Field Office's copy

The Operator's copy should be retained for your files.

If any part of the proposed Amendment does not meet with your approval, the original and all copies should be returned to this office with your proposed changes for consideration.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures-4

cc: Chief, OME, WDC
D RF
ACG RF
MP RF
File 6361
HKStager:mlb

Geological Survey
345 Middlefield Road
Menlo Park, California 94025

OFFICIAL
COPY
O. M. E.
APR 20 1966

April 18, 1966

Mr. R. N. Pudge
Homestead Gold Exploration Corp.
P.O. Box 26
Quincy, California

Re: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California
Contract 2209

Dear Mr. Pudge:

The Amendment to your contract, transferring all of the remaining footage for crosscutting in bedrock to raising in the gravel is in preparation in Washington, D. C. and will be sent to you for your signature in the near future.

Your monthly progress report maps do not clearly indicate the results of the work to date. Will you please send me an additional copy of your map and indicate which portions of the drifts and crosscuts are in gravel, the locations of any samples you have taken, and the average gold content of the gravels sampled.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: D RF
cc: Chief, OME, WDC ✓
MP RF
ACG RF
File 6361
HKStager:mlb

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/15	R M Smith	1208
"	Kubema	1204
4/18	Johnson	110
		220
4/19	Kilgard	
4/20	Kayer	
4/21	Cac	210
		120 M

APR 21 1966

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California
Contract 2209

Enclosed are the original and three copies of a proposed Amendment No. 1 (3 pages) to the subject contract signed for the Government. An extra copy of the proposed amendment is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON

(pl)

Frank E. Johnson

Enclosures

MMerrithew/mm (4/15/66)
cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
120

23263

MME FORM 6 REFERENCE SLIP

REV. 9 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Assoc.Sol.--MR, Rm. 6554 ~~Through Room 6042~~		
2. Mr. Smith, Room 4459		
3.		
4.		
5.		
FROM: Chief, OME		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

H-65-21771

INTERIOR DEPT.
APR 12 1966
SOLICITOR
M. SOLICITOR
APR 14 1966
FOR SIGNATURE

EC., WASH., D.C. M56300-62

DRAFT
RMSmith/gla
4/8/66

Docket copy

EXPLORATION CONTRACT
HOMESTEAD GOLD EXPLORATION CORPORATION
OME-6361

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Homestead Gold Exploration Corporation, hereinafter called the "Operator," that Exploration Contract 2209 (OME-6361), dated September 14, 1965, is amended effective the date of the contract as follows:

In Exhibit A,

1. The opening paragraph is revised to read as follows:

The purpose of the project is to explore by crosscutting from existing underground workings, drilling long holes, and raising to a buried Tertiary river channel, and by crosscutting and drifting along and raising from the bottom of the channel for alluvial gold.

2. Under the heading General Provisions, the second paragraph is revised to read as follows:

The raise in bedrock shall have a manway and chute compartment and total about 8 by 5 feet in cross section. The raises in Tertiary gravels shall be timbered as necessary.

3. Under the heading Description of the Work,

(a) The first paragraph is revised to read as follows:

On the 134-foot level of the No. 1 shaft, extend the east bedrock crosscut, located about 50 feet north

of the shaft, an additional maximum of 48 feet. From the crosscut drill vertical long holes as necessary to locate the lowest point in the gravel channel.

(b) The following sentence is added to the second paragraph:

From the drifts or crosscuts in the channel drive raises on not less than 50-foot centers into the overlying gravel.

(c) The third paragraph is revised to read as follows:

The Government will not contribute to more than 48 feet of crosscutting in bedrock, 100 feet of long-hole drilling, 114 feet of raising, and 650 feet of drifting and crosscutting in the gravel channel.

4. Under the heading Estimated Costs of the Work, Fixed Unit Costs, the items are revised to read as follows:

48 feet of crosscutting in bedrock, @ $36.00/foot	$1,728.00
100 feet of long-hole drilling, @ $1.10/foot	110.00
114 feet of raising, @ $33.00/foot	3,762.00
650 feet of drifting and crosscutting in the channel, @ $32.00/foot	20,800.00
Total Estimated Cost of the Project	$26,400.00
Government Participation @ 50%	$13,200.00

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

HOMESTEAD GOLD EXPLORATION CORPORATION

By_____

Title_____

DRAFT
RMSmith/gla
3/29/66

HK

Docket copy

EXPLORATION CONTRACT
HOMESTEAD GOLD EXPLORATION CORPORATION
OME-6361

AMENDMENT NO. 1

It is agreed this _____ day of _____ _____, 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Homestead Gold Exploration Corporation, hereinafter called the "Operator," that Exploration Contract 2209 (OME-6361), dated September 14, 1965, is amended effective the date of the contract as follows:

1. In Exhibit A, under the heading Description of the Work,

(a) The following sentence is added to the second paragraph:

From the drifts or crosscuts in the channel drive not more than 84 feet of raises on not less than 50-foot centers into the overlying gravel.

(b) The third paragraph is revised to read as follows:

The Government will not contribute to more than 48 feet of crosscutting in bedrock, 100 feet of long-hole drilling, 114 feet of raising, and 650 feet of drifting and crosscutting in the gravel channel.

2. Under the heading Estimated Costs of the Work, Fixed Unit Costs, the items are revised to read as follows:

48 feet of crosscutting in bedrock, @ $36.00/foot	$1,728.00
100 feet of long-hole drilling, @ $1.10/foot	110.00
114 feet of raising, @ $33.00/foot	3,762.00
650 feet of drifting and crosscutting in the channel, @ $32.00/foot	20,800.00
Total Estimated Cost of the Project	$26,400.00
Government Participation @ 50%	$13,200.00

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

HOMESTEAD GOLD EXPLORATION CORPORATION

By_____

Title_____

MME FORM 60
SEPT. 1959

OFFICIAL COPY
M. E.
RECEIVED
APR 1 1966
INITIAL CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6361
Contract No.
14-23-090- 2209
Contract Amount $ 26,400
Gov't. Participation % 50 $ 13,200
Mineral(s) Gold

OPERATOR'S MONTHLY VOUCHER

For Month of February 1966

Operator's Name Homestead Gold Exploration Corporation
Address P. O. Box 26 Quincy, California

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting Bedrock		1728	1728			
Crosscutting Gravel	2080	6880	8960			
Drilling						
Raising		990	990			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	2080	9598	11,678			

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

Date March 15, '66 Payee Homestead Gold Expl. Corp.

Per [signature] Title President

* 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.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 1040.00

Signature [signature] 14X0804
(Authorized Certifying Officer)

Date APR 7 1966 Vou. No. 7636

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2209

Signature H K Stager Title FIELD OFFICER Date MARCH 24, 1966

Approved by OME Executive Officer or Alternate: OME REGION II

Signature H K Stager Title FIELD OFFICER Date MARCH 24, 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of February, 1966 Docket No. 6361

Operator's Name Homestead Gold Exploration Corp. Contract No. 14-23-090- 2209

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting ..... Bedrock	125	-0-	48	1728	0	48	1,728
Crosscutting ..... Gravel	650	65	280	8960	65	280	8,960
Raising	30	-0-	30	990	0	30	990
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
.....							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				11,678			$ 11,678

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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 March 15, 1966 Operator Homestead Gold Expl. Corp.

Per [signature] Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [signature]

Title Field Officer, OME Region II
Government Representative

Date March 24, 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59— 271162

O.M.E. NARRATIVE REPORT

for Month of February - 1966

During February, 65 feet of drifting disclosed little except that 166 feet easterly from the point of origin, within a very few feet of original estimates, the GH fault lower termination was encountered. This feature appears to be the suggested normal fault, with accompanying shearing and subsequent quartz impregnations, causing locally unstable ground conditions.

The main drift was turned to an approximate S50E bearing 160 feet from the raise to determine the probability that the GH fault at one time constituted one rim of the channel. 35 feet of drifting on this bearing has thus far disclosed that the fault, in it's more obvious aspects is definitely of post channel occurence, but that certain E-W trending troughed areas have prospects of being formed by channel erosion.

Because bedrock has continued to ascend at approximately the maximum allowable drift grade, thus affording little gravel for washing operations, the plant has been temporarily idled and hand sampling substituted.

On several occasions of slight caving of the lower-most gravel strata (some 3-4 feet) it was noted that the volcanic debris common to the gravel-bedrock contact decreased markedly, together with a distinct increase in the size of and more uniform stratification of gravels.

Current conditions suggest the continuance of the present heading on a more southerly course for some 50 feet to better determine structural

relationships between bedrock and gravel as well as the influence of faulting on gravel stratification. This work should provide, additionally, data on the advisability of attempting to explore further into the faulted area.

OFFICIAL FILE COPY

Date	Surname	Code
3/31	R M Smith	120
	Kirkemo	120K
		110
4/1	Cal	220
		120M

APR 1 1966

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California
Contract 2209

The Operator's monthly voucher for February has been received and transmitted to Budget and Finance for payment. The progress report and map, however, are incomplete in that they do not indicate clearly the results of the work. We suggest that before you approve the next monthly voucher the Operator be asked to indicate which portions of the drifts and crosscuts are in gravel, the locations of samples, and the average gold content of the gravels sampled.

Amendment No. 1 recommended in your memorandum of March 25 is in preparation and will be transmitted to you in the near future. As requested by the Operator, all remaining footage for crosscutting in bedrock will be transferred to raising. Hence, no crosscutting beyond the 48 feet vouchered in November and December 1965 should be approved.

FRANK E. JOHNSON

Frank E. Johnson

cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
120
Mr. Smith

RMSmith/gla 3-31-66

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Memorandum

March 25, 1966

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Co.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Enclosed are the vouchers for the month of February 1966 for the subject contract.

Also enclosed is a copy of a letter from the Operator requesting an amendment to the contract to permit the converting of part, or all, of the remaining 77 feet of bedrock drifting footage to raising in the channel gravels. He has found that the fine silty material immediately overlying the bedrock is nearly barren in gold but that cleaner quartz gravels higher in the channel carry much higher gold values. He therefore wishes to put up three or four raises to test these gravels. The raises will be 4'x4' and 15 to 20 feet long, at an angle of 45° to vertical, timbered solid. Because of the timbering he estimates the cost will equal, or exceed, the $33.00 per foot allowed for raising under the contract.

I recommend than an amendment be prepared to convert the remaining bedrock drifting footage to raising.

H. K. Stager

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Memorandum

March 2, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 4 1966

INITIALS	CODE
	110
	120
	120
	120

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Co.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

The property was to be inspected February 25, 1966; however, en route to the property I stopped in Quincy, California to telephone Mr. Richard Pudge, the Operator, and found that he and his entire mine crew were sick with influenza. The mine had been shut down for several days and except for a watchman, who was tending the mine pumps, no one had been out to the property. There is still considerable snow on the ground in the mine area and it was snowing at the time of my visit. I tried to talk to Mr. Pudge on the telephone but he was too ill to talk for more than a few minutes. I told him I would try to return by way of Quincy on my next inspection trip to Nevada late in March and would visit the mine at that time, so that we can discuss his proposed amendment.

H. K. Stager

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Memorandum

February 17, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 21 1966
INITIALS | CODE
110
120
120 S

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, Calif.
Contract No. 2209

Enclosed are vouchers for work done under the subject contract during the month of January 1966. Also enclosed is a copy of a transmittal letter from the operator. I plan to make an interim inspection of the property within the next few weeks and will then give you my recommendations concerning an amendment to the contract to utilize unused bedrock crosscutting footage for raising, as requested in paragraph three of the operator's letter.

H. K. Stager

Enclosures

MME FORM 60 F.
SEPT. 1959

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 1 1966
TERMINAL CODE
12022
120

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. ~~OME6361~~
Contract No. 14-23-090-2209
Contract Amount $ 26,400.00
Gov't. Participation % 50 $ 13,200.00
Mineral(s) Gold

OPERATOR'S MONTHLY VOUCHER

For Month of ~~January, 1966~~

Operator's Name Homestead Gold Exploration Corporation
Address P.O. Box 26, Quincy California

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting		1728.00	1728.00			
Crosscutting	1280.00	5600.00	6880.00			
Drilling						
Raising		990.00	990.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	1280.00	8318.00	9598.00			

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

Date 2-7-66 *Payee ~~Homestead Gold Ex. Corp.~~

Per [signature] Title ~~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.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 640.00

Signature [signature] 14X0804
(Authorized Certifying Officer)

Date MAR 1 1966 Vou. No. 6526

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2209

Signature H K Stager Title FIELD OFFICER Date FEB. 17, 1966

Approved by OME Executive Officer or Alternate: OME REGION II

Signature H K Stager Title FIELD OFFICER Date FEB. 17, 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of January, 1966 Docket No. OME 6361

Operator's Name Homestead Gold Exploration Corp. Contract No. 14-23-090-2209

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting Bedrock	125	0	48	1728.00	0	48	$ 1,728.00
Crosscutting Gravel	650	40	215	6880.00	40	215	6,880.00
Raising	30	0	30	990.00	0	30	990.00
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				9598.00			$ 9,598.00

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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 2-7-66 Operator Homestead Gold Ex. Corp.

Per R N Ouf Title Pres.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature A B Hagen

Title FIELD OFFICER, OME REGION II
Government Representative

Date FEB. 17, 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59— 27162

Month of January

NARRATIVE REPORT OF PROGRESS AT GOPHER HILL MINE, BEING OPERATED BY HOMESTEAD GOLD EXPLORATION CORPORATION.

Only 40 feet were driven in the crosscut during January, due to bad weather and numerous power failures, causing pumping delays.

The N20E heading was temporarily terminated after reaching a depth of 75 feet as it was felt that this work had revealed the necessary information. Several features found in this drift, including a troughed area approximately 25 feet wide, should soon be encountered in the present N85E heading.

The previously mentioned position of gravels and the volcanic layer on bedrock continue to persist, as well as consistent values, in the gravels.

Although most of the material presently being removed is bedrock, washing facilities were placed in operation February 1st, to afford accurate data on quantities and types of values in the gravels.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6361
Contract No. 14-23-090-2209
Contract Amount $ 26,400.00
Gov't. Participation % 50 $ 13,200.00
Mineral(s) Gold

OR'S MONTHLY VOUCHER

For Month of December, 1965

s Name
Address

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
ed Unit Costs and						
ependent Contracts:						
Bulldozing ~~Bedrock~~ RACR						
Drifting	288.	1440.	1728.			
Crosscutting Gravel	3520.	2080.	5600.			
Drilling						
Raising	-0-	990.	990.			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	3808.	4510.	8318.			

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

Date 1-14-66 *Payee Homestead Gold Ex. Corp.

Per R N Rudge Title President

* 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.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 1904.00

Signature 14X0804
(Authorized Certifying Officer)

Date FEB 7 1966 Vou. No. 5912

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an explora project in accordance with the terms of Contract No. 2209

Signature HR Stagen Title FIELD OFFICER Date JANUARY 27, 19

Approved by OME Executive Officer or Alternate: OME, REGION II

Signature HR Stagen Title FIELD OFFICER Date JANUARY 27, 19

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

TOR'S PROGRESS REPORT For Month of December, 1965 Docket No. OME 6361

's Name H omestead Gold Exploration Corp. Contract No. 14-23-090- 2209

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	FOR OPERATOR'S USE: UNITS TO DATE	FOR OPERATOR'S USE: COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	FOR GOVERNMENT USE: APPROVED UNITS TO DATE	FOR GOVERNMENT USE: APPROVED COSTS TO DATE
ng Bedrock	125	8	48	1728	8	48	$ 1,728.
scutting Gravel	650	110	175	5600.	110	175	5,600.
ing	30		30	990.	0	30	990.
ts							
zes							
her Underground							
rilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$8318.00			$8,318.00

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date 12-31-65 Operator Homestead Gold Ex. Corp.

Per R M Rudge Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature H B Stager

Title Field Officer, OME Region II
Government Representative

Date January 27, 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

Month of December, 1965

NARRATIVE REPORT OF PROGRESS AT GOPHER HILL MINE, BEING OPERATED BY HOMESTEAD GOLD EXPLORATION CORPORATION

O ur gravel heading, corrected to N85E some 65 feet easterly from the raise, has been driven an additional 65 feet, with interesting results.

Values appeared poor and scattered, accompanied by severe sliding and bank caving in the old river system; however 124 feet from the raise several samples indicated a gold content of approximately $8.50 per cubic yard, consisting largely of colors retained on a 20 mesh screen. 130 feet from the raise shingling of gravels, together with aforementioned bank caving and mud flows suggested that a drift should be driven northerly to more clearly establish direction of flow and gold deposition in the channel.

This project was undertaken and has advanced 45 feet in an N20E direction.

Particularly interesting in the area of consideration is a capping of rhyolitic boulders and debris, resting conformably on bedrock and overlain by the gravels containg values. This capping, as opposed to andesitic flows common to the area, indicates that gravel deposition in the channel occured in Eocene geology, measurably increasing the property's potential.

To date, the only difficulties encountered, beyond rather heavy snowfall, which hindered access to and operation of the property this past month, have been carrying the heading in five to six feet of bedrock, with most gravels above the drift back.

This condition has made it economically inadvisable to operate washing facilities at the property.

With due regard to sound mining practice and possible bedrock contour fluctuations, we are presently making every reasonable effort to bring our working level into accord with gravel elevations and to begin complete, analytical washing operations.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

December 7, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 9 1965

INITIALS	CODE
	120
	120

Memorandum

To : Chief, Office of Minerals Exploration, Washington, D. C.

From : Field Officer, OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Co.
Gopher Hill Mine
Plumas County, Calif.
Contract No. 2209

Enclosed is a copy of a letter from the subject operator notifying the Government that Mr. B. D. Fischer is no longer affiliated with the subject company.

Paul V. Fillo

Paul V. Fillo

Enclosure

cc:
Chief, OME, Wash., D. C.

Homestead Gold Exploratic Corp.

.UTIVE OFFICE

~~Phone 273-5160~~

OPERATIONS

Quincy, Calif.

December 1, 1965

DEC 1965

O ffice of Minerals Exploration
9011 Federal Building
450 Golden Gate Avenue
San Francisco, California

Attention: Mr. Paul V. Fillo

Dear Mr. Fillo,

Enclosed herewith please find our monthly voucher and report for the period ending November 30, 1965. Should you desire additional information or clarification on any matter, please feel free to call me at any time.

Since Mr. B. D. Fischer is no longer affiliated with this firm, I hereby request that all correspondence, payments, etc. be sent directly to the company at P.O. Box 26, Quincy, California.

Thanking you for your courtesy and attention, I remain,

Very truly yours,

Richard N. Pudge, Pres.
H omestead Gold Exploration Corp.

RNP/llj

MME FORM 60
SEPT 1959

ORIGINAL COPY
O. M. E.
RECEIVED
DEC 30 1965
MINERALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6361
Contract No. 14-23-090-2209
Contract Amount $ 26,400.
Gov't. Participation % 50 $ 13,200.
Mineral(s) Gold

OPERATOR'S MONTHLY VOUCHER

For Month of November 1965

Operator's Name Homestead Gold Exploration Corp.
Address P.O. Box 26, Quincy, California

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting Bedrock	$1,440.		$1,440.			
Crosscutting Gravel	2,080.		2,080.			
Drilling						
Raising	990.		990.			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$4,510.		$4,510.00			

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

Date 11-30-65 *Payee Homestead Gold Ex. Corp.

Per Richard D. Paul Title President

* 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.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 2255.00

14X0804

Signature [illegible]
(Authorized Certifying Officer)

Date DEC 16 1965 Vou. No. 4484

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2207

Signature Paul C. Fillo Title Field Officer Date Dec. 7, 1965

Approved by OME Executive Officer or Alternate: OME Reg. III

Signature Paul C. Fillo Title Field Officer Date Dec. 7, 1965

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of November 1965 Docket No. OME 6361

Operator's Name Homestead Gold Exploration Corp. Contract No. 14-23-090-2209

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting Bedrock	125	40	40	$1,440.	40	40	1440.00
Crosscutting Gravel	650	65	65	2,080.	65	65	2080.00
Raising	30	30	30	990.	30	30	990.00
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$4,510.00			4,510.00

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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 Nov. 30, 1965 Operator Homestead Gold Ex. Corp.

Per _____ Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature Paul V. Fillo

Title Field Officer

OME Government Representative

Date Region II Dec. 7-65

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

Month of November, 1965

NARRATIVE REPORT OF PROGRESS AT GOPHER HILL MINE, BEING OPERATED BY HOMESTEAD GOLD EXPLORATION CORPORATION

Since the issuance of OME contract No. 2209 to the above named operator, work has been under way at the property with the following results:

The bedrock drift was carried forward 40' on a S82E bearing in an effort to locate ground suitable for the establishment of a raise. After this work disclosed only badly broken and heavy ground conditions the raise was started 40' from the drift face and was driven South on an 50 degree inclination 33', where the proposed gravel crosscut was faced off to both East and West.

After observing the character of both gravels and bedrock, at their contact, it was decided that a mucking machine, rather that slushers should be used to drive the heading.

At the gravel-bedrock contact and in 65' of subsequent driftingon this contact, in an N80E direction, it appears that the drift is indeed crosscutting a Tertiary blue channel which had an approximate flow of S40W.

A somewhat muddy condition in the gravel, together with the existance of a sand bar in the drift back indicate that we are presently cutting benches near the inside of a curve, in the old channel.

Forty tons of material were washed with a recovery of only 1/8 ounce of gold. Values contained in the gravels occur evenly distributed with no unusual concentrations on or about bedrock, clearly indicating that the bench gravels at our current position were not in the main flow or trough of the channel where more abundant water would have concentrated values near bedrock.

Bedrock conditions appear very favorable, with constant variance in elevation of five to six feet over very short distances, with many pockets, crevices, etc.

Detailed geologic information is being prepared and will be submitted in future reports.

This summary respectfully submitted by:

R N Bee

Homestead Gold Exploration Corp.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

November 4, 1965

OFFICIAL COPY
O. M. E.
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120

Memorandum

To : Chief, Office of Minerals Exploration, Washington, D. C.

From : Field Officer, OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Co.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Interim Inspection

An inspection was made on the Gopher Hill mine October 28, 1965 by the Field Officer, accompanied by the mine superintendent, Mr. Richard Pudge.

The mining operation consists of raising from the main haulage level to the gravel channel of approximately 25 feet. The raise is partially completed to the gravel material. At the time of the inspection, the operator and two miners were in the process of transporting a mucking machine through the raise to the channel. The operator was advised on the timbering required in the short raise. The raise has broken into blue gravel which is supposed to be a favorable condition for gold values.

I instructed Mr. Pudge on the procedure of keeping records on the number of ore cars and the amount of gold recovered. This information is to be recorded in the operators monthly report.

The crew consists of a hoist man, two miners, and Mr. Pudge, the supervisor.

Paul V. Fillo
Paul V. Fillo

cc:
Chief, OME, Wash., D.C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

October 19, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 22 1965
INITIALS | CODE
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120

Mr. Richard N. Pudge, President
Homestead Gold Exploration Corp.
P.O. Box 26
Quincy, California

Re: OME-6361 (Gold)
Homestead Gold Exploration Co.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

Dear Mr. Pudge:

A field trip into northern California is tentatively planned, and I hope to make an interim inspection of the Gopher Hill mine October 27, 1965, weather permitting.

Sincerely yours,

Paul V. Fillo
Field Officer
OME, Region II

cc:
Chief, OME, Wash., D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY
O. M. E.
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	120
	120 M

October 4, 1965

Memorandum

To : Chief, Office of Minerals Exploration, Washington, D. C.

From : Field Officer, OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Co.
Gopher Hill Mine
Plumas County, Calif.
Contract No. 2209

In reply to your letter of September 28, 1965 of the above subject, the operator has drilled two churn drill holes in the vicinity where the exploratory work will be done. Their pertinent information and location of the gravel channel was obtained through this drilling.

Possibly the long holing as authorized in the contract can be deleted since the gravel channel is only a few feet (25 ft.) above the main haulage level.

Maybe also some bedrock drifting?

Paul V. Fillo

Paul V. Fillo

cc:
Chief, OME, Wash., D. C.

Hold until we get operator's monthly report.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/28	Selfridge	130
"	Johnson	110
		220
		120M

SEP 28 1965

Memorandum

To: Acting Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California
Contract 2209

In reply to your inquiry of September 24, 1965, regarding the drifting, we shall leave it in the contract for the time being. The Operator can start his work with the raise. Did he first drill the vertical long holes provided for in the contract?

(signed) FRANK E. JOHNSON

Frank E. Johnson

GCSelfridge/gla (9-28-65)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Selfridge (2)

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

September 22, 1965

Memorandum

To : Chief, Office of Minerals Exploration, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California
Contract No. 2209

OFFICIAL COPY
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SEP 24 1965
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120

Enclosed are the Government's, Fiscal's, and Audit's signed copies of the subject contract executed by the operator.

Paul V. Fillo

Paul V. Fillo

Enclosures

cc:
Chief, OME, Wash., D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

September 24, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 27 1965

INITIALS	CODE
	110
	1201
	120

Memorandum

To : Chief, Office of Minerals Exploration, Washington, D.

From : Acting Field Officer, OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, Calif.
Contract No. 2209

Interim Inspection

An inspection of the subject property was made September 9, 1965, accompanied by the mine superintendent, Richard Pudge.

The main haulage level (134-foot level) appeared to be in good order to carry out the OME program of exploring the gravel channel in a northeasterly direction. The operator was advised that four or five drift sets would have to be repaired, and that better timbering procedures are required on OME projects. Upon signing the contract (September 21, 1965), the operator mentioned that the timbering has improved considerably and will be done in accordance with good mining practices.

Presently, the operator has advanced the main haulage drift from the shaft in the bedrock to a point where he is now in a position to raise to the gravel in the vicinity of churn drill hole No. 1.

In reviewing the proposed contract, I find that it shows 125 feet of drifting is allowed in bedrock as mentioned in my report, but now I learn from the operator that he has already completed this work and is ready to raise. Kindly advise if the 125 feet of drifting in the bedrock will be held in abeyance for later use or will the footage be dropped from the contract.

The operator is planning to use a mucking machine in the gravel channel drift after he has reached the optimum distance for scraper work. There are four men operating the mine.

Paul V. Fillo

Paul V. Fillo

cc:
Chief, OME, Wash., D. C.

V
WWKA048
FWB-037 WWBK FSF 35 IBOM
SAN FRANCISCO CALIF 9-22-65 1118U
FRANK E JOHNSON, CHIEF
OFFICE OF MINERALS EXPLORATION U S GEOLOGICAL SURVEY DEPT OF
THE INTERIOG WASHINGTON DC
RECEIVED SIGNED CONTRACT NO. 2209 FROM HOMESTEAD GOLD EXPLORATION
CORP
PAUL V FILLO
2209
VJB 1120U

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 23 1965

INITIALS	CODE
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	220

V

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

September 20, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 22 1965
INTERIOR SECTION

120 m
120

Mr. B. D. Fischer
Homestead Gold Exploration Corp.
4620 Beverly Boulevard
Suite 200
Los Angeles, California 90004

Re: OME-6361 (Gold)
Homestead Gold Exploration Co.
Gopher Hill Mine
Plumas County, Calif.

Dear Mr. Fischer:

Enclosed are the original and four copies of a proposed contract on the Gopher Hill Mine, signed by the Director for the Government.

The contract consists of MME Form 51 (5 pages), Annex I (1 page), one Lien and Subordination Agreements, Exhibit A (2 pages), Exhibit B (1 page), and two maps (Figure B and Figure 2).

If the proposed contract meets with your approval, please sign all copies and return the following copies to this office:

Government's copy
Fiscal Section's copy
Audit's copy
Field Office's copy

The operator's copy should be retained for your files.

If any part of the proposed contract does not meet with your approval, the original and all copies should be returned to this office together with your changes for consideration.

Please note that the interest of 6¼ percent in Article 1(c) of the contract accrues from the dates on which the individual payments are made by the Government, and, like the principal, is repayable from royalty on production.

Sincerely yours,

Paul V. Fillo
Acting Field Officer
OME, Region II

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/9	Murphy	
	Jennings	
9/10	Wilkin	
9/10	Tooker	
9/11	Kepner	
	Bailey	
9/14	Cal	210

SEP 14 1965

Memorandum

To: Acting Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California

Enclosed are the original and four copies of a proposed contract for the subject mine. The contract consists of MME Form 51 (5 pages), Annex I (1 page), one Lien and Subordination Agreements, Exhibit A (2 pages), Exhibit B (1 page), and two maps (Figure B and Figure 2). An extra copy of the contract is also enclosed for field use. All copies of the contract have been signed by the Director for the Government. The date for commencement of the work has been inserted.

If the proposed contract is satisfactory to you and the Applicant, all five copies should be signed by an authorized representative of the Applicant. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6½ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

If any part of the proposed contract does not have your approval or that of the Applicant and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

The proposed contract covers only your proposed Stage I work because, in our opinion, the cost of the work proposed for Stage II is excessive in relation to the possible length of the channel on the property and also the possible gross value of its gold content. The unit costs used, which include timbering, are approximately the Applicant's estimates. Such estimates are considered bids and should not be raised except to round out a figure unless something obviously has been left out.

(signed) FRANK E. JOHNSON

Frank E. Johnson

Enclosures

FMMurphy/mm (9/9/65)
cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Selfridge

23263

MME FORM 6 REFERENCE SLIP

REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Associate Solicitor, 6042~~		
2. George C. Selfridge 4460		
3.		
4.		
5.		
FROM: G. C. Selfridge	8/27/65	

FOR: Check items for action desired

X Action ____ Reply for signature of ____

X Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

RECEIVED
AUG 30 1965
Division of Mineral Resources
and General Legal Services

SEP 2 1965
FOR SIGNATURE
H-65-27.7.77

INTERIOR DEPT.
AUG 30 1965
SOLICITOR

DUP. SEC., WASH., D.C. M56300-62

Draft F. M. Murphy/mm 8/23/65

Docket

MME Form 51
June 1963

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
~~OFFICE OF MINERALS EXPLORATION~~*

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME-6361	Gold	14-23-090-	Plumas	California

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Homestead Gold Exploration Corporation, a California corporation

_____,

whose mailing address is **3460 Wilshire Boulevard, Suite 618, Los Angeles, California 90005**, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before **November 1, 1965** (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within **18** months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $**26,400.00**. The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $**13,200.00** in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

(b) 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 Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

* U. S. Geological Survey

(c) The Operator shall preserve and maintain his right, title, or 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. 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 royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) 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 production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(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 and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of 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. 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 all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 three copies of a final report (in addition to the final monthly report). 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 the unit costs thereof.

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

(e) Compliance with requirements.--If the Government determines that 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 preparation or completion of same 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 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used 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, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used 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 thereof in the form in which and at the time 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) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such pruchaser 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 Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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 pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified 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 9. 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 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, XXXXXXXXXXXXXXXXXXXXXXXXXXXX* who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, XXXXXXXXXXXXXXXXXXXXXXXXXXXX* shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, XXXXXXXXXXXXXXXX XXXXXXXXXXX* a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, XXXXXXXXXXXXXXXXXXXXXXXXXXXX* as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The ~~Office of Minerals Exploration~~ * may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

XXX * U. S. Geological Survey

ARTICLE 14. Changes and added provisions.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

HOMESTEAD GOLD EXPLORATION CORPORATION
(Operator)

By _____

Title _____

THE UNITED STATES OF AMERICA

By _____

Acting Director, U. S. Geological Survey

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) 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]

INT.-DUP. SEC., WASH., D.C. 31011

DRAFT FMMurphy/mm
8/23/65

EXPLORATION CONTRACT
HOMESTEAD GOLD EXPLORATION CORPORATION
OME-6361

ANNEX I

The land referred to in Article 2 of the contract consists of two (2) placer mining claims, including all rights pertaining thereto, in sec. 12, T. 24 N., R. 8 E., ~~M.D.M.~~ M.D.B.&M., Plumas County, California.

The claims are recorded in the Placer Mining Records in the Office of the County Clerk and Recorder of Plumas County, Quincy, California, as follows:

Claim	~~Book~~ Volume	Page	Area
Gopher Hill Extension	20	38	160 acres
Spanish Gopher	20	48	40 acres

In a Mining Lease Agreement dated August 23, 1962, the owner G. B. M. Medearis granted rights to these two claims to Bernard McDonald.

In an Assignment of Lease dated May 7, 1963, Bernard McDonald granted all his rights in ~~the above~~ said lease to Homestead Gold Exploration Corporation.

A Lien and Subordination Agreements dated August 17, 1964, executed by Mrs. Pauline Pearl Smith (successor in interest of G. B. M. Medearis, deceased) is attached hereto and made a part hereof.

The outer boundary of the above-listed claims is shown in green on Figure B entitled "Gopher Hill Extension & Spanish Gopher Claims," attached hereto and made part hereof.

DRAFT FMurphy/mm
8/23/65

EXPLORATION CONTRACT
HOMESTEAD GOLD EXPLORATION CORPORATION
OME-6361

EXHIBIT A

The purpose of this project is to explore by crosscutting from existing underground workings, drilling long holes, and raising to a buried Tertiary river channel, and crosscutting and drifting ~~from the raise~~ along the bottom of the channel for alluvial gold.

General Provisions

All drifts and crosscuts shall be not less than 5 by 7 feet in cross section in the clear of timber and shall be timbered as necessary using standard 8 by 8-inch drift sets or equivalent round timber.

The raise shall have a manway and a chute compartment and total about 8 by 5 feet in cross section.

Mine rails shall be not less than 16-pound size, main air lines not less than 3-inch size, water lines not less than 3/4-inch size, and vent lines not less than 10-inch size.

No work under this contract shall be performed at locations closer than 100 feet to the property boundary.

The Operator shall provide such supervisory and technical services as may be required to complete the project in a satisfactory manner.

The Operator's monthly reports shall include maps or sketches showing the work completed during the reporting period and shall include the number of cubic yards of gravel treated in the washing plant and the value of the gold recovered.

The location, direction, and extent of each work item shall be subject to Government approval.

Description of the Work

On the 134-foot level of No. 1 shaft extend the east bedrock crosscut, located about 50 feet north of the shaft, an additional maximum of 125 feet. Beginning about 50 feet east of the starting point in the crosscut drill vertical long holes at 50-foot intervals to locate the lowest point in the gravel channel.

From the bedrock crosscut drive a raise to the channel at approximately the lowest point. From the top of the raise drive a crosscut a maximum of 200 feet in an easterly and/or westerly direction. At approximately the lowest elevation in this crosscut drift about 300 feet northerly and southerly along the strike of the channel. At the north end of this drift drive a crosscut approximately 75 feet easterly and at the south end a similar crosscut westerly, or conversely. The drift and crosscuts in the channel shall be along the bottom of the gravel, if feasible, or partly therein.

The Government will not contribute to more than 125 feet of crosscutting in bedrock, 100 feet of long-hole drilling, 30 feet of raising and 650 feet of drifting and crosscutting in the gravel channel.

The work described above is indicated in red on Figure 2 entitled "Proposed Exploration, Gopher Hill Mine . . .," attached hereto and made part hereof. However, the actual locations of the openings may ~~M~~ vary from those shown.

Estimated Costs of the Work

Fixed Unit Costs

125 feet of crosscutting in bedrock @ $36.00/foot	$ 4,500.00
100 feet of long-hole drilling @ $1.10/foot	110.00
30 feet raising @ $33.00/foot	990.00
650 feet of drifting and crosscutting in the channel @ $32.00/foot	20,800.00
Total Estimated Cost of the Project	$26,400.00
Government Participation @ 50%	$13,200.00

Total for 3 stages. $50,280.00

Possible Potential of Area

Paystreak in channel

width = 100 yds
Hight 2 yds
Length 880 yds } = 176,000 cu. yds

From Item 3(a) of original application values range from 46¢ to $1.12 / cu. yd.

176,000 cu. yds. x $1.12 = $197,317.12

Contribute to stage I only!

mentioned in transmittal letter.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

August 5, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 13 1965
INITIALS | CODE
130

Memorandum

To : Chief, Office of Minerals Exploration, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California

1 cy 130

Enclosed are the original and one copy of the Field Examination Report on the subject application. Their primaty objective is to explore the auriferous channel west and north of the major fault that curtailed the hydraulic operation of the Gopher Hill mine in the early days. The throw of the fault is estimated to be 40 to 70 feet.

In my cost estimate, the unit cost is higher than the applicant's due to the cost of labor. The applicant neglected to show how his labor cost was calculated. I did use the applicant's costs on material and supplies, but the labor cost is the big item on which we differ.

The program will cost about $76,883.24 of which the Government's share at 50 percent will be $38,441.67. Any comments on the cost estimate will be appreciated. My raise cost is high, and I just can't figure out why it should be; your comments on this matter will also be appreciated.

Paul V. Fillo

Paul V. Fillo

Enclosures

cc:
Chief, OME, Wash., D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION II

APPLICATION REPORT

OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California

by

OFFICIAL
COPY
O. M. E.
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120 M

Paul V. Fillo
Acting Field Officer
OME, Region II

August 10, 1965

ON-SITE
EXAM. REPT.

C O N T E N T S

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I L L U S T R A T I O N S

Figure 1----------Location Map

Figure 2----------Proposed Exploration Map

INTRODUCTION

The original application was submitted by Richard N. Pudge, President, Homestead Gold Exploration Corporation, 3460 Wilshire Boulevard, Suite 618, Los Angeles, California, 90005, for OME assistance in which the corporation requested a loan of $203,316.00 to explore an old river channel for gold at the Gopher Hill mine located in Meadow Valley about 6 1/2 miles west of Quincy, California.

The application was assigned Docket No. OME-6361 and was referred to this office on July 20, 1964 for consideration and for a field examination if necessary.

The proposed work consisted of crosscutting and raising from the bedrock to the gravel channel, drifting and crosscutting in the channel, and a raise to the surface for ventilation and an escapeway.

A revised application was submitted to this office July 27, 1965 for reconsideration. The application included an estimated total cost of $54,902.50. The exploratory work consisted of crosscutting in the bedrock, a short raise of 20 feet to the gravel channel, drifting in the channel in a north-south direction, and crosscuts at 100-foot intervals alternated from left to right from the main drift to determine the width and character of the channel.

On July 27, 1964, a field examination was made by Paul V. Fillo, Acting Field Officer, OME, Region II, accompanied by Richard N. Pudge, President of the Corporation.

SUMMARY

After the examination, the applicant conducted an exploration program of driving a short adit about 350 feet east of their main shaft where they encountered the top part of the gravel channel. With this information, two churn drill holes were drilled between the main shaft and the portal of the adit. The results of drill hole No. 1 proved that the gravel channel trends to the north rather than to the west of the shaft which was first believed.

The property is located in an area where auriferous gravels carried good gold values, and was mined hydraulically in the early days. The width of the gravel channel where exploratory work will be done is not known but the applicant estimates it to be 150 feet.

The applicant's revised program consists of extending the east drift approximately 125 feet in the bedrock in the vicinity of churn drill hole No. 1, then raise approximately 20 feet to the gravel channel. From the top of the raise, continue the crosscut work (east) in the gravel an estimated 150 feet in hopes of determining the channel flow and other relative data. When this is obtained, a drifting program will start from the crosscut and follow the channel, advancing in a northeasterly direction for 600 feet. From the main channel drift, several 50 - 100-foot crosscuts are being considered, alternating from left to right in order to test the gravel values as well as the character of the channel.

RECOMMENDATIONS

The geology and history of the Meadow Valley and Spanish Creek Mining

district make it logical to assume that an auriferous channel exists on the property. The exploration of the auriferous channel can be considered pioneering to determine the attitude of the channel. It is recommended that the Government enter into an OME contract with Homestead Gold Exploration Corporation on the Gopher Hill mine to provide 50 percent of the costs of crosscutting, drifting and raising.

The total cost of the project is estimated to be about $76,883.24 of which the Government's share at 50 percent would be $38,441.67. Sixteen months will be required to complete the contract.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

Gopher Hill mine is located about 7 miles west of Quincy, Calif. in sec. 12, T. 24 N., R. 8 E. MDM near the junction of Wapaunsie Creek and on the north side of Spanish Creek, Plumas County, Calif. (Fig. 1). The property can be reached by traveling west toward Meadow Valley 5.9 miles, then turn right onto a gravel road fording Spanish Creek and travel 0.5 miles to the property.

Winter operation in the area is sometimes impeded and access may be difficult because of heavy snowstorms during the winter months. Mine labor is available in Quincy as are mail, telephone, railroad, and freight services. Equipment and supplies are also available in Quincy.

Prevailing wages for miners are about $2.75 an hour. Water for their mining operation is available from either the mine or Spanish Creek. The mine makes about 50 gallons of water per minute. Electric power is provided by P. G. & E. Company.

PROPERTY

History and Production

There are no records to show if any gold was produced on the property. The adjacent property on the east side of the major fault, known as the Gopher Hill, was hydraulically mined for gold, and several million dollars worth was recovered. The property has been active intermittently under various owners and lessees, where they had attempted to sink two shafts in order to evaluate the gravels resting on the bedrock; both shafts were abandoned because of poor mining practices.

Ownership

The property consists of two unpatented placer mining claims which are recorded in the Office of the County Clerk and Recorder, Quincy, Calif. as follows:

Unpatented Placer Mining Claims	Book	Page
Gopher Hill Extension	20	38
Spanish-Gopher	20	48

The above placer claims are owned by Pauline Pearl Smith, 708 Montgomery Street, Shelbyville, Indiana, 46176.

Financial Eligibility

The applicant has submitted evidence of efforts made to secure a loan for exploration purposes from two sources. Copies of letters, dated June 4, 1965 to the Guardian Bank, Hollywood, Calif. and to the Bank of America, Los Angeles, Calif., dated May 26, 1965, requesting a loan, are included with the revised application. Copies of letters from the two banking companies refusing the requests are also attached to the

revised application. The Corporation proposes to finance its share of the exploration costs through corporation funds.

Mine Development

The property was developed by a main shaft which was completed by the applicant early in 1964 to a depth of 150 feet. At the 134-foot level, the mine was developed by drifts going northerly and southerly from the shaft. The north drift was advanced 170 feet with four short 20-foot raises to the gravel channel. Their objective was to locate the north rim of the channel. The drift to the south was advanced 140 feet, with two short raises to the gravel channel.

No attempt was made to pan the gravel from the raises during the inspection in 1964 because of the flooding conditions on the main level.

Also on the property is a vertical shaft, full of water, known as the Stevenson, and the applicant reports it to be 56 feet deep. The reason for this shaft was to check the gravels near the bedrock immediately west of the major fault. The shaft was abandoned because of poor mining methods used in sinking and timbering. An incline shaft was also started on the property a short distance northeast from their present operating shaft; this work was also halted after a short advancement of 75 feet due to a lack of mining experience; the shaft is presently caved.

Adjoining properties show that extensive hydraulic mining had taken place in the early mining days of the 1890's.

The existing buildings on the property consist of a mine repair shop, hoist house, change room and 50-ton gravity mill; the buildings are in fair condition.

The surface equipment include a 315 c.f.m. elect. compressor, a 210 c.f.m. elect. compressor, a 210 c.f.m. gas compressor, a 1-ton 1963 dump truck 4 X 4, an elect. mine hoist, a 2-ton Kimberly type skip, 4 mine cars, 2 mucking machines, 3 drifters, 3 air legs, 3 stopers, 3 elect. pumps (15, 10, 10 horsepower motors), chain saw, circular saw, 1 set of gas welding equipment, and a 10 horsepower blower. The surface equipment and existing buildings on the property are available to adequately handle the exploration project.

GEOLOGY 1/

Geologic Setting

The Gopher Hill mine is located about 7 miles west of Quincy, Calif. in Meadow Valley and Spanish Creek Mining district, and most of the area is covered by gravel from 3 to 18 feet thick. The gravels have been worked mostly on the north side of this valley.

The district is composed of slates and quartzites of the Calaveras formation. The Calaveras formation was deposited in Carboniferous times and is the oldest formation in the district. This is overlain by the youngest formation which is the alluvial deposit.

Meadow Valley was involved by Pliestocene faulting, making it difficult to correlate any of the channels. Meadow Valley is believed to have been formed at the close of the Miocene period by a down-throw, and was, in Pliocene and Pleistocene times, a glacial lake, fed by streams of Pleistocene age. The main feeders (springs) of the present valley are Wapaunsie Creek and Spanish Creek.

1/ Haley, Charles S. California State Mining Bureau, Bull. No. 92, pp. 109-112.

The area of the channel under consideration is bounded by a rim on the north, the Spanish Creek on the south, a serpentine dike on the west, and by a normal fault on the east. This fault cuts off the Gopher Hill workings with the exposure of barren slate bedrock, leaving a north-south escarpment of 40 to 70 feet high, dropping the Gopher Hill Extension block with its cover of gold-bearing gravels. The gold particles range from fine to coarse in size and are reported to have been taken from the nearby hydraulic mining areas in the district. The gold is associated with black sands which are composed chiefly of magnetite with smaller amounts of iluminite, zircon, garnet, and occasionally pyrite.

Sampling

No samples were taken of the gravel channel when the property was visited in July 1964 because of the flooding condition on the main level due to pumping problems. The operator said that this is now corrected and that the drift is reasonably dry. The level should be inspected before the proposed contract is signed by the applicant.

Ore Reserves

There are no measured reserves of gold ore present on the mining claims proposed for exploration by Homestead Gold Exploration Corporation.

EXPLORATION

Applicant's Proposal

The applicant's revised proposed exploratory project consists of 250 feet of drifting in bedrock, 50 feet of raising, and 1,375 feet of drifting and crosscutting in the gravel channel at an estimated total

cost of $54,902.50. The proposed division of this work is as follows:

250 ft.,	drifting in bedrock @ $35.60/ft.	$ 8,900.00
50 ft.,	raising @ $32.90/ft.	1,645.00
1,375 ft.,	drifting and crosscutting in the gravel channel @ $32.60/ft.	44,357.50
		$54,902.50

Examiner's Proposal

It was suggested to the applicant that the exploration program be a arranged in stages and continuation of the work will depend on the merits of what is disclosed in each stage.

The revised program, in two stages, is as follows: Stage I consists of 150 feet of crosscutting in bedrock, 30 feet of raising, 150 feet of crosscutting across the gravel channel, 200 feet of drifting in a northerly direction from the main crosscut, 100 feet south from the main crosscut, and 150 feet of crosscut work (two 75-foot crosscuts) in the gravel from the main drift. These crosscuts will be at 100-foot intervals.

Stage II consists of extending the main haulage level in the bedrock about 400 feet in the vicinity of raise No. 2 which would be advantageous as a drawpoint to reduce cost by allowing flexibility of mining and tramming operations to the shaft; extending the main drift in the gravel to the north 300 feet from the 30-foot raise (drawpoint stated above); and 150 feet of crosscuts in the gravel. These crosscuts (two 75-foot crosscuts) will be at least 100 feet apart and alternate from left to right from the main drift. (Fig. 2).

Proposed Exploration Costs

The applicant's proposed costs for crosscutting, drifting, and raising are low compared with similar projects. It is doubtful whether the applicant can do the exploratory work at his estimated costs. The purpose of the program is to locate and evaluate the auriferous channel extended beyond the major fault from the old Gopher Hill Hydraulic mine.

Cost Estimate

The following tables show the breakdown on the proposed costs of the program to be considered:

Detail of Labor Costs

Stage I

Single shift, 750 feet crosscutting and drifting, at 5 feet per day, 6 days per week. Estimated Total Time: 25 weeks.

	per hour	per week	25 weeks
2 Miners	$2.75	$286.00	$7,150.00
1 Hoistman	2.25	117.00	2,925.00
1 Trammer	2.50 (60%)	130.00	1,950.00
1 Surface man	2.25	117.00	2,925.00
1 Foreman	3.12	150.00	3,750.00
			$18,700.00

$$\frac{\$\ 18,700}{750} = \$24.93 \text{ per foot}$$

18.77

Single shift, 30 feet of raising at 4 feet per day, 6 days per week, 7 days.

	7 days
2 miners	$330.00
1 Hoistman	135.00
1 Trammer	150.00
1 Surface man	135.00
1 Foreman	175.00
	$925.00

$$\frac{\$925}{30} = \$30.83 \text{ per foot}$$

20.83

Detail of Labor Costs

Stage II:

Single shift, 850 feet crosscutting and drifting at 5 feet per day, 6 days per week. Estimated Total Time: 29 weeks.

	per week	29 weeks
2 miners	$286.00	$ 8,294.00
1 Hoistman	117.00	3,393.00
1 Trammer	130.00	3,770.00
1 Surface man	117.00	3,393.00
1 Foreman	150.00	4,350.00
		$23,200.00

$$\frac{\$23,200}{850} = \$27.29 \text{ per foot}$$

Single shift, 30 feet of raising at 4 feet per day, 6 days per week. (Same as in Stage I):

30 feet X $30.83 = $924.90

Summary of Labor Cost

Project	Days working	Cost/ft.	Footage	Total Cost
Stage I:				
Crosscutting & Drifting	150	$24.93	750	$18,700.00
Raise	6	30.83	30	924.90
Total:	156			$19,624.90
Stage II:				
Crosscutting & Drifting	170	$27.29	850	$23,200.00
Raise	6	30.83	30	924.90
Total:	176			$24,124.90
Grand Total:	332			$43,749.80

Material and Supplies

Stage I:

Material and supplies, 750 feet of crosscutting, drifting:

Timber @ $3.39/ft. (650')	$2,203.50
Rail, #16 ($225/ton) @ $1.20/ft. (600')	720.00
Spikes, fish plates, bolts @ $.10/ft.	75.00
3" air line @ $.90/ft.	675.00
Drill steel & bits @ $.57/ft.	427.50
Explosives @ $3.17/ft.	2,377.50
Hoses (air & water)	200.00
Small tools	125.00
Vent line @ $.65/ft.	487.50
Ties $.50 each (160)	80.00
Fuel @ $.20/ft.	150.00
Power @ $1.25/ft.	937.50
	$8,458.50

$$\frac{\$8458.50}{750} = \$11.28 \text{ per foot}$$

Material and supplies, 30 feet, crib raise:

Timber @ $10.20/ft.	360.00
Drill steel @ $.57/ft.	17.10
Explosives @ $3.17/ft.	95.10
Small tools	60.00
Fuel @ $.20/ft.	6.00
Air line @ $.90/ft.	27.00
Vent line @ $.65/ft.	19.50
Power @ $.60/ft.	18.00
	$602.70

$$\frac{\$602.70}{30} = \$20.09 \text{ per foot}$$

Stage II:

Material and supplies, 850 feet, crosscutting and drifting in gravel:

Timber, $3.20/ft. (550')	$1,760.00
Rail (#16) @ $1.20/ft. (300')	360.00
Spikes, fish plates, bolts @ $.10/ft.	85.00
3" air line @ $.90/ft. (700')	630.00
Drill steel & bits @ $.57/ft.	484.50
Explosives @ $3.17/ft.	2,694.50
Small tools	100.00

Stage II (cont'd):

Vent line @ $.65/ft. (700')	455.00
Ties, 180 X $.50	90.00
Fuel @ $.20/ft.	170.00
Power @ $1.56/ft.	1,326.00
	$8,155.00

$$\frac{\$8,155.00}{850} = \$9.59/\text{ft.}$$

Material and supplies, 30 feet, crib raise. The cost is calculated on the same basis as in Stage I:

30 feet X $20.09 = $602.70

Summary of Material and Supplies

Stage I		
Crosscutting & Drifting	$8,458.50	
Raising	602.70	
	$9,061.20	
Stage II		
Crosscutting & Drifting	$8,155.00	
Raising	602.70	
	$8,757.70	
	Total:	$17,818.90

Operating Equipment Owned by the Operator

1 Compressor (c.p. 315 c.f.m., elect.)	$ 3,500.00
1 Compressor (Schramm 210 c.f.m., gas)	2,000.00
2 Air leg & drifter	650.00
1 I. R. Stoper	500.00
4 Mine cars	400.00
1 G.D. mucker	2,200.00
1 Electric blower	375.00
1 Hendy elect. 50 HP Hoist	2,500.00
1 2-ton skip	500.00
1 15 HP pump	1,500.00
1 Air receiver	200.00 -?
1 Int. truck, 1963	2,800.00
1 Maintenance shop	1,000.00
	$18,125.00

Depreciation schedule:

$$\frac{\$18,125}{60} = \$302.08$$

$302.08 X 16 mos. = $4,833.28

No rehabilitation nor repairs necessary other than noted.

Repair parts	$ 150.00
Accounting, telephone, etc. $50/mo.	800.00
Engineer services $50/mo.	800.00
Workmen's Compensation (19.6% X 44,549.80)	$ 8,731.76
	$10,481.76

Summary of Costs

Stage I:

	750' Crosscut and Drift		30' Raise		
	Per ft.	Total	Per ft.	Total	TOTAL
Labor	$24.93	$18,700.00	$30.83	$ 924.90	$19,624.90
Material & Supplies	11.28	8,458.00	20.09	602.70	9,060.70
Rep. Acc't. Engr., Compensation 1/	6.29 (45%)	4,716.80	6.98 (2%)	209.63	4,926.43
Depreciation 1/	2.86	2,174.98	3.22	96.66	2,271.64
	$45.36	$34,049.78	$61.12	$1,833.89	$35,883.67

Stage II: Development ?

	850' Crosscut and Drift		30' Raise		
	Per ft.	Total	Per ft.	Total	TOTAL
Labor	$27.29	$23,200.00	$30.83	$ 924.90	$24,124.90
Material & Supplies	9.59	8,155.00	20.09	602.70	8,757.70
Rep. Acc't., Engr., Compensation 1/	6.29 (51%)	5,345.70	6.98 (2%)	209.63	5,555.33
Depreciation 1/	2.90	2,464.98	3.22	96.66	2,561.64
	$46.09	$39,165.68	$61.12	$1,833.89	$40,999.57

Grand Total of Stages I and II:

Labor	$43,749.80
Material & Supplies	17,818.40
Rep. Acc't., Engr., Compensation 1/	10,481.76
Depreciation 1/	4,833.28
	$76,883.24

1/ Pro-rated on the basis of labor cost, crosscut and drifting, raising.

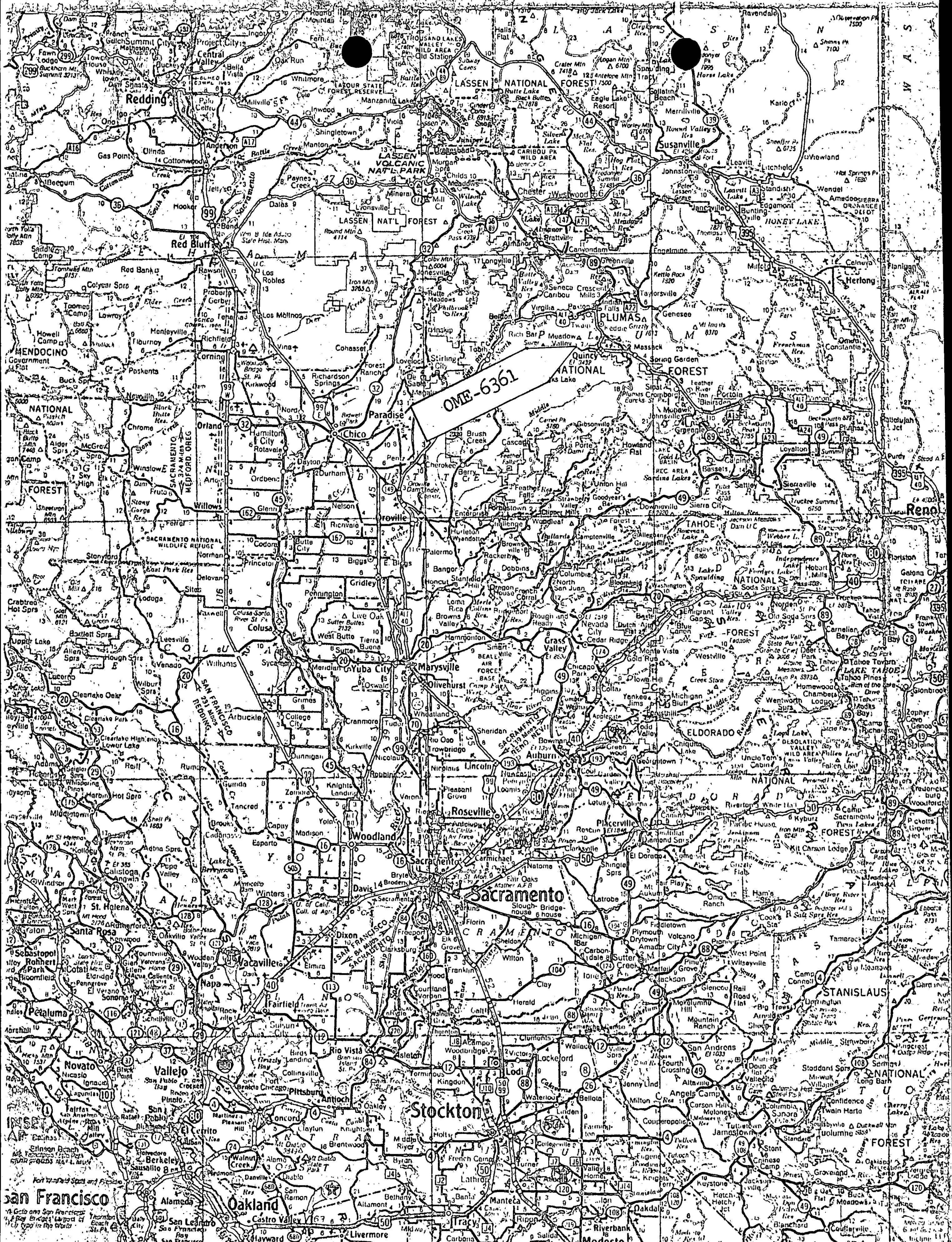
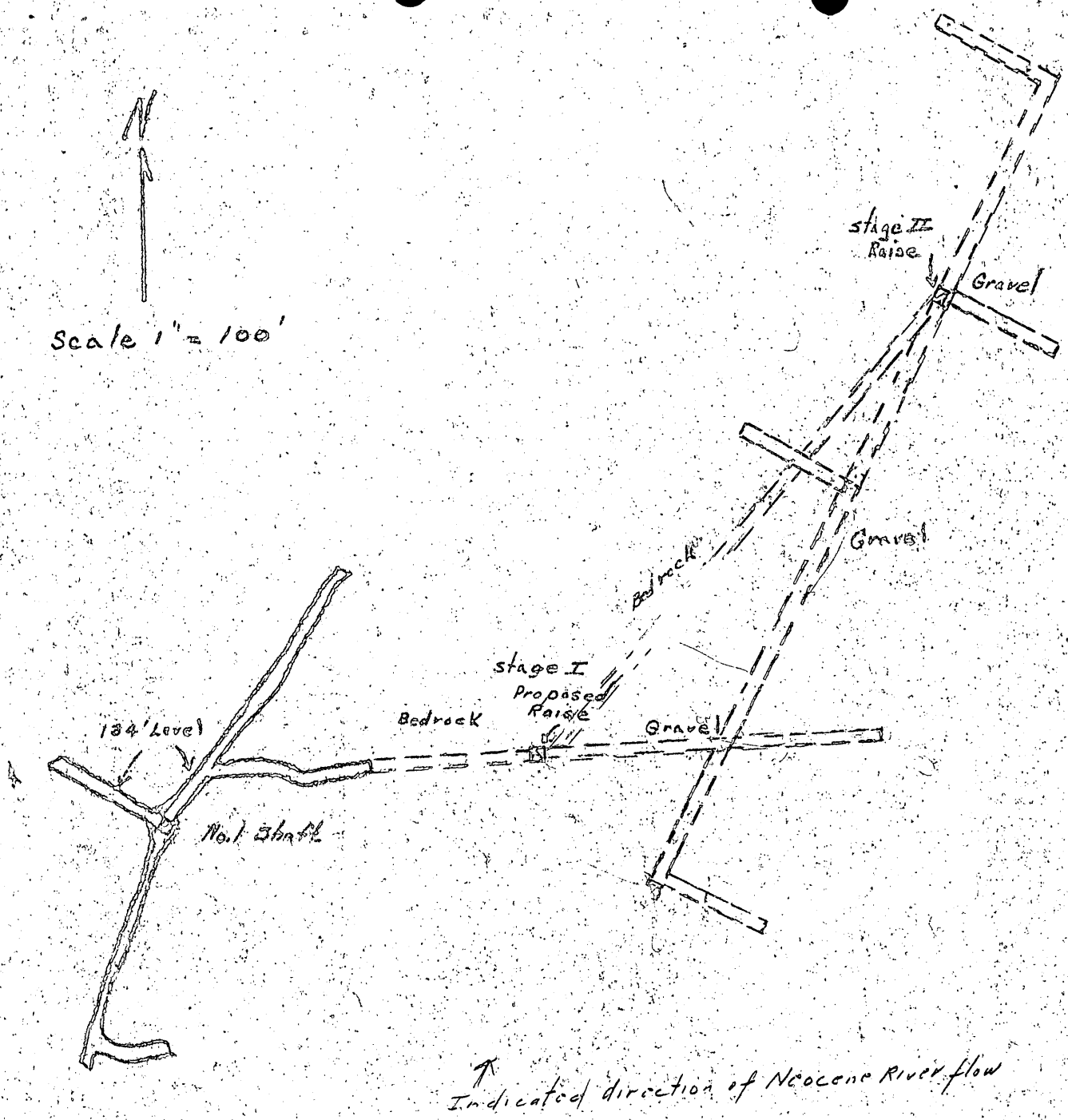


FIGURE 1 LOCATION MAP



Stage I————————

Stage II————————

OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California

FIGURE 2 PROPOSED EXPLORATION MAP

Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/29	[illegible]	110
	[illegible]	120
	[illegible]	100
6/29	cal	220
		120 M

JUN 29 1965

Mr. Richard N. Pudge
President
Homestead Gold Exploration Corporation
P. O. Box 26
Quincy, California

Re: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California

Dear Mr. Pudge:

With reference to your letter of June 15, 1965, submitting revised material relating to the subject application, executed copies of MME Form 40 were not included. We are, therefore, enclosing three copies of this form, two copies of which should be completed, properly executed, and return to this office. The third copy is for your files.

In the meantime we have requested our Acting Field Officer, Region II, Mr. Paul V. Fillo, for his review and comments on your revised application in view of his examination of the property in July 1964.

If further information is needed Mr. Fillo will contact you in this respect.

Sincerely yours,

George Fumich, Jr. (gla)

Acting Director

Enclosures

FEJohnson/bih
6/29/65

cc to: Files
Dir. reading file
Mr. Fillo - Region II
~~Review Committee~~
Mr. Johnson

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/29		110
		120
		100
		220

JUN 29 1965

Memorandum

To: Acting Field Officer, OME, Region II

From: Chief, Division of Exploration Operations

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California

The revised application of Homestead Gold Exploration Corporation is being referred to you for review, comments, and recommendation. In view of your field examination and discussion with Mr. Fudge in July of last year, it does not appear that another on-site examination may be required.

The applicant's concept of the direction and extent of the projected channel has been changed in the light of work performed since filing the original application. Perhaps you may want to discuss this with the applicant's representative, and also, the possibility of one or two more surface drill holes before doing additional underground work. The use of long-hole drilling in place of raising also should be considered and discussed.

If your recommendation is favorable, you should analyze the cost data submitted in the revised application and furnish your cost estimates for any work recommended

George C. Selfridge (gla)

FEJohnson/bih
6/29/65

cc to: Files
Dir. reading file
Review Committee
Mr. Johnson

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/19	Selfridge	120
17	Johnson	110
		100
		220

MAY 19 1965

Mr. Richard N. Pudge
President
Homestead Gold Exploration Corp.
P. O. Box 26
Quincy, California

Re: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California

Dear Mr. Pudge:

Your letter of April 26, 1965 to our San Francisco office has been referred to us.

In accordance with our letter of December 7, 1964, to you, the subject application was considered withdrawn as of January 7, 1965, and placed in our inactive files. You should submit a new application, referring to the withdrawn one. Information in that docket need not be repeated in the new application. New bank letters should be submitted and also any new information that has been developed in recent months. Up-to-date maps should be included which show the present mine workings and indicate the location of the proposed exploration work.

Until we have received a new application in acceptable form, we cannot schedule an examination of the property.

Sincerely yours,

George Fumich, Jr.

Acting Director

GCSelfridge/gla (5-19-65)
cc to: Director's Reading File
Docket
Region II
Mr. Selfridge
120M

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

May 11, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 17 1965
INITIALS CODE
120
120

Memorandum

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, Calif.

Enclosed is a copy of a letter from the subject applicant requesting the reinstatement of his application. I suggest the applicant submit a new application with the appropriate maps showing the exploratory program with respect to their current underground workings.

The applicant is inexperienced and a considerable amount of promoting has been going on. I question the applicant's ability to complete a contract.

Paul V. Fillo

Paul V. Fillo

cc:
Chief, Div. of Field Operations, OME, Wash., D. C.

Homestead Gold Exploration Corp.

EXECUTIVE OFFICE
~~9200 Beverly Dr. Beverly Hills, Calif.~~
Phone 273-5160

OPERATIONS
Quincy, Calif.
P. O. Box 26

APR 1965
BUREAU OF MINES
OFFICE OF MINERALS EXPLORATION
REGION II

April 26, 1965

United States Department of the Interior
450 Golden Gate Avenue, Box 36102
San Francisco, California, 94102

Attention: Mr. Paul V. Fillo

Re: OME Application, Homestead Gold Exploration Corporation

Dear Mr. Fillo:

Having completed preliminary exploration of Gopher Hill Mine, we desire to re-establish our application for financial assistance.

Since your visit to the property, the formation we were seeking has been located and drifting, though done near the surface of the sediment, indicated that the property should have the previously suspected potential.

As you suggested, during your visit here, the financial necessities of proposed exploration work have been properly conpleted; claim and working maps are on the board and extensive sampling of the Neocene gravels is being conducted.

I would appreciate being advised, what information is required to reinstate our application and when it will be possible for you to visit the property.

Thanking you for yor kind attention to this matter, I remain,

Very truly yours,
Homestead Gold Exploration Corp.

Richard N. Pudge
President

RN P/ jjk

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	GCS	120
1/7	Johnson	110
		100
		220

January 7, 1965

Memorandum

To: Mails and Records Branch

From: George C. Selfridge, Chief
Division of Exploration Operations

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California

The Applicant has not replied to our letter of December 7, 1964. Accordingly, the subject docket is referred to the inactive file and considered as withdrawn.

George C. Selfridge (gla)

MMerrithew/mm
cc: Director's Reading File
Region II
Docket
Code 120M

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/4	GCS	120
12/7	Johnson	120
		120M
12-7		100
12/7	cal	220
		120M

Mr. Richard N. Pudge
111 Jackson Street
Quincy, California

Re: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California

Dear Mr. Pudge:

On October 21, 1964, Mr. Fillo wrote you concerning submittal of a revised application. Will you please inform us if you plan to submit such an application.

If you need additional time to prepare this information, please let us know. If we do not receive a reply from you within thirty days from the date of this letter, we must assume that you are no longer interested in proceeding with your application and we shall consider it as having been withdrawn.

Sincerely yours,

George C. Selfridge /gla

George C. Selfridge, Chief
Division of Exploration Operations

GCSelfridge/gla (12-4-64)
cc to: Director's Reading File
Docket
Region II
Mr. Selfridge

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 26 1964

DATE	INITIALS	CODE
10/27		120
		120

October 21, 1964

Mr. Richard N. Pudge
111 Jackson Street
Quincy, California

Re: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California

Dear Mr. Pudge:

Please advise when we may expect your OME revised application. I have heard that the property has been shut down. Your attention to this letter will be greatly appreciated.

Sincerely yours,

Paul V. Fillo
Acting Field Officer
OME, Region II

cc:
Chief, Division of Field Operations, Wash., D. C.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/15	GCS	130
"	Johnson	110
[illegible]	[illegible]	100
10/15	[illegible]	220
		120M

OCT 1 5 1964

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Exploration Operations

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corporation
Gopher Hill Mine
Plumas County, California

As you were unable to contact Mr. Pudge on your recent field trip through Quincy, California, it is suggested that you write him stating that you had heard the property had been shut down and that you were unable to contact him, and ask when the OME might expect the revised application.

George C. Selfridge (gla)

GCSelfridge/gla (10-15-64)
cc to: Director's Reading File
Docket
Review Committee
Mr. Selfridge

23263

LAW OFFICES
ZEMAN & FISCHER

LELAND E. ZEMAN
BERNARD D. FISCHER

HARVEY L. LERER
OF COUNSEL

SUITE 618 TISHMAN BUILDING
3460 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90005
DUNKIRK 5-1313

CABLE ADDRESS "LEZE"

August 19, 1964

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 21 1964

DATE	INITIALS	CODE
8/21	[illegible]	~~120~~
8/21	on line	120

United States Department
of the Interior
Office of Minerals Exploration
Washington 25, D.C.

Re: OME - 6361

Gentlemen:

In accordance with your request of August 10, 1964, enclosed herewith please find Subordination Agreements which have now been dated.

Very truly yours,

ZEMAN & FISCHER

By B. D. Fischer
B. D. FISCHER

BDF/st
Encls.

Filed left side of docket.
[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

450 Golden Gate Avenue, Box 36012
San Francisco, California, 94102

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 11 1964
DATE | INITIALS | CODE
~~120~~
120

Memorandum

August 6, 1964

To : Chief, Division of Exploration Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California

The above subject property was examined July 27, 1964, by the Acting Field Officer, accompanied by Richard N. Pudge, president of the corporation.

During the examination of the property (underground and surface) it was brought to the applicant's attention that the exploration program they proposed was not in line with the thinking of OME for an optimum exploratory program offered for the area.

In the evening the discussion continued and Mr. Pudge realized that a revision of his original exploratory work was in order. We also discussed the method to be used in preparing the cost estimates and why the cost should be calculated on footage basis.

After talking three hours with the applicant, he agreed to submit a new exploratory program and cost estimate. For the time being, the applicant will continue the crosscut to the south and test the gravel channel by short raises every 30 feet to obtain the general profile of the channel.

It was suggested that after this work is completed possibly an OME program could be set up in two stages by drifting west from the most favorable area in the main crosscut and at intervals of 100 feet in the drift short raises to the gravel, and crosscuts of 100 feet out toward the rim from the raise would explore the area satisfactorily. The crosscuts would be located as planned in attached sketch.

The drifting to the west (haulage level) will eventually cut the gravel channel as shown in diagram C-2 of the application. By drifting to the east from the main crosscut within a short distance would encounter a fault where the early hydraulic workings terminated east of the fault.

Reference to the program on the sinking of shafts, the applicant has abandoned the idea for the time being. The applicant has in mind of drilling

6-inch holes connecting with the underground works for ventilation of the mine. The applicant was advised the property (surface and underground) should be surveyed (transit) in order to have an accurate map of where the shaft is located on the property and that a claim map is required to show the boundaries of the property.

The attached sketch was suggested to the applicant for a quick "eye ball" program.

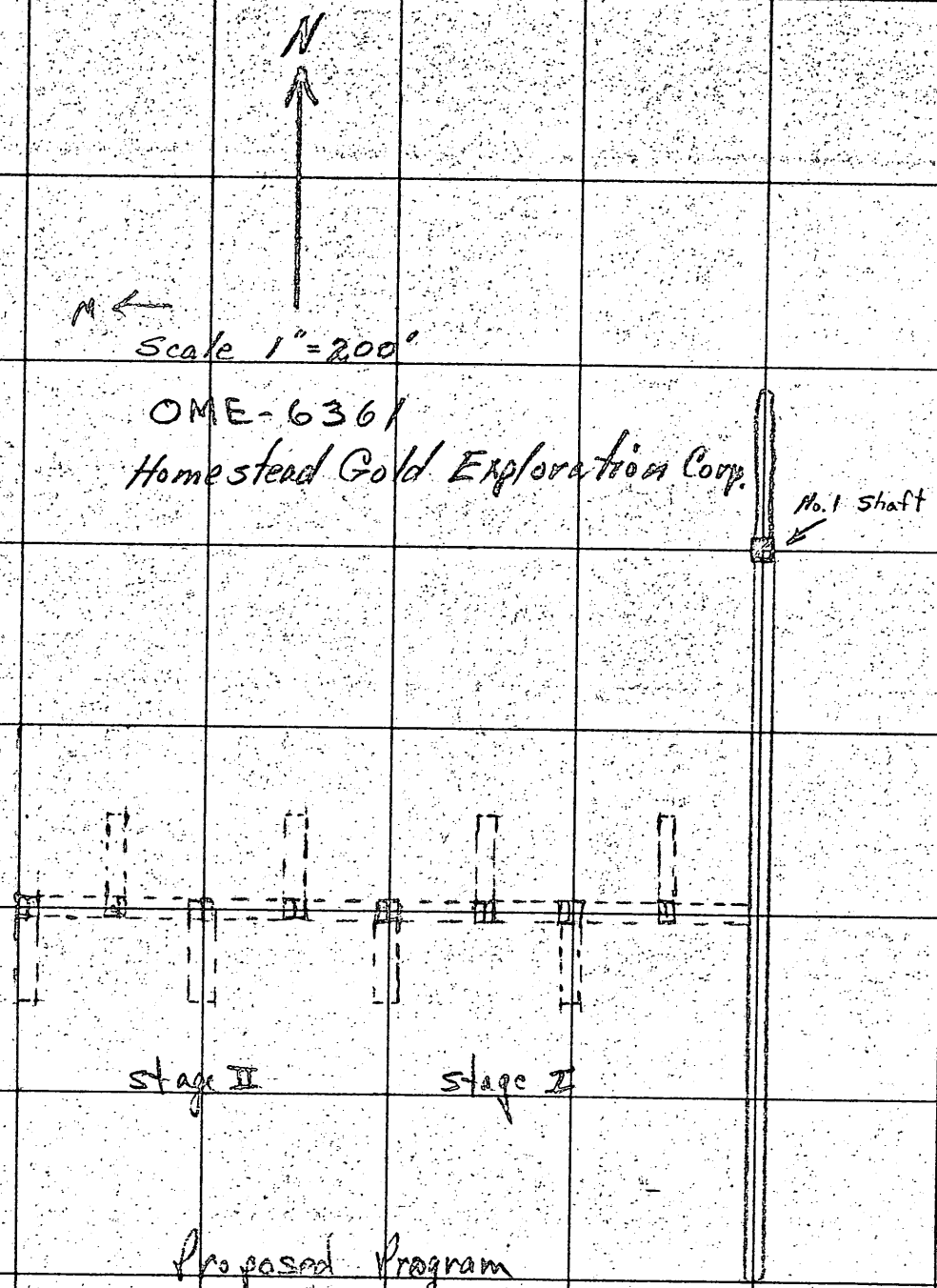
Your letter of July 27 of the subject property was received while I was in the field so I haven't had a chance to talk to the applicant with reference to the program that you suggested in the last paragraph of your letter. Until we hear from the applicant, we'll hold off momentarily on his application.

Paul V. Fillo

Paul V. Fillo

Enclosure

cc:
Chief, Division of Exploration Operations, OME, Washington, D. C.



Proposed Program

"ALBANENE" NO. 195M K&E CO., N.Y.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		120
8/10	Johnson	110
		100
8/10	cal	220
		120M

AUG 1 0 1964

Mr. B. D. Fischer
Zeman & Fischer
Suite 618 Tishman Building
3460 Wilshire Boulevard
Los Angeles, California 90005

Re: OME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California

Dear Mr. Fischer:

I am returning the Lien and Subordination Agreements enclosed with your letter of August 2, 1964, for lack of date on the reverse side of each form. Will you please have them dated.

The return of the forms for dating in no way assures that a contract will be granted.

Sincerely yours,

George C. Selfridge (gla)

George C. Selfridge, Chief
Division of Exploration Operations

Enclosures
~~XXXXXX~~
GCSelfridge/mm
8/7/64
cc: Director's Reading File
Region II
Docket

43683

LAW OFFICES
ZEMAN & FISCHER

LELAND E. ZEMAN
BERNARD D. FISCHER

HARVEY L. LERER
OF COUNSEL

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 4 1964

DATE	INITIALS	CODE
		120
		120M

SUITE 618 TISHMAN BUILDING
3460 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90005
DUNKIRK 5-1313
CABLE ADDRESS "LEZE"

August 2, 1964

United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: Our client, Homestead Gold Exploration Corporation
Your docket No. OME - 6361

Gentlemen:

I enclose herewith for inclusion with respect to the above subject matter, the original and four copies of the lien and subordination agreement of Pauline Pearl Smith, the owner of the mining claims referred to with respect to the above mentioned application. (undated)

A copy of this letter is being forwarded to your Acting Field Office, Mr. Paul Fillo.

Very truly yours,

ZEMAN & FISCHER

By: B. D. Fischer
B. D. FISCHER

Encl.

cc: Mr. Fillo

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/27	Murphy	120M
7/27	Talbert	800
	GCL	130
7/27	Johnson	110
		100
7/27	car	220
		120M

JUL 27 1964

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Exploration Operations

Subject: CME-6361 (Gold)
Homestead Gold Exploration Corp.
Gopher Hill Mine
Plumas County, California

Your memorandum of July 17, 1964, and the copy of the subject application have been reviewed.

We agree with your observation regarding the cost figures as submitted in the application. In addition, running laterals at 100-foot intervals from the crosscut, raising at 20 to 25-foot intervals, and installing two additional shafts along the crosscut could be considered preparation for mining.

Fig. D-2, a cross section of the channel, shows the bedrock at A shaft to be higher than at the proposed C shaft which is indicated to be near the center line of the channel. Fig. C-3, a cross section through A shaft, shows only about 8 feet of bedrock between the back of the crosscut and the bottom of the channel. Based on these data, since C shaft is 200 feet south of A shaft, the proposed bedrock crosscut could possibly be at higher level than the bottom of the gravel at the center of the channel. In addition, on page 15 under General Geologic History, the second paragraph indicates that most of the channel to be exploited inclines downward to the west from the proposed crosscut. If these data are correct, then the proposed crosscut would have little value for extraction purposes except for the small section to the east.

In view of the above, it would appear that unless the Applicant has already drilled the channel to ascertain the depth to bedrock at the lowest point, it would be best to put down a few churn drill or rotary holes along the bearing of the proposed crosscut to the south. If the drilling results confirm our findings regarding the possible lowest bedrock, then A shaft could be deepened before starting the south crosscut.

43683

We would not agree to assist in the elaborate program proposed by the Applicant. However, if a project appears to be warranted, something along the following lines might be appropriate:

In the bedrock crosscut 350 feet to the south from Shaft A. Raise from the bedrock crosscut to the channel gravel at 150 feet from A shaft and near the end of the crosscut. Crosscut 200 feet along the bottom of the channel gravel to connect the two raises and also about 75 feet north from the first raise and 75 feet south from the second raise. In addition, possibly 400 feet of drifting east and west on the gravel from the sub-level crosscut at favorable locations to explore the course of the channel or follow possible pay streaks higher up on the rims.

George C. Selfridge (gcs)

FMMurphy/mm
7/27/64
cc: Director's Reading File
Review Committee
Docket

July 20, 1964

Homestead Gold Exploration Corporation
3460 Wilshire Boulevard,
Suite 618
Los Angeles, California 90005

Subject: OME - 6361

Gentlemen:

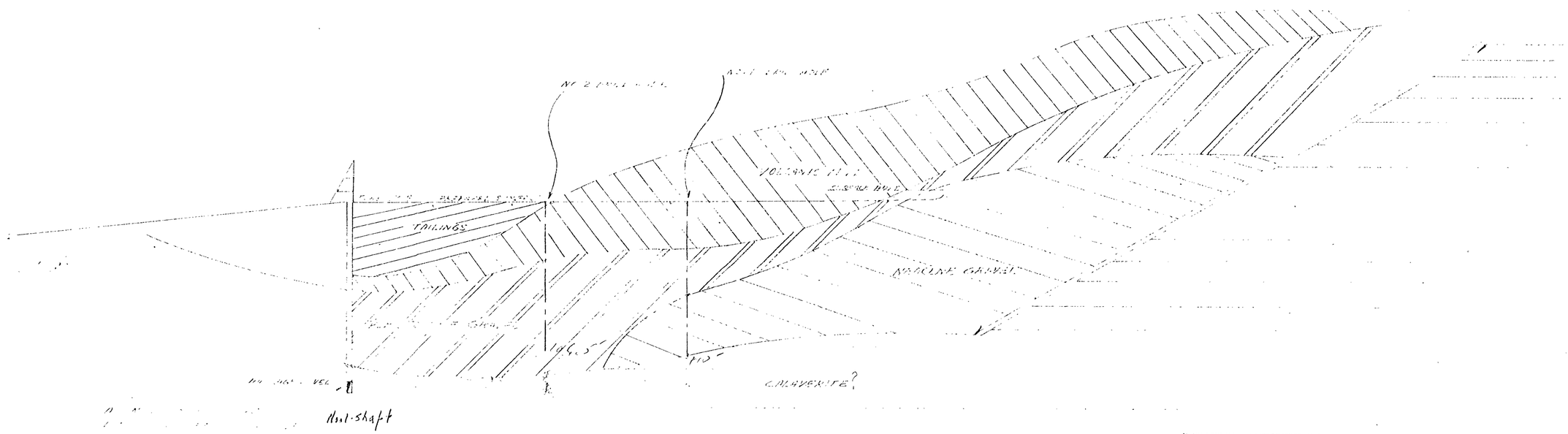
Your application for exploration assistance, Dated July 15, 1964 submitted to our office at San Francisco, California has been assigned docket number OME - 6361.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

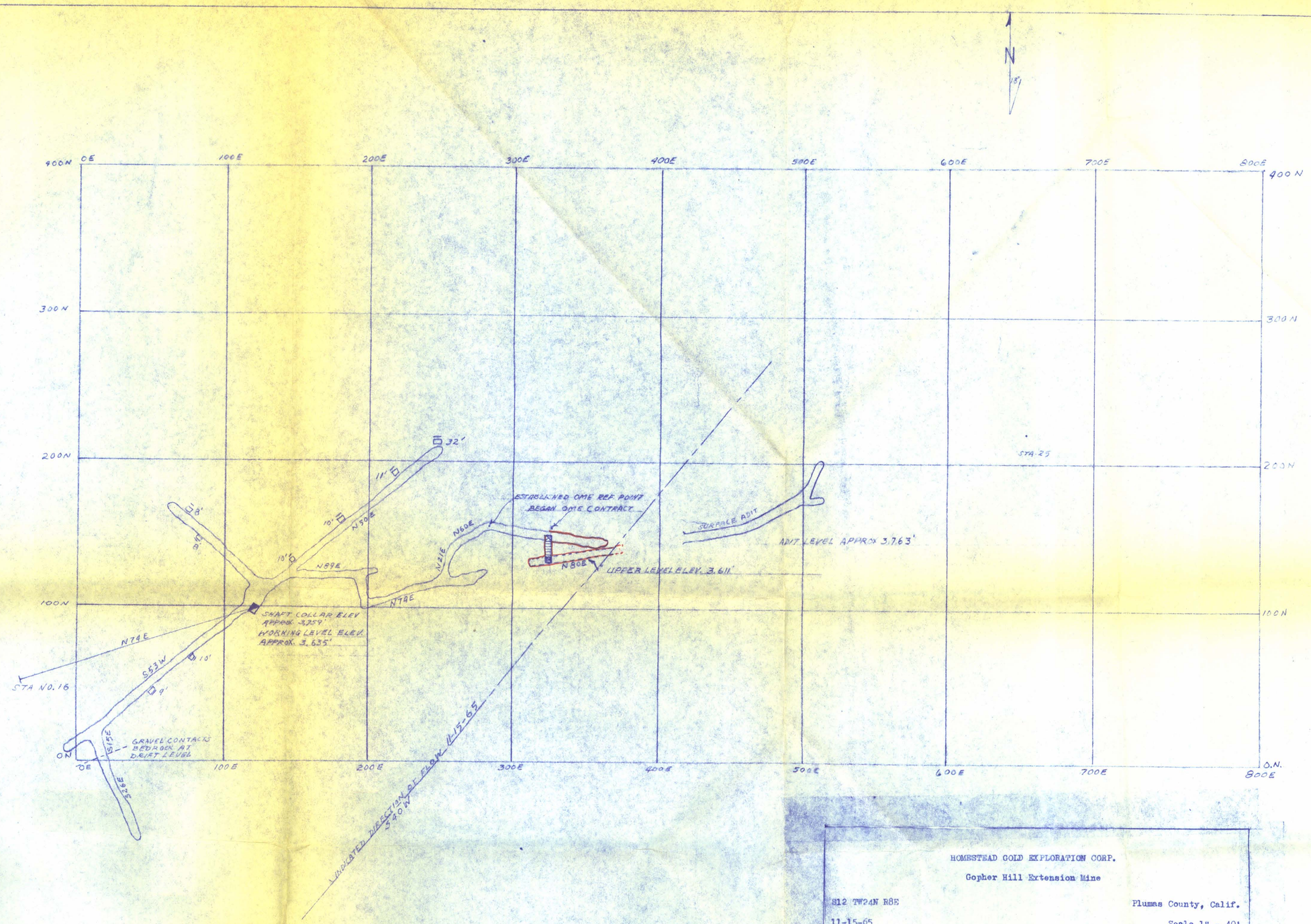
Copy to Region II



HOMESTEAD GOLD
EXPLORATION CORP.
BY R. N. Carey

OFFICIAL
COPY
O. M. B.
RECEIVED
JUN 21 1965
INITIALS CODE

SW¼ SW¼ NW¼
SE¼ SW¼ NW¼
SW¼ SE¼ NW¼
N½ SW¼
NW¼ NE¼ SE¼
NW¼ SE¼
E½ SE¼ SW¼
W½ SW¼ SE¼
Flow
#2 DRILL HOLE 106.5'
#1 DRILL HOLE 110' TO BEDROCK PROPOSED RAISE TO GRAVELS Major Fault
SHAFT STA 17
SHAFT ELEV. 3759
PORTAL ELEV. 3763
DRIFT LEVEL 3633
DIP 30° N20E
TO HAYCOCK HOLE E255
STA 1 SURVEY U.S.F.S. DODSON 8-15-47
STA 2
STA 3
STA 4
STA 5
STA 6
STA 7
STA 8
STA 9
STA 10
STA 11
STA 12
STA 13
STA 14
STA 15
STA 16
LEGEND
PROPOSED EXPLORATION IN BEDROCK
PROPOSED EXPLORATION IN GRAVELS
HOMESTEAD GOLD EXPLORATION CORP.
BY
GOPHER HILL SPANISH GOPHER CLAIMS
S12 - TWP24N - R8E PLUMAS COUNTY, CALIFORNIA
SCALE 1"=100'
OFFICIAL COPY O. M. E. RECEIVED JUN 21 1965
- FOUR INCHES OF BOTTOM BORDER REMOVED TO ACCOMODATE OZALID MACHINE -



HOMESTEAD GOLD EXPLORATION CORP.

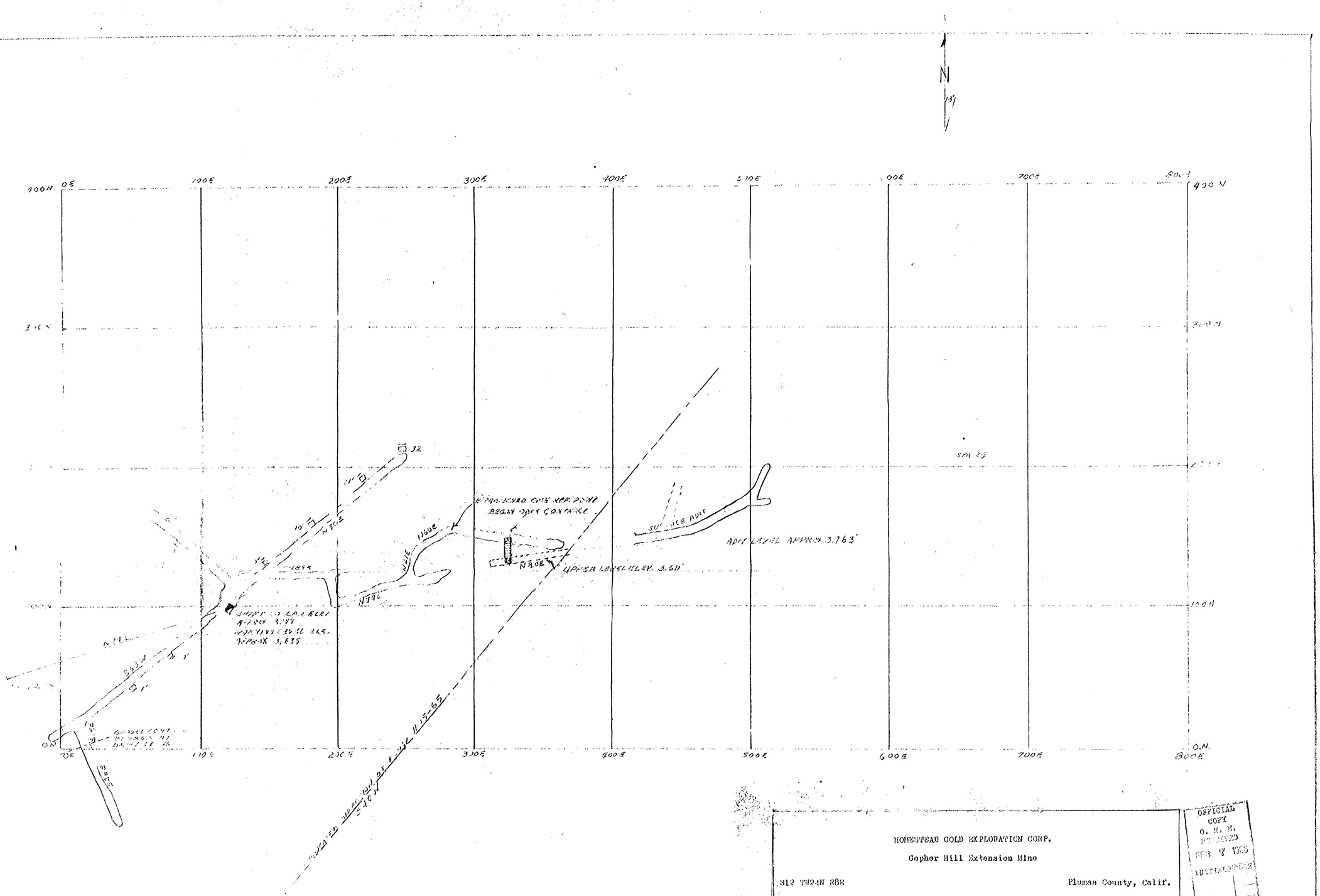
Gopher Hill Extension Mine

S12 TW24N R8E

Plumas County, Calif.

11-15-65

Scale 1" = 40'



HOMESTEAD GOLD EXPLORATION CORP.

Gopher Hill Extension Mine

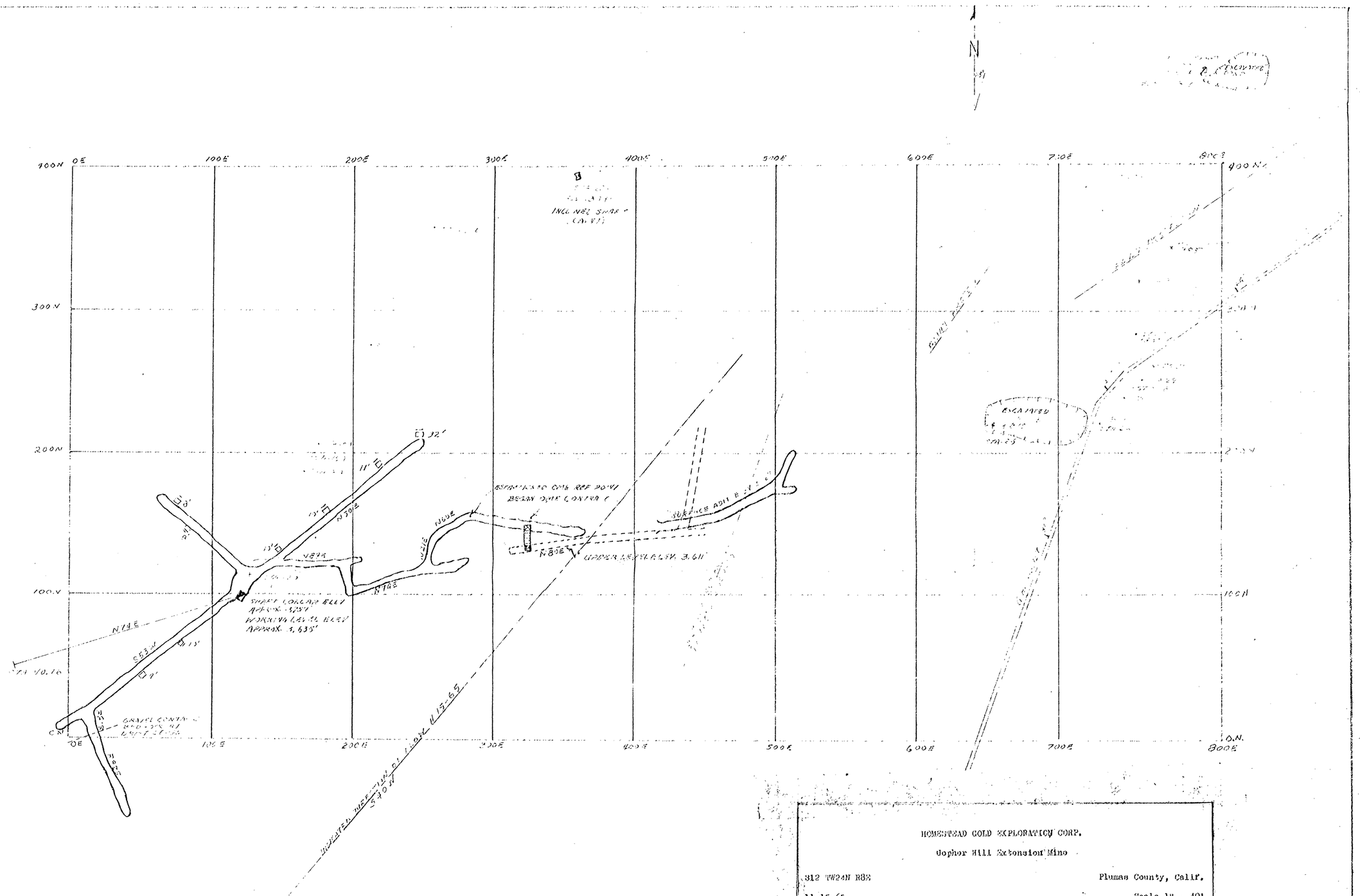
S12 T24N R8E

Plumas County, Calif.

11-15-65

Scale 1" = 40'

OFFICIAL COPY
O. M. B.
RECEIVED
FEB 8 1966
INITIALS



HOMESTEAD GOLD EXPLORATION CORP.

Gopher Hill Extension Mine

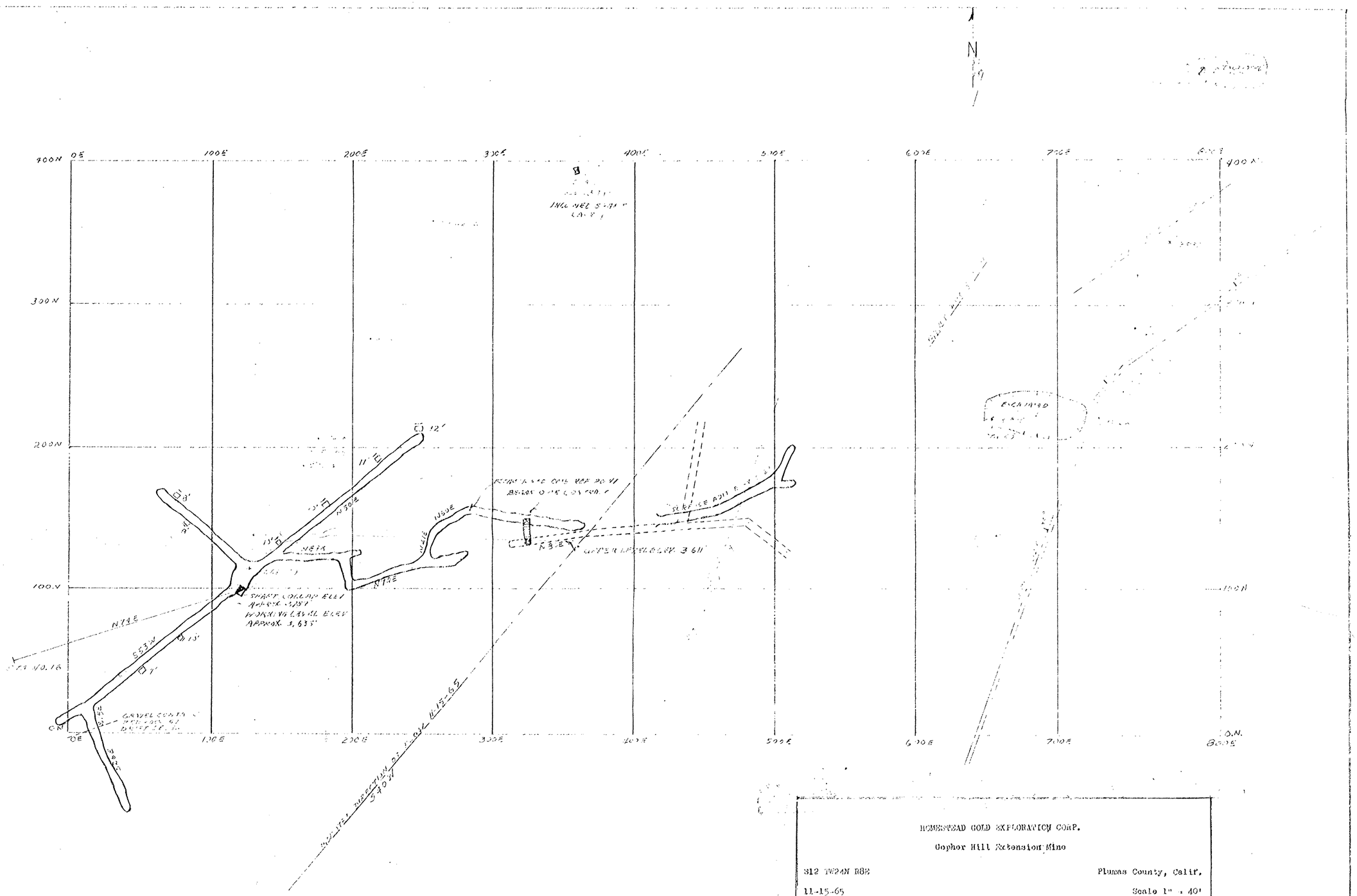
312 T24N R8E — Plumas County, Calif.

11-15-65 — Scale 1" = 40'

REVISED 1-30-66

R. H. PUDGE

OMB 6361 - CONTRACT No. 14-23-090-2207



HOMESTEAD GOLD EXPLORATION CORP.

Gopher Hill Extension Mine

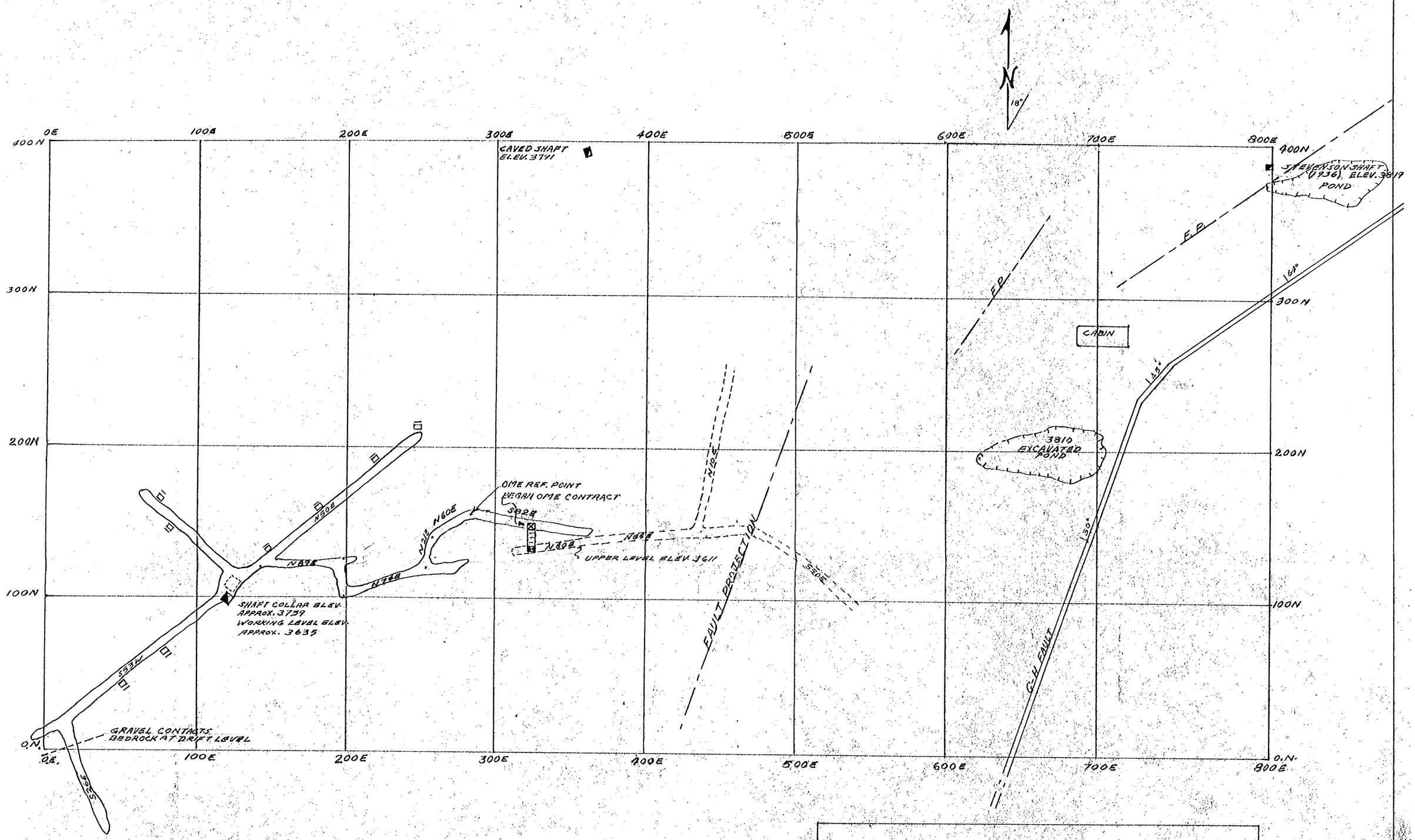
S12 T22N R8E — Plumas County, Calif.

11-15-65 — Scale 1" = 40'

REVISED 1-30-66

R. N. PUDYE

OMS 6361 · CONTRACT No. 11-23-090-2201

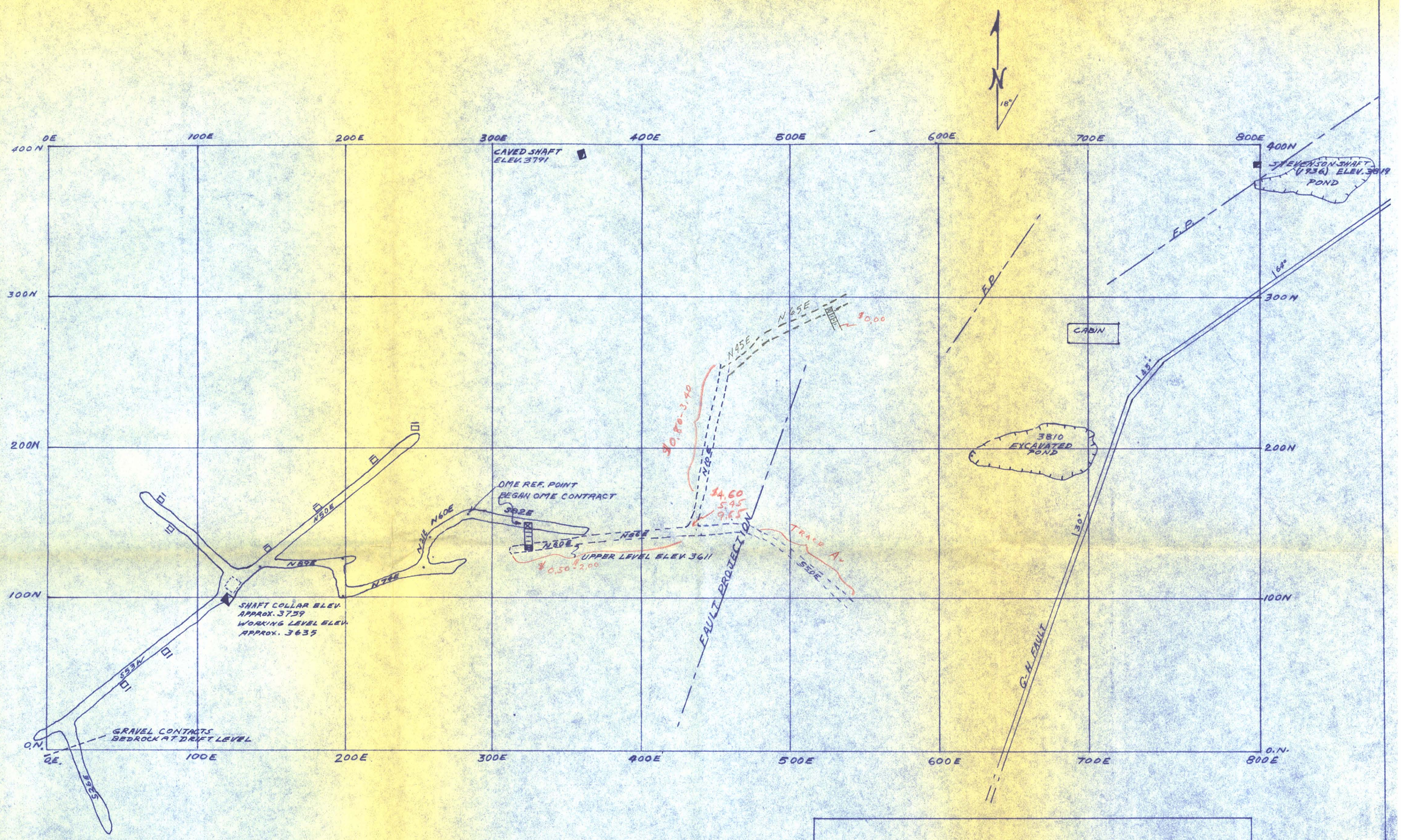


GOPHER HILL EXTENSION MINE

S12 TWP 24N R8E — PLUMAS COUNTY, CALIF.

326.66 — SCALE 1" = 40'

OME 6361 CONTRACT NO. 14-23-090-2209 — H.N. PUDGE



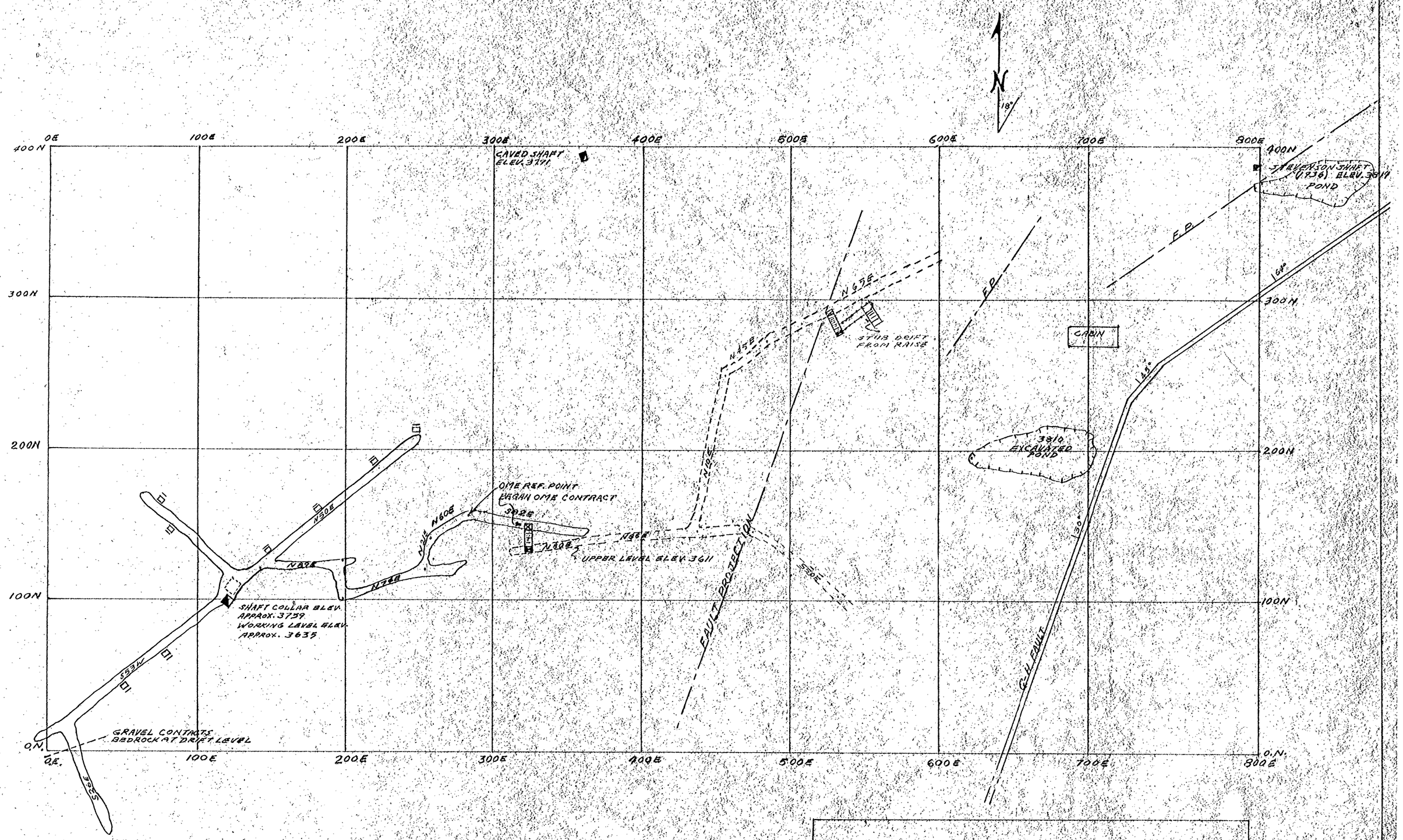
VALUES IN $ PER CU.YD.

GOPHER HILL EXTENSION MINE

S1/2 TWP 24N R8E — PLUMAS COUNTY, CALIF.

326.66 — SCALE 1" = 40'

OME 6361 CONTRACT NO. 14-23-090-2209 — R.N. PUDGE

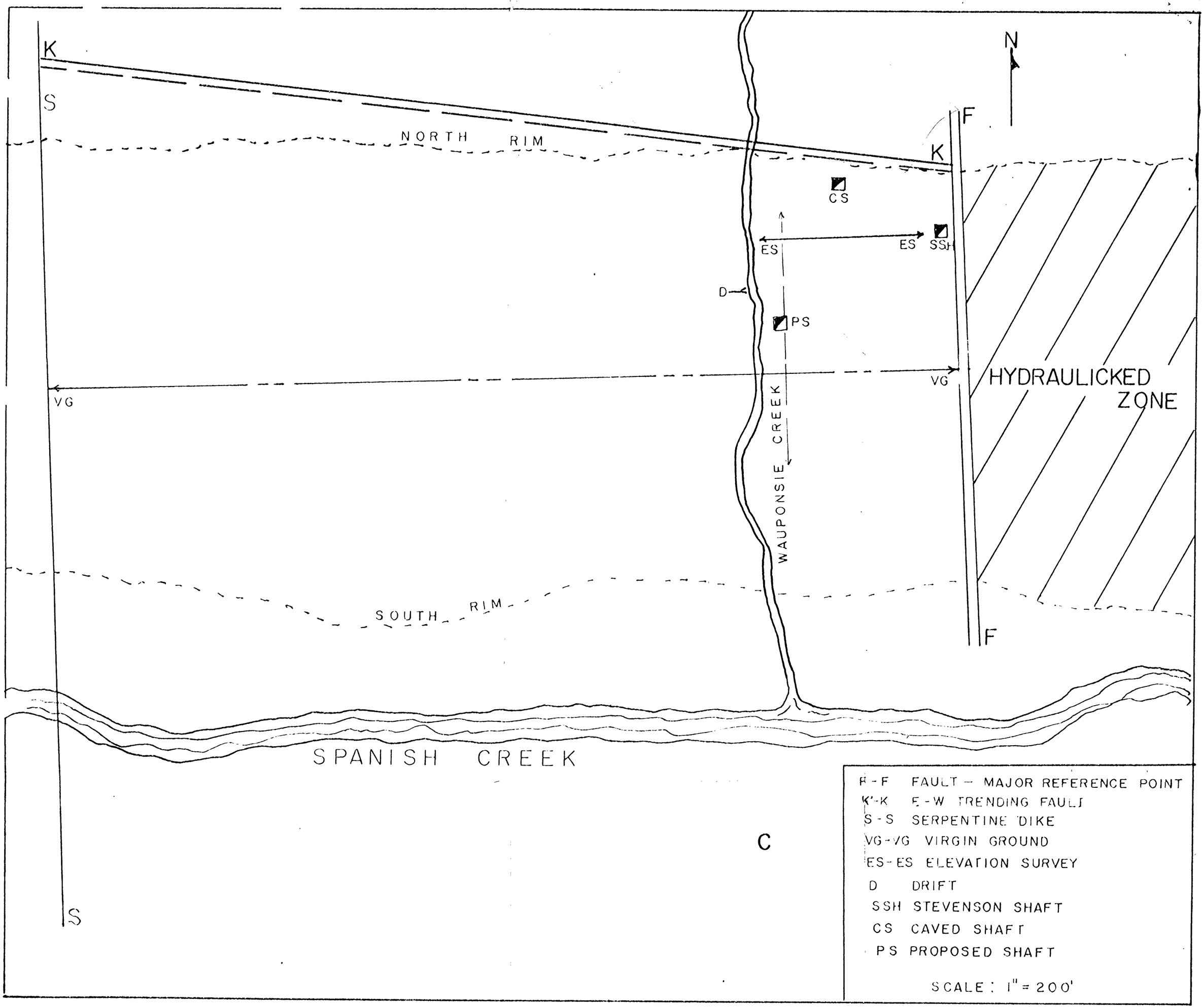


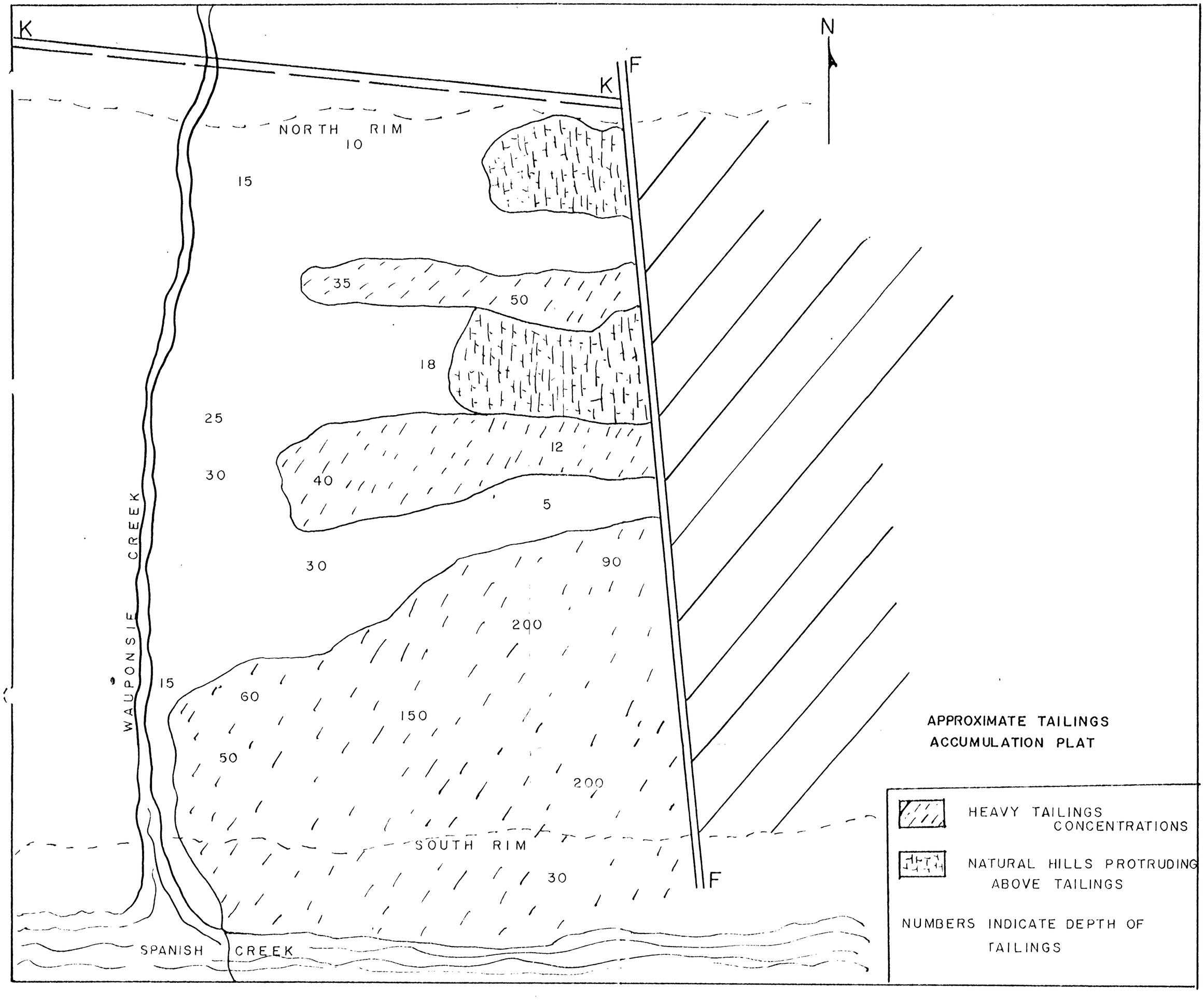
GOPHER HILL EXTENSION MINE

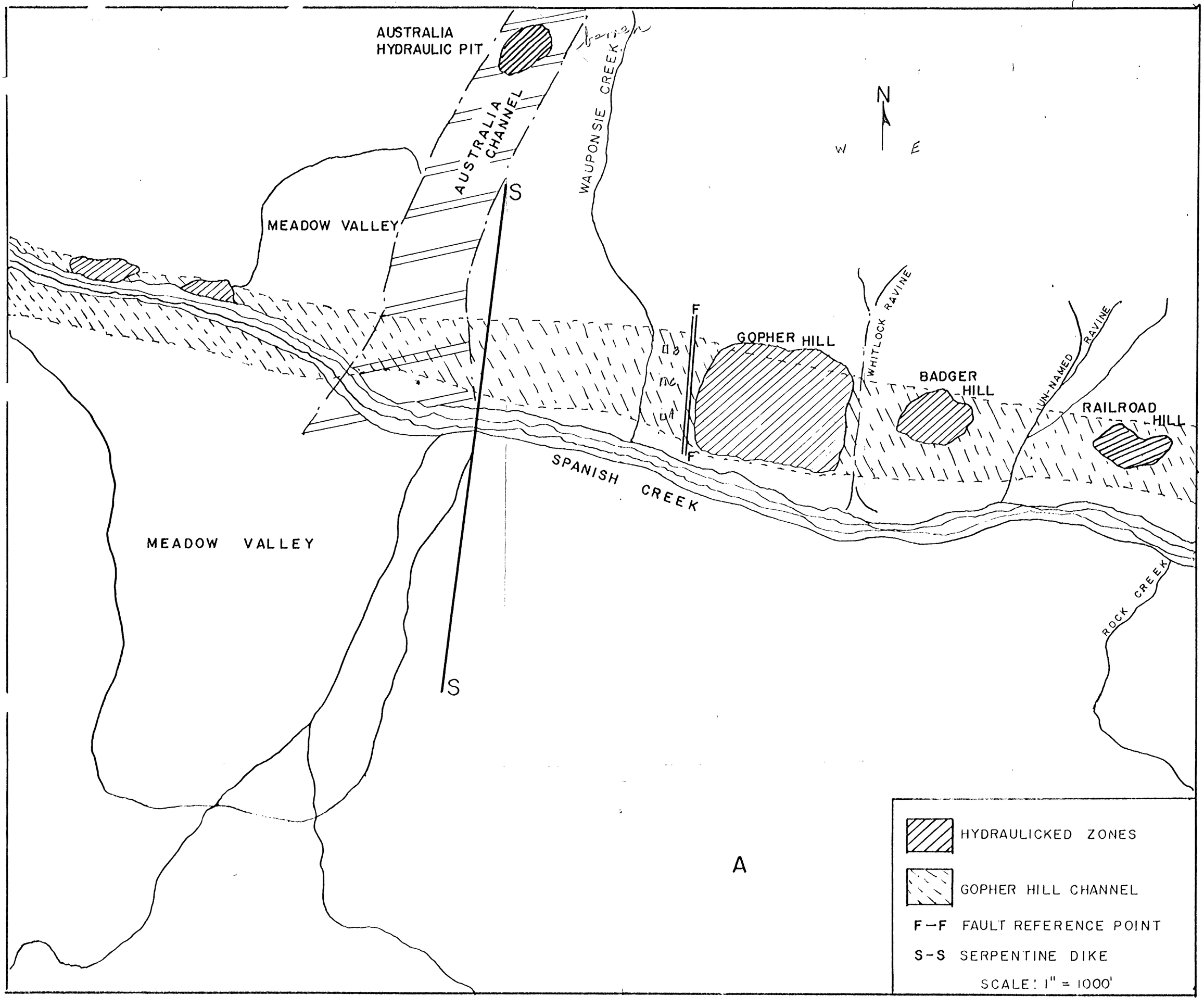
S12 TWP 21N R8E PLUMAS COUNTY, CALIF.

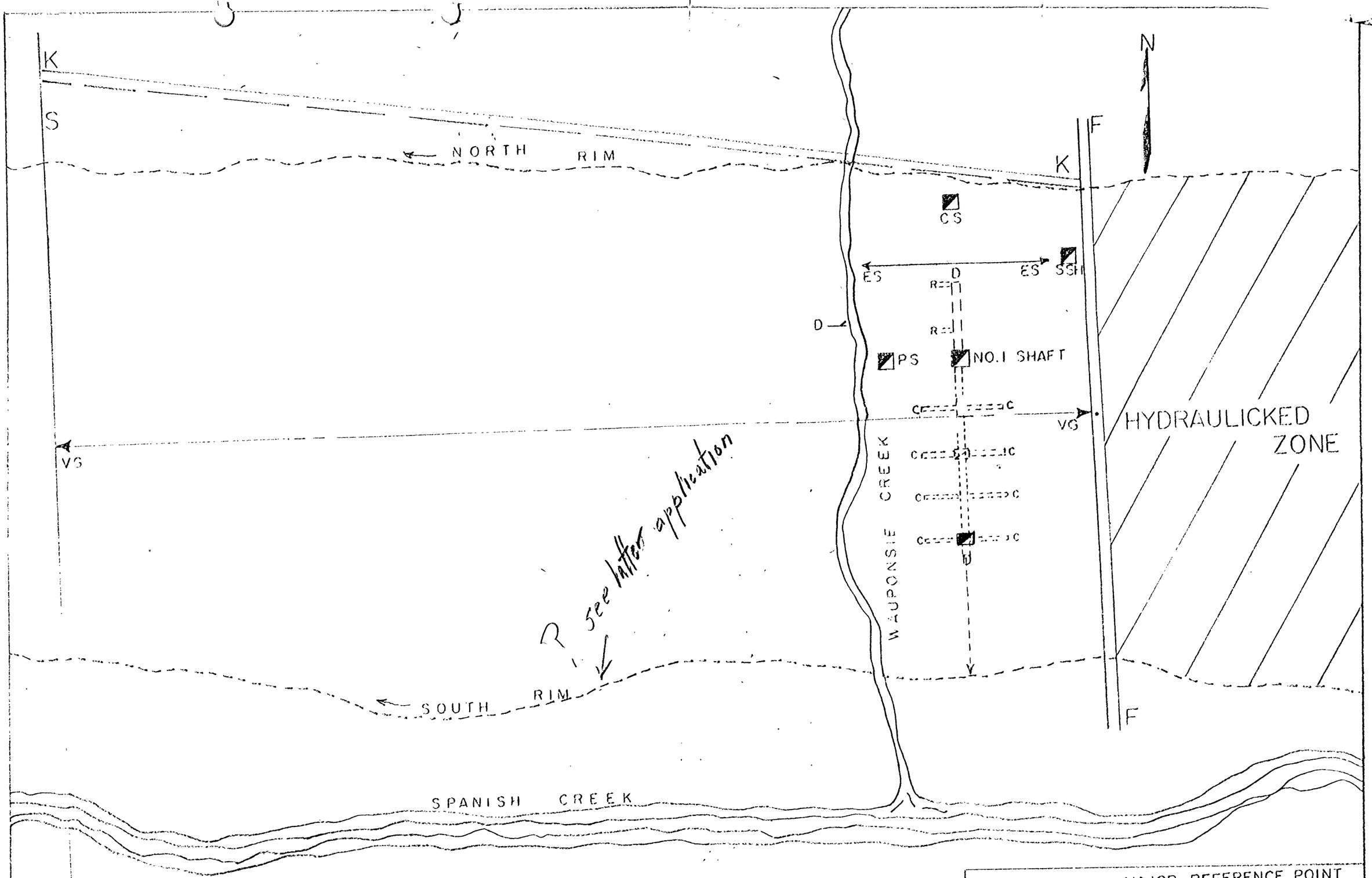
3-26-66
6-3-66 (REVISION) SCALE 1" = 40'

OMA 6361 CONTRACT NO. 14-23-090-2209 R.N. PUDGE


K
S
NORTH RIM
K
F
N
CS
ES
ES
SSH
D
PS
VG
VG
HYDRAULICKED ZONE
WAUPONSIE CREEK
SOUTH RIM
F
1
SPANISH CREEK
C
S
F - F FAULT - MAJOR REFERENCE POINT
K-K E-W TRENDING FAULT
S - S SERPENTINE DIKE
VG-VG VIRGIN GROUND
ES-ES ELEVATION SURVEY
D DRIFT
SSH STEVENSON SHAFT
CS CAVED SHAFT
PS PROPOSED SHAFT
SCALE: 1" = 200'


K
K
F
N
NORTH RIM
10
15
35
50
18
25
12
30
40
5
30
90
200
WAUPONSIE CREEK
15
60
150
50
200
SOUTH RIM
30
F
SPANISH CREEK
APPROXIMATE TAILINGS
ACCUMULATION PLAT
HEAVY TAILINGS
CONCENTRATIONS
NATURAL HILLS PROTRUDING
ABOVE TAILINGS
NUMBERS INDICATE DEPTH OF
TAILINGS


AUSTRALIA HYDRAULIC PIT
AUSTRALIA CHANNEL
WAUPONSIE CREEK
N
W
E
S
MEADOW VALLEY
F
GOPHER HILL
WHITLOCK RAVINE
BADGER HILL
UN-NAMED RAVINE
RAILROAD HILL
F
SPANISH CREEK
MEADOW VALLEY
ROCK CREEK
S
A
HYDRAULICKED ZONES
GOPHER HILL CHANNEL
F—F FAULT REFERENCE POINT
S-S SERPENTINE DIKE
SCALE: 1" = 1000'



GOPHER HILL PROJECT
HOMESTEAD GOLD EXPLORATION CORP.

FIGURE C-2

SCALE: 1" = 200'

F-F FAULT — MAJOR REFERENCE POINT
K-K E-W TRENDING FAULT
S-S SERPENTINE DIKE
VG-VG VIRGIN GROUND
ES-ES ELEVATION SURVEY
D DRIFT
R RAISE
C CROSSCUT
SSH STEVENSON SHAFT
CS CAVED SHAFT
PS PROPOSED SHAFT (ORIGINAL)