Department of the Interior
Defense Minerals Administration
RECEIVED
APR 30 1954

DOCKET COPY

Ellis
Chamberlin
Ruby
5/25/54

NOTICE OF TERMINATION OF EXPLORATION PROJECT CONTRACT, UNDER THE TERMS OF THE CONTRACT, BEFORE THE COMPLETION OF THE WORK

To: Intercounty Corporation
c/o G.C. Ridland, Secretary
403 Interstate Trust Building
Denver 2, Colorado

Operator under Exploration Project
Contract Idm-E501, Docket DMEA 2878,
dated March 24, 1953

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, under the terms of the above-mentioned contract, hereby terminates the contract on the following grounds:

> In the opinion of the Government, operations up to the time of this notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified.

Upon the receipt of this notice, as provided in said contract, you are required to dispose of any remaining materials, supplies, facilities, buildings, fixtures, equipment, or other items, in which the Government has an interest, for the joint account of yourself and the Government; and to render to the Government a full and final accounting of your operations under the contract and of your expenditures of money on account thereof.

Any work prosecuted or costs incurred by you after the receipt of this notice shall be for your sole account, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

Dated this 26th day of April, 1954.

UNITED STATES OF AMERICA

By W.H. King

W.H. King, Executive Officer
DMEA Field Team, Region IV

Docket Copy

EXPLORATION PROJECT CONTRACT
INTERCOUNTY CORPORATION
DOCKET NO. DMEA-2878

AMENDMENT NO. 1

It is agreed this 6th day of November, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Intercounty Corporation, each acting in consideration of the agreement of the other to the terms hereinafter set forth that Exploration Project Contract Idm-E501, Docket No. DMEA-2878, dated March 24, 1953, between the parties hereto, be amended as of September 1, 1953, as follows:

1. In Article 3 of the contract form, in lieu of the words "within sixty (60) days from the date of this contract," the words "prior to September 15, 1953," are substituted; and in lieu of the words "ten (10) months," the words "fourteen (14) months" are substituted.

2. Annex I, attached hereto, is substituted for Article 6 of the contract form.

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O P Mittendorf
Acting Administrator, Defense Minerals Exploration Administration

INTERCOUNTY CORPORATION

By G H Riddle
Secretary

CONTROL DOCUMENT
DOCKET NO. [illegible]-2
DEC 3 [illegible]

ANNEX I

The following provisions are in lieu of Article 6:

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

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

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

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Docket Copy

**ASSIGNMENT OF CONTRACT**
**ASSIGNEE'S ACCEPTANCE**
**GOVERNMENT'S CONSENT**

WHEREAS, the American Mining Company, a Delaware Corporation (hereinafter called the "Operator"), entered into an Exploration Project Contract dated March 24, 1953, Contract No. Idm-E501, Docket No. DMEA-2878, with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"); and

WHEREAS, by an instrument dated October 21, 1952, as amended January 3, 1953, the Uranium Company of America, as lessor, leased to the Operator, as lessee, for a period of 15 years the mineral rights in the land covered by the aforesaid Exploration Project Contract; and

WHEREAS, the Operator with the written approval of the said Uranium Company of America, dated September 10, 1953, by an instrument dated September 1, 1953, assigned all its rights in the aforesaid lease to the Intercounty Corporation, a corporation organized and existing under and by virtue of the laws of the State of Colorado, having an office located at the First National Bank Building, Ardsley, New York, (hereinafter called the "Assignee").

NOW THEREFORE, the Operator in consideration of the sum of One Dollar ($1.00) lawful money of the United States and other good and valuable consideration received from the Assignee, does hereby assign, transfer, and convey to the Assignee as of September 1, 1953, all its right, title, and interest in and to the aforesaid Exploration Project Contract including any and all property purchased for, and the right to use any and all property devoted to the exploration work under this Exploration Project Contract, and hereby consents to any and all future amendments to the said contract; Provided, however, That the Government shall pay to the Operator all monies which may be or become due and payable to the Operator before the first day of the second month following the month in which this Assignment is accepted in writing by the Assignee; and upon payment thereof, the Operator agrees to release and hereby releases the Government from any and all claims, past, present, or future arising out of the said Exploration Project Contract.

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

Dated October 16th, 1953

AMERICAN MINING COMPANY

By _____
President

On this 16th day of October, 1953, before me _____ the undersigned officer, personally appeared _____ who acknowledged himself to be the President of the American Mining Company, a corporation, and that he as President, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

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

PHILIP J. M. ALPERN
State of New York
No. 30-0636750
Qualified in New York County
Term Expires N.Y., Kings, Queens and
New York Counties & Registers
Office March 30, 1954

_____
Notary Public

The Assignee, this 16th day of October, 1953, hereby accepts the above Assignment, and assumes and agrees to be bound by the terms, provisions, and conditions of said Exploration Project Contract that are binding on the Operator.

INTERCOUNTY CORPORATION

By _____
President

On this 16th day of October, 1953, before me Aleta E. Reid the undersigned officer, personally appeared Charles E. Stahl, Jr. who acknowledged himself to be the President of the Intercounty Corporation, and that he as President, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

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

Aleta E. Reid
Notary Public
ALETA E. REID
Notary Public in the State of New York
Appointed for Westchester County
Commission expires March 30, 19 55

The Government this 8th day of October, 1953, without releasing the Operator from any of the terms, provisions, and conditions of the said Exploration Project Contract, hereby consents to the above Assignment.

THE UNITED STATES OF AMERICA

By C. Mitchendorf
~~Acting~~ Administrator, Defense
Minerals Exploration
Administration

Atty.
Butler
Ellis
Chamberlin

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

224 New Customhouse
Denver 2, Colorado

October 22, 1953

Memorandum

To: Secretary, Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Assignment of Contract Idm-E501 from American Mining Company to Intercounty Corporation

Enclosed are the original and two copies of Assignment of Contract assigning contract Idm-E501 from American Mining Company to the Intercounty Corporation.

Copies of this Assignment have been given to the Operator, Fiscal Officer, Region IV, and a copy has been retained for our files.

John F. Shaw

John F. Shaw, for
W. H. King

Enclosures

MF-200 (A)
(February 1952)

DOCKET NO. DM[redacted] 2678

COMMODITY ur nium-lead

Docket Copy

IDM-E 501

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

# EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 24th day of March, 195 3, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Mining Company, a corporation organized and existing under and by virtue of the laws of the State of Delaware
Room 839
60 E. 42nd Street
New York City, New York

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Gilpin, described as follows:[3] German Mine consisting of the following Lode Mining Claims: German (Survey No. 18[illegible]), North German (Survey No. 18936), German Annex (Survey No. 19564), German No. 2 (Survey No. 19564), Belcher (Survey No. 7076), Ino (Survey No. 775), all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado
the Operator represents and undertakes:[4]

(*a*) [redacted]
The property is included as security on a $150,000 mortgage to Gold Uranium Mining Company. Mortgagee's Subordination Agreement is attached.

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

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

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium, lead, and incidental gold and silver

in or upon the described land; and shall bring the project to completion within a period of ten (10) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $ 17,100.00, which is 90 percent of $ 19,000.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

AMERICAN MINING COMPANY
(Operator)

By George S. Groves
President

By C. Mitteudorf
Administrator, Defense Minerals Exploration Administration

Butin as of one Talbert

I, Mabel N. Scott, certify that I am the secretary of the corporation named as Operator herein; that George S. Groves, who signed this contract on behalf of the Operator, was then President 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.

Mabel N. Scott [CORPORATE SEAL]

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

AMERICAN MINING COMPANY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2878

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
FILED
JUN 3 1953

EXHIBIT "A"

## Description of the Work

The exploration project is divided into three stages.

Stage I consists of repairing the hoist and compressor house, installing a hoist and pump, rehabilitating the German Shaft, and dewatering the workings to the 600-foot level. Location of shaft is shown on attached map.

Stage II is dependent upon the results of Stage I. If authorized by the Government in writing, in advance, Stage II shall be undertaken. Stage II consists of sampling and assaying for uranium, gold, silver, and lead, in a manner approved by the Defense Minerals Exploration Administration. A copy of all assay results must be furnished to Defense Minerals Exploration Administration.

Stage III is dependent upon the results of Stage II. If authorized by the Government in writing, in advance, Stage III shall be undertaken. Stage III consists of drifting, crosscutting, or raising. The total exploration will be 450 feet.

The location, direction, length and extent of all work under this contract is subject to the approval of the Government.

## Estimated Costs of the Project

### Stage I

| | | |
|---|---|---|
| Repair hoist and compressor house | $ 162.50 1/ | |
| Install hoist and pump | 400.00 1/ | |
| Rehabilitate and dewater shaft to 250-foot level | 1,450.00 1/ | |
| Dewater mine, rehabilitate shaft from 250-foot level to 600-level | 3,000.00 1/ | |
| Total Stage I | | $5,012.50 |
| Government Participation at 90% | | $4,511.25 |

1/ The entire work under each item constitutes a unit of work.

## Stage II

| | | |
|---|---|---|
| Assaying 65 samples for uranium at $4.00 each | $ 260.00 | |
| Assaying 65 samples for gold, silver, lead at $3.50 each | 227.50 | |
| Total Stage II | | $487.50 |
| Government Participation at 90% | | $438.75 |

## Stage III

| | | |
|---|---|---|
| 450 feet of drifting, crosscutting or raising at $30.00 per foot | $13,500.00 | |
| Total Stage III | | $13,500.00 |
| Government Participation at 90% | | $12,150.00 |

* * * * * * * * * * * *

| | |
|---|---|
| Total Stages I, II, and III | $19,000.00 |
| Government Participation at 90% | $17,100.00 |

4/23/53

This contract Idm-E 501 on 70% Govt participation was signed by administrator but was unsatisfactory to Operator. He had a legitimate complaint since the original contract was for 90% hence Denver office was instructed to make the change. The new ones with 90% participation are the same in every respect except this change. These contracts have been surnamed by Rubin Hoffland and Talbert referring to the 70% edition Hence there are no legal questions involved and it is solely a matter of checking the new 90% edition for correctness in copying and the arithmetic of changing from 70% to 90%

Schwerzik

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2878

COMMODITY Uranium-Lead

Government's Copy

IDM-E 501

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

Department of the Interior
Defense Minerals Administration
RECEIVED
APR 13 1953

# EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 24th day of March, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Mining Company, a corporation organized and existing under and by virtue of the laws of the State of Delaware
Room 839
60 E. 42nd Street
New York City, New York

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Gilpin, described as follows:[3] German Mine consisting of the following Lode Mining Claims: German (Survey No. 494), North German (Survey No. 18936), German Annex (Survey No. 19564), German No. 2 (Survey No. 19564), Belcher (Survey No. 7076), Ina (Survey No. 775), all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado
the Operator represents and undertakes:[4]

(*a*) ~~That the Operator is the owner in possession and entitled to possession, and the Owner's Consent to Lien is attached.~~
The property is included as security on a $150,000 mortgage to Gold Uranium Mining Company. Mortgagee's Subordination Agreement is attached.

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

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

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium, lead, and incidental gold and silver in or upon the described land; and shall bring the project to completion within a period of ten (10) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 70 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $13,300.00 which is 70 percent of $19,000.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

AMERICAN MINING COMPANY
(Operator)

By _____

By O. Mitterdorf
Administrator, Defense Minerals Exploration Administration

---

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

_____ [CORPORATE SEAL]

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

AMERICAN MINING COMPANY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2878

EXHIBIT "A"

## Description of the Work

The exploration project is divided into three stages.

Stage I consists of repairing the hoist and compressor house, installing a hoist and pump, rehabilitating the German Shaft, and dewatering the workings to the 600-foot level. Location of shaft is shown on attached map.

Stage II is dependent upon the results of Stage I. If authorized by the Government in writing, in advance, Stage II shall be undertaken. Stage II consists of sampling and assaying for uranium, gold, silver, and lead, in a manner approved by the Defense Minerals Exploration Administration. A copy of all assay results must be furnished to Defense Minerals Exploration Administration.

Stage III is dependent upon the results of Stage II. If authorized by the Government in writing, in advance, Stage III shall be undertaken. Stage III consists of drifting, crosscutting, or raising. The total exploration will be 450 feet.

The location, direction, length and extent of all work under this contract is subject to the approval of the Government.

## Estimated Costs of the Project

### Stage I

| | | |
|---|---|---|
| Repair hoist and compressor house | $ 162.50 1/ | |
| Install hoist and pump | 400.00 1/ | |
| Rehabilitate and dewater shaft to 250-foot level | 1,450.00 1/ | |
| Dewater mine, rehabilitate shaft from 250-foot level to 600-level | 3,000.00 1/ | |
| Total Stage I | | $5,012.50 |
| Government Participation @ 70% | | $3,508.75 |

1/ The entire work under each item constitutes a unit of work.

## Stage II

| | | |
|---|---|---|
| Assaying 65 samples for uranium @ $4.00 each | $ 260.00 | |
| Assaying 65 samples for gold, silver, lead @ $3.50 each | 227.50 | |
| Total Stage II | | $487.50 |
| Government Participation @ 70% | | $341.25 |

## Stage III

| | | |
|---|---|---|
| 450 feet of drifting, crosscutting or raising @ $30.00 per foot | $13,500.00 | |
| Total Stage III | | $13,500.00 |
| Government Participation @ 70% | | $ 9,450.00 |

* * * * * * * * * * * * *

| | |
|---|---|
| Total Stages I, II, and III | $19,000.00 |
| Government Participation @ 70% | $13,300.00 |

MF-200 (A)
(February 1952)

DOCKET DMEA 2070

COMMODITY Uranium-Lead

Division Copy
IDM-E 501

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 13 1953

# EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 24th day of March, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Mining Company, Room 639, 60 E. 42nd Street, New York City, New York, a corporation organized and existing under and by virtue of the laws of the State of Delaware

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Gilpin, described as follows:[3] Jerman Mine consisting of the following Lode Mining Claims: German (Survey No. 494), North German (Survey No. 18936), German Annex (Survey No. 19564), German No. 2 (Survey No. 19564), Belcher (Survey No. 7076), Ina (Survey No. 775), all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado the Operator represents and undertakes:[4]

(*a*) ~~That the Operator is the owner in possession and entitled to possession and that the property is subject only to the following encumbrances and certain that the Owner's Consent to Lien is attached:~~ The property is included as security on a $150,000 mortgage to Gold Uranium Mining Company. Mortgagee's Subordination Agreement is attached.

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

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

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium, lead, and incidental gold and silver

in or upon the described land; and shall bring the project to completion within a period of ten (10) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 70 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $13,300.00 which is 70 percent of $19,000.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

AMERICAN MINING COMPANY
(Operator)

By O. Mittendorf
Administrator, Defense Minerals Exploration Administration

By _____

_____

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

_____ [CORPORATE SEAL]

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

AMERICAN MINING COMPANY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2878

EXHIBIT "A"

## Description of the Work

The exploration project is divided into three stages.

Stage I consists of repairing the hoist and compressor house, installing a hoist and pump, rehabilitating the German Shaft, and dewatering the workings to the 600-foot level. Location of shaft is shown on attached map.

Stage II is dependent upon the results of Stage I. If authorized by the Government in writing, in advance, Stage II shall be undertaken. Stage II consists of sampling and assaying for uranium, gold, silver, and lead, in a manner approved by the Defense Minerals Exploration Administration. A copy of all assay results must be furnished to Defense Minerals Exploration Administration.

Stage III is dependent upon the results of Stage II. If authorized by the Government in writing, in advance, Stage III shall be undertaken. Stage III consists of drifting, crosscutting, or raising. The total exploration will be 450 feet.

The location, direction, length and extent of all work under this contract is subject to the approval of the Government.

## Estimated Costs of the Project

### Stage I

| | | |
|---|---|---|
| Repair hoist and compressor house | $ 162.50 1/ | |
| Install hoist and pump | 400.00 1/ | |
| Rehabilitate and dewater shaft to 250-foot level | 1,450.00 1/ | |
| Dewater mine, rehabilitate shaft from 250-foot level to 600-level | 3,000.00 1/ | |
| Total Stage I | | $5,012.50 |
| Government Participation @ 70% | | $3,508.75 |

1/ The entire work under each item constitutes a unit of work.

## Stage II

| | | |
|---|---|---|
| Assaying 65 samples for uranium @ $4.00 each | $ 260.00 | |
| Assaying 65 samples for gold, silver, lead @ $3.50 each | 227.50 | |
| **Total Stage II** | | $487.50 |
| **Government Participation @ 70%** | | $341.25 |

## Stage III

| | | |
|---|---|---|
| 450 feet of drifting, crosscutting or raising @ $30.00 per foot | $13,500.00 | |
| **Total Stage III** | | $13,500.00 |
| **Government Participation @ 70%** | | $ 9,450.00 |

* * * * * * * * * * * * *

| | |
|---|---|
| **Total Stages I, II, and III** | $19,000.00 |
| **Government Participation @ 70%** | $13,300.00 |

MF-200 (A)
(February 1952)

DOCKET DMEA 2878

COMMODITY Uranium-Lead

Docket Copy
IDM-E 501

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 16 1953

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

# EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 24th day of March, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Mining Company, Room 839, 60 E. 42nd Street, New York City, New York, a corporation organized and existing under and by virtue of the laws of the State of Delaware

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Gilpin, described as follows:[3] German Mine consisting of the following Lode Mining Claims: German (Survey No. 494), North German (Survey No. 18936), German Annex (Survey No. 19564), German No. 2 (Survey No. 19564), Belcher (Survey No. 7076), Ina (Survey No. 775), all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

the Operator represents and undertakes:

(*a*) ~~That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following liens, encumbrances and claims, which the Subordination Agreement of the holder is attached:~~ The property is included as security on a $150,000 mortgage to Gold Uranium Mining Company. Mortgagee's Subordination Agreement is attached.

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

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

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium, lead, and incidental gold and silver

in or upon the described land; and shall bring the project to completion within a period of ten (10) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 70 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $13,300.00 which is 70 percent of $19,000.00 the agreed, estimated total cost of the project in which the Government will participate. *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

AMERICAN MINING COMPANY
(Operator)

By _____

By O. Meltzedorf
Administrator, Defense Minerals Exploration Administration

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

_____ [CORPORATE SEAL]

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

AMERICAN MINING COMPANY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2878

EXHIBIT "A"

## Description of the Work

The exploration project is divided into three stages.

Stage I consists of repairing the hoist and compressor house, installing a hoist and pump, rehabilitating the German Shaft, and dewatering the workings to the 600-foot level. Location of shaft is shown on attached map.

Stage II is dependent upon the results of Stage I. If authorized by the Government in writing, in advance, Stage II shall be undertaken. Stage II consists of sampling and assaying for uranium, gold, silver, and lead, in a manner approved by the Defense Minerals Exploration Administration. A copy of all assay results must be furnished to Defense Minerals Exploration Administration.

Stage III is dependent upon the results of Stage II. If authorized by the Government in writing, in advance, Stage III shall be undertaken. Stage III consists of drifting, crosscutting, or raising. The total exploration will be 450 feet.

The location, direction, length and extent of all work under this contract is subject to the approval of the Government.

## Estimated Costs of the Project

### Stage I

| | | |
|---|---|---|
| Repair hoist and compressor house | $ 162.50 1/ | |
| Install hoist and pump | 400.00 1/ | |
| Rehabilitate and dewater shaft to 250-foot level | 1,450.00 1/ | |
| Dewater mine, rehabilitate shaft from 250-foot level to 600-level | 3,000.00 1/ | |
| Total Stage I | | $5,012.50 |
| Government Participation @ 70% | | $3,508.75 |

1/ The entire work under each item constitutes a unit of work.

## Stage II

| | | |
|---|---|---|
| Assaying 65 samples for uranium @ $4.00 each | $ 260.00 | |
| Assaying 65 samples for gold, silver, lead @ $3.50 each | 227.50 | |
| Total Stage II | | $487.50 |
| Government Participation @ 70% | | $341.25 |

## Stage III

| | | |
|---|---|---|
| 450 feet of drifting, crosscutting or raising @ $30.00 per foot | $13,500.00 | |
| Total Stage III | | $13,500.00 |
| Government Participation @ 70% | | $ 9,450.00 |

* * * * * * * * * * * * *

| | |
|---|---|
| Total Stages I, II, and III | $19,000.00 |
| Government Participation @ 70% | $13,300.00 |

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2878

COMMODITY Uranium-Lead

Field Team's Copy

IDM-E 501

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 16 1953

# EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 24th day of March, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Mining Company, Room 839, 60 E. 42nd Street, New York City, New York, a corporation organized and existing under and by virtue of the laws of the State of Delaware

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Gilpin, described as follows:[3] German Mine consisting of the following Lode Mining Claims: German (Survey No. 494), North German (Survey No. 18936), German Annex (Survey No. 19564), German No. 2 (Survey No. 19564), Belcher (Survey No. 7076), Ina (Survey No. 775), all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado the Operator represents and undertakes:

(*a*) ~~That the Operator is the owner in possession and entitled to possession, and that the property is subject only to the following~~ ~~[illegible]~~ The property is included as security on a $150,000 mortgage to Gold Uranium Mining Company. Mortgagee's Subordination Agreement is attached.

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

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

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium, lead, and incidental gold and silver in or upon the described land; and shall bring the project to completion within a period of ten (10) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 70 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $13,300.00 which is 70 percent of $19,000.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

AMERICAN MINING COMPANY
(Operator)

By _____

By O. Mittendorf
Administrator, Defense Minerals Exploration Administration

---

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

_____ [CORPORATE SEAL]

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

AMERICAN MINING COMPANY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2878

EXHIBIT "A"

## Description of the Work

The exploration project is divided into three stages.

Stage I consists of repairing the hoist and compressor house, installing a hoist and pump, rehabilitating the German Shaft, and dewatering the workings to the 600-foot level. Location of shaft is shown on attached map.

Stage II is dependent upon the results of Stage I. If authorized by the Government in writing, in advance, Stage II shall be undertaken. Stage II consists of sampling and assaying for uranium, gold, silver, and lead, in a manner approved by the Defense Minerals Exploration Administration. A copy of all assay results must be furnished to Defense Minerals Exploration Administration.

Stage III is dependent upon the results of Stage II. If authorized by the Government in writing, in advance, Stage III shall be undertaken. Stage III consists of drifting, crosscutting, or raising. The total exploration will be 450 feet.

The location, direction, length and extent of all work under this contract is subject to the approval of the Government.

## Estimated Costs of the Project

### Stage I

| | | |
|---|---|---|
| Repair hoist and compressor house | $ 162.50 1/ | |
| Install hoist and pump | 400.00 1/ | |
| Rehabilitate and dewater shaft to 250-foot level | 1,450.00 1/ | |
| Dewater mine, rehabilitate shaft from 250-foot level to 600-level | 3,000.00 1/ | |
| Total Stage I | | $5,012.50 |
| Government Participation @ 70% | | $3,508.75 |

1/ The entire work under each item constitutes a unit of work.

## Stage II

| | | |
|---|---|---|
| Assaying 65 samples for uranium @ $4.00 each | $ 260.00 | |
| Assaying 65 samples for gold, silver, lead @ $3.50 each | 227.50 | |
| **Total Stage II** | | $487.50 |
| **Government Participation @ 70%** | | $341.25 |

## Stage III

| | | |
|---|---|---|
| 450 feet of drifting, crosscutting or raising @ $30.00 per foot | $13,500.00 | |
| **Total Stage III** | | $13,500.00 |
| **Government Participation @ 70%** | | $ 9,450.00 |

* * * * * * * * * * * * * *

| | |
|---|---|
| **Total Stages I, II, and III** | $19,000.00 |
| **Government Participation @ 70%** | $13,300.00 |

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2878

COMMODITY Uranium-Lead

Operator's Copy

IDM-E 501

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

# EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 24th day of March, 1953 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Mining Company, a corporation organized and existing under and by virtue of the laws of the State of Delaware
Room 839
60 E. 42nd Street
New York City, New York

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Gilpin, described as follows:[3] German Mine consisting of the following Lode Mining Claims: German (Survey No. 494), North German (Survey No. 18936), German Annex (Survey No. 19564), German No. 2 (Survey No. 19564), Belcher (Survey No. 7076), Ina (Survey No. 775), all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado the Operator represents and undertakes:[4]

(*a*) ~~[illegible]~~ The property is included as security on a $150,000 mortgage to Gold Uranium Mining Company. Mortgagee's Subordination Agreement is attached.

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

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

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium, lead, and incidental gold and silver in or upon the described land; and shall bring the project to completion within a period of ten (10) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay ~~70~~ 90 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $~~13,300.00~~ 17,100 which is ~~70~~ 90 percent of $19,000.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

16—66329-1

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

AMERICAN MINING COMPANY
(Operator)

By _____

By [signature]
Administrator, Defense Minerals Exploration Administration

---

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

_____ [CORPORATE SEAL]

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

AMERICAN MINING COMPANY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMRA-2878

EXHIBIT "A"

## Description of the Work

The exploration project is divided into three stages.

Stage I consists of repairing the hoist and compressor house, installing a hoist and pump, rehabilitating the German Shaft, and dewatering the workings to the 600-foot level. Location of shaft is shown on attached map.

Stage II is dependent upon the results of Stage I. If authorized by the Government in writing, in advance, Stage II shall be undertaken. Stage II consists of sampling and assaying for uranium, gold, silver, and lead, in a manner approved by the Defense Minerals Exploration Administration. A copy of all assay results must be furnished to Defense Minerals Exploration Administration.

Stage III is dependent upon the results of Stage II. If authorized by the Government in writing, in advance, Stage III shall be undertaken. Stage III consists of drifting, crosscutting, or raising. The total exploration will be 450 feet.

The location, direction, length and extent of all work under this contract is subject to the approval of the Government.

## Estimated Costs of the Project

### Stage I

| | | |
|---|---|---|
| Repair hoist and compressor house | $ 162.50 1/ | |
| Install hoist and pump | 400.00 1/ | |
| Rehabilitate and dewater shaft to 250-foot level | 1,450.00 1/ | |
| Dewater mine, rehabilitate shaft from 250-foot level to 600-level | 3,000.00 1/ | |
| Total Stage I | | $5,012.50 |
| Government Participation @ ~~40%~~ 90% | $4511.25 | ~~$2,005.00~~ |

1/ The entire work under each item constitutes a unit of work.

## Stage II

| | | |
|---|---|---|
| Assaying 65 samples for uranium @ $4.00 each | $ 260.00 | |
| Assaying 65 samples for gold, silver, lead @ $3.50 each | 227.50 | |
| **Total Stage II** | | $487.50 |
| **Government Participation @ ~~70%~~** 90% | 438.75 | ~~$341.25~~ |

## Stage III

| | | |
|---|---|---|
| 450 feet of drifting, crosscutting or raising @ $30.00 per foot | $13,500.00 | |
| **Total Stage III** | | $13,500.00 |
| **Government Participation @ ~~70%~~** 90% | $12,150.00 | ~~$ 9,450.00~~ |

* * * * * * * * * * * *

| | | |
|---|---|---|
| **Total Stages I, II, and III** | | $19,000.00 |
| **Government Participation @ ~~70%~~** 90% | | ~~$13,300.00~~ 17,100.00 |

MF-200 (A)
(February 1952)

Doc No. DMEA 2878

COMMODITY Uranium-Lead

Finance Office's Copy

IDM-E 501

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 16 1953

# EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 24th day of March, 1953 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Mining Company, Room 839, 60 E. 42nd Street, New York City, New York, a corporation organized and existing under and by virtue of the laws of the State of Delaware

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Gilpin, described as follows:[3] German Mine consisting of the following Lode Mining Claims: German (Survey No. 494), North German (Survey No. 18936), German Annex (Survey No. 19564), German No. 2 (Survey No. 19564), Belcher (Survey No. 7076), Ina (Survey No. 775), all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado the Operator represents and undertakes:

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following ~~liens, rights or encumbrances, as to each of which the subordination agreement or the consent is attached:~~ The property is included as security on a $150,000 mortgage to Gold Uranium Mining Company. Mortgagee's Subordination Agreement is attached.

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

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

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium, lead, and incidental gold and silver in or upon the described land; and shall bring the project to completion within a period of ten (10) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 70 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $13,300.00 which is 70 percent of $19,000.00 the agreed, estimated total cost of the project in which the Government will participate. *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

AMERICAN MINING COMPANY
(Operator)

By _____

By C. D. Mitteendorf
Administrator, Defense Minerals Exploration Administration

---

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

_____ [CORPORATE SEAL]

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

AMERICAN MINING COMPANY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2878

EXHIBIT "A"

## Description of the Work

The exploration project is divided into three stages.

Stage I consists of repairing the hoist and compressor house, installing a hoist and pump, rehabilitating the German Shaft, and dewatering the workings to the 600-foot level. Location of shaft is shown on attached map.

Stage II is dependent upon the results of Stage I. If authorized by the Government in writing, in advance, Stage II shall be undertaken. Stage II consists of sampling and assaying for uranium, gold, silver, and lead, in a manner approved by the Defense Minerals Exploration Administration. A copy of all assay results must be furnished to Defense Minerals Exploration Administration.

Stage III is dependent upon the results of Stage II. If authorized by the Government in writing, in advance, Stage III shall be undertaken. Stage III consists of drifting, crosscutting, or raising. The total exploration will be 450 feet.

The location, direction, length and extent of all work under this contract is subject to the approval of the Government.

## Estimated Costs of the Project

### Stage I

| | | |
|---|---|---|
| Repair hoist and compressor house | $ 162.50 1/ | |
| Install hoist and pump | 400.00 1/ | |
| Rehabilitate and dewater shaft to 250-foot level | 1,450.00 1/ | |
| Dewater mine, rehabilitate shaft from 250-foot level to 600-level | 3,000.00 1/ | |
| Total Stage I | | $5,012.50 |
| Government Participation @ 70% | | $3,508.75 |

1/ The entire work under each item constitutes a unit of work.

## Stage II

| | | |
|---|---|---|
| Assaying 65 samples for uranium @ $4.00 each | $ 260.00 | |
| Assaying 65 samples for gold, silver, lead @ $3.50 each | 227.50 | |
| **Total Stage II** | | $487.50 |
| **Government Participation @ 70%** | | $341.25 |

## Stage III

| | | |
|---|---|---|
| 450 feet of drifting, crosscutting or raising @ $30.00 per foot | $13,500.00 | |
| **Total Stage III** | | $13,500.00 |
| **Government Participation @ 70%** | | $ 9,450.00 |

* * * * * * * * * * * * *

| | |
|---|---|
| **Total Stages I, II, and III** | $19,000.00 |
| **Government Participation @ 70%** | $13,300.00 |

MF-200 (A)
(February 1952)

DOCKET NO. DMEA [illegible]

COMMODITY Uranium-lead

Extra Copy

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

IDM-E 501

# EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 24th day of March, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Mining Company, a corporation organized and existing under and by virtue of the laws of the State of Delaware
[illegible] 42nd Street
New York City, New York

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Gilpin, described as follows:[3] German Mine consisting of the following Lode Mining Claims: German (Survey No. 494), North German (Survey No. 1[illegible]36), German Annex (Survey No. 1,564), German No. 2 (Survey No. 13564), Belcher (Survey No. 7076), Ina (Survey No. 775), all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

the Operator represents and undertakes:[4]

(*a*) ~~That the Operator is a lessee, in possession and entitled to possession, and that the property is subject only to the following encumbrances: [illegible] Owner's Consent to Lien is attached.~~
The property is included as security on a $150,000 mortgage to Gold Uranium Mining Company. Mortgagee's Subordination Agreement is attached.

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

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

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium, lead, and incidental gold and silver

in or upon the described land; and shall bring the project to completion within a period of ten (10) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 70 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $23,300.00, which is 70 percent of $33,000.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

AMERICAN MINING COMPANY
(Operator)

By _____

By Administrator, Defense Minerals Exploration Administration

---

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

_____ [CORPORATE SEAL]

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

AMERICAN MINING COMPANY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2878

EXHIBIT "A"

## Description of the Work

The exploration project is divided into three stages.

Stage I consists of repairing the hoist and compressor house, installing a hoist and pump, rehabilitating the German Shaft, and dewatering the workings to the 600-foot level. Location of shaft is shown on attached map.

Stage II is dependent upon the results of Stage I. If authorized by the Government in writing, in advance, Stage II shall be undertaken. Stage II consists of sampling and assaying for uranium, gold, silver, and lead, in a manner approved by the Defense Minerals Exploration Administration. A copy of all assay results must be furnished to Defense Minerals Exploration Administration.

Stage III is dependent upon the results of Stage II. If authorized by the Government in writing, in advance, Stage III shall be undertaken. Stage III consists of drifting, crosscutting, or raising. The total exploration will be 450 feet.

The location, direction, length and extent of all work under this contract is subject to the approval of the Government.

## Estimated Costs of the Project

### Stage I

| | | |
|---|---|---|
| Repair hoist and compressor house | $ 162.50 1/ | |
| Install hoist and pump | 400.00 1/ | |
| Rehabilitate and dewater shaft to 250-foot level | 1,450.00 1/ | |
| Dewater mine, rehabilitate shaft from 250-foot level to 600-level | 3,000.00 1/ | |
| Total Stage I | | $5,012.50 |
| Government Participation @ 70% | | $3,508.75 |

1/ The entire work under each item constitutes a unit of work.

## Stage II

| | | |
|---|---|---|
| Assaying 65 samples for uranium @ $4.00 each | $ 260.00 | |
| Assaying 65 samples for gold, silver, lead @ $3.50 each | 227.50 | |
| Total Stage II | | $487.50 |
| Government Participation @ 70% | | $341.25 |

## Stage III

| | | |
|---|---|---|
| 450 feet of drifting, crosscutting or raising @ $30.00 per foot | $13,500.00 | |
| Total Stage III | | $13,500.00 |
| Government Participation @ 70% | | $ 9,450.00 |

* * * * * * * * * * * * * *

| | |
|---|---|
| Total Stages I, II, and III | $19,000.00 |
| Government Participation @ 70% | $13,300.00 |

MF-201

# MORTGAGOR'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the owner is the holder of a mortgage, claim, lien, or encumbrance dated June 30, 1950, recorded in Book 225, page 124, of the records of the county of Gilpin, State of Colorado, and in Book 235, page 584 of the records of the County of Clear Creek, Colorado, upon that certain parcel of ground described in a certain Exploration Project Contract dated _____, 195__, between AMERICAN MINING COMPANY _____, the owner of said property and the United States of America;

NOW, THEREFORE, the undersigned does by these presents subordinate all of his right, title, and interest in said mortgage, claim, lien, or encumbrance to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights under the provisions of said mortgage, claim, lien, or encumbrance; and

The undersigned agrees to commit no act nor assert any right, title, or interest under said mortgage, claim, lien, or encumbrance that might contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195....

GOLD URANIUM MINING COMPANY
By Geo S Groves
George S. Groves, President

U. S. GOVERNMENT PRINTING OFFICE 940707

MF-203

# OWNER'S CONSENT TO LIEN

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

German Mine consisting of the following lode mining claims: German No. 494, North German No. 18936, German Annex No. 19564, German No. 2, No. 19564, Belcher No. 7076, Ina No. 775, all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

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

2/ American Mining Company, a Delaware Corporation,

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 22,500.00, or ten years have elapsed from the date of the contract.

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

Dated this 11th day of December, 1952.

URANIUM COMPANY OF AMERICA [Seal]
By [signature] [Seal]
Secretary

GOLD URANIUM MINING COMPANY [Seal]
By [signature]
President

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

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

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

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

MF-203

# OWNER'S CONSENT TO LIEN

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

German Mine consisting of the following lode mining claims: German No. 494, North German No. 18936, German Annex No. 19564, German No. 2, No. 19564, Belcher No. 7076, Ina No. 775, all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

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

2/ American Mining Company, a Delaware Corporation,

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 22,500.00, or ten years have elapsed from the date of the contract.

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

Dated this 11th day of December, 1952.

URANIUM COMPANY OF AMERICA [Seal]
By [signature] [Seal]
Secretary
GOLD URANIUM MINING COMPANY [Seal]
By [signature]
President

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

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

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

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

MF-201

# MORTGAGOR'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the owner is the holder of a mortgage, claim, lien, or encumbrance dated June 30, 1950, recorded in Book 225, page 124, of the records of the county of Gilpin, State of Colorado, and in Book 235, page 584 of the records of the County of Clear Creek, Colorado, upon that certain parcel of ground described in a certain Exploration Project Contract dated ....., 195..., between AMERICAN MINING COMPANY .....,

the owner of said property and the United States of America;

NOW, THEREFORE, the undersigned does by these presents subordinate all of his right, title, and interest in said mortgage, claim, lien, or encumbrance to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights under the provisions of said mortgage, claim, lien, or encumbrance; and

The undersigned agrees to commit no act nor assert any right, title, or interest under said mortgage, claim, lien, or encumbrance that might contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this ..... day of ....., 195....

GOLD URANIUM MINING COMPANY
By

George S. Groves, President

U. S. GOVERNMENT PRINTING OFFICE 940767

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 3 1953

DOCKET NO. DMEA 2878

COMMODITY Lead-Uranium

Dispensed

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

# EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Mining Company
Room 839
60 E. 42nd Street
New York City, New York

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Gilpin, described as follows:[3] German Mine consisting of the following Lode Mining Claims: German No. 494, North German No. 18936, German Annex No. 19564, German No. 2, No. 19564, Belcher No. 7076, Ina No. 775, all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

the Operator represents and undertakes:[4]

(*a*) ~~That the Operator is the owner in possession and entitled to possession and that the property is subject only to the following encumbrances and that the production therefrom is not subject to royalty:~~
The property is included as security on a $150,000 mortgage to Gold Uranium Mining Company. Mortgagee's Subordination Agreement is attached.

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

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

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium

in or upon the described land; and shall bring the project to completion within a period of ten (10) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay seventy (70) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $13,300.00, which is seventy (70) percent of $19,000.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By _____

By _____

---

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

_____ [CORPORATE SEAL]

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

## Description of the Work

The exploration project is divided into three stages.

Stage I consists of repairing the hoist and compressor house, installing a hoist and pump, rehabilitating the German Shaft, and dewatering the workings to the 600-foot level.

Stage II is dependent on the results of Stage I. Permission to commence work under Stage II must be authorized in writing by the Field Team. If in the opinion of the Field Team the results of Stage I warrant Stage II, Stage II will be authorized. Stage II consists of sampling and assaying in a manner acceptable to the DMEA. A copy of all assay results must be furnished the DMEA.

Stage III is dependent upon the findings of Stage II. Permission to commence work under Stage III must be authorized in writing by the Field Team. If in the opinion of the Field Team the results of Stage II warrant Stage III, Stage III will be authorized. Stage III consists of drifting, crosscutting, or raising. The total exploration will be 450 feet. The location, direction and length of all drifts, crosscuts, or raises will be determined after part or all of the sampling is completed, and must be approved in writing by the DMEA Field Team.

## Estimated Costs of the Work

### Stage I

| | |
|---|---|
| Repair hoist and compressor house | $ 162.50 1/ |
| Install hoist and pump | 400.00 1/ |
| Rehabilitate and dewater shaft to 250-foot level | 1,450.00 1/ |
| Dewater mine, rehabilitate shaft from 250-foot level to 600-foot level | 3,000.00 |
| Total Stage I | $5,012.50 |
| Government Participation at 70% | $3,508.75 |

### Stage II

| | |
|---|---|
| Assaying at $7.50 per sample - maximum allowable | $ 487.50 |
| Total Stage II | $ 487.50 |
| Government Participation at 70% | $ 341.25 |

### Stage III

| | |
|---|---|
| 450 feet of drifting, crosscutting or raising @ $30.00 per foot | $13,500.00 |
| Total Stage III | $13,500.00 |
| Government Participation at 70% | $ 9,450.00 |
| Total Stages I, II & III | $19,000.00 |
| Government Participation at 70% | $13,300.00 |

1/ The entire work constitutes the unit of work.

MF-201

# MORTGAGEE'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the owner is the holder of a mortgage, claim, lien, or encumbrance dated June 30, 1950, recorded in Book 225, page 124, of the records of the county of Gilpin, State of ~~Colorado, and in~~ Book 235, page 584 of the records of the County of Clear Creek, Colorado, upon that certain parcel of ground described in a certain Exploration Project Contract dated ....., 195..., between AMERICAN MINING COMPANY .....,

the owner of said property and the United States of America;

NOW, THEREFORE, the undersigned does by these presents subordinate all of his right, title, and interest in said mortgage, claim, lien, or encumbrance to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights under the provisions of said mortgage, claim, lien, or encumbrance; and

The undersigned agrees to commit no act nor assert any right, title, or interest under said mortgage, claim, lien, or encumbrance that might contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this ..... day of ....., 195....

GOLD URANIUM MINING COMPANY
By

George S. Groves, President

U. S. GOVERNMENT PRINTING OFFICE 940767

MF-203

# OWNER'S CONSENT TO LIEN

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

German Mine consisting of the following lode mining claims: German No. 494, North German No. 18936, German Annex No. 19564, German No. 2 No. 19564, Belcher No. 7076, Ina No. 775, all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

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

2/ American Mining Company, a Delaware Corporation,

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 22,500.00, or ten years have elapsed from the date of the contract.

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

Dated this 11th day of December, 1952.

URANIUM COMPANY OF AMERICA
By [signature] [Seal]
Secretary

~~GOLD URANIUM MINING COMPANY~~ [Seal]
By Geo. V. Grover [Seal]
President

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 3 1953

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2878

COMMODITY Lead-Uranium

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

# EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Mining Company
Room 839
60 E. 42nd Street
New York City, New York

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Gilpin, described as follows:[3] German Mine consisting of the following Lode Mining Claims: German No. 494, North German No. 18936, German Annex No. 19564, German No. 2, No. 19564, Belcher No. 7076, Ina No. 775, all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

the Operator represents and undertakes:[4]

(*a*) ~~That the Operator is the owner in possession and entitled to possession, and that the property is subject only to the following encumbrances, if any, and to the Government's percentage royalty:~~
The property is included as security on a $150,000 mortgage to Gold Uranium Mining Company. Mortgagee's Subordination Agreement is attached.

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

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

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium

in or upon the described land; and shall bring the project to completion within a period of ten (10) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay seventy (70) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $13,300.00, which is seventy (70) percent of $19,000.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By _____

By _____

---

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

_____ [CORPORATE SEAL]

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

## Description of the Work

The exploration project is divided into three stages.

Stage I consists of repairing the hoist and compressor house, installing a hoist and pump, rehabilitating the German Shaft, and dewatering the workings to the 600-foot level.

Stage II is dependent on the results of Stage I. Permission to commence work under Stage II must be authorized in writing by the Field Team. If in the opinion of the Field Team the results of Stage I warrant Stage II, Stage II will be authorized. Stage II consists of sampling and assaying in a manner acceptable to the DMEA. A copy of all assay results must be furnished the DMEA.

Stage III is dependent upon the findings of Stage II. Permission to commence work under Stage III must be authorized in writing by the Field Team. If in the opinion of the Field Team the results of Stage II warrant Stage III, Stage III will be authorized. Stage III consists of drifting, crosscutting, or raising. The total exploration will be 450 feet. The location, direction and length of all drifts, crosscuts, or raises will be determined after part or all of the sampling is completed, and must be approved in writing by the DMEA Field Team.

## Estimated Costs of the Work

### Stage I

| | |
|---|---|
| Repair hoist and compressor house | $ 162.50 1/ |
| Install hoist and pump | 400.00 1/ |
| Rehabilitate and dewater shaft to 250-foot level | 1,450.00 1/ |
| Dewater mine, rehabilitate shaft from 250-foot level to 600-foot level | 3,000.00 |
| Total Stage I | $5,012.50 |
| Government Participation at 70% | $3,508.75 |

### Stage II

| | |
|---|---|
| Assaying at $7.50 per sample - maximum allowable | $ 487.50 |
| Total Stage II | $ 487.50 |
| Government Participation at 70% | $ 341.25 |

### Stage III

| | |
|---|---|
| 450 feet of drifting, crosscutting or raising @ $30.00 per foot | $13,500.00 |
| Total Stage III | $13,500.00 |
| Government Participation at 70% | $ 9,450.00 |
| Total Stages I, II & III | $19,000.00 |
| Government Participation at 70% | $13,300.00 |

1/ The entire work constitutes the unit of work.

MP-001

EE

# MORTGAGEE'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the owner is the holder of a mortgage, claim, lien, or encumbrance dated June 30, 1950, recorded in Book 225, page 124, of the records of the county of Gilpin, State of Colorado, and in Book 235, page 584 of the records of the County of Clear Creek, Colorado upon that certain parcel of ground described in a certain Exploration Project Contract dated _____, 195__, between AMERICAN MINING COMPANY _____, the owner of said property and the United States of America;

NOW, THEREFORE, the undersigned does by these presents subordinate all of his right, title, and interest in said mortgage, claim, lien, or encumbrance to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights under the provisions of said mortgage, claim, lien, or encumbrance; and

The undersigned agrees to commit no act nor assert any right, title, or interest under said mortgage, claim, lien, or encumbrance that might contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned

Dated this _____ day of _____, 195__

GOLD URANIUM MINING COMPANY

By _____

President

U. S. GOVERNMENT PRINTING OFFICE

MF-203

# OWNER'S CONSENT TO LIEN

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

German Mine consisting of the following lode mining claims: German No. 494, North German No. 18933, German Annex No. 19564, German No. 2, No. 19564, Belcher No. 7076, Ina No. 775, all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

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

2/ American Mining Company, a Delaware Corporation,

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 22,500.00, or ten years have elapsed from the date of the contract.

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

Dated this 11th day of December, 1952.

URANIUM COMPANY OF AMERICA
By [signature] [Seal]
Secretary

GOLD URANIUM MINING COMPANY [Seal]
By [signature] [Seal]
President

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 3 1953

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2878

COMMODITY Lead-Uranium

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

# EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Mining Company
Room 839
60 E. 42nd Street
New York City, New York

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado County of Gilpin, described as follows:[3] German Mine consisting of the following Lode Mining Claims: German No. 494, North German No. 18936, German Annex No. 19564, German No. 2, No. 19564, Belcher No. 7076, Ina No. 775, all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

the Operator represents and undertakes:[4]

(a) [redacted] following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:
The property is included as security on a $150,000 mortgage to Gold Uranium Mining Company. Mortgagee's Subordination Agreement is attached.

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

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

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium

in or upon the described land; and shall bring the project to completion within a period of ten (10) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay seventy (70) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $ 13,300.00, which is seventy (70) percent of $ 19,000.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By _____

By _____

---

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

_____ [CORPORATE SEAL]

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## Description of the Work

The exploration project is divided into three stages.

Stage I consists of repairing the hoist and compressor house, installing a hoist and pump, rehabilitating the German Shaft, and dewatering the workings to the 600-foot level.

Stage II is dependent on the results of Stage I. Permission to commence work under Stage II must be authorized in writing by the Field Team. If in the opinion of the Field Team the results of Stage I warrant Stage II, Stage II will be authorized. Stage II consists of sampling and assaying in a manner acceptable to the DMEA. A copy of all assay results must be furnished the DMEA.

Stage III is dependent upon the findings of Stage II. Permission to commence work under Stage III must be authorized in writing by the Field Team. If in the opinion of the Field Team the results of Stage II warrant Stage III, Stage III will be authorized. Stage III consists of drifting, crosscutting, or raising. The total exploration will be 450 feet. The location, direction and length of all drifts, crosscuts, or raises will be determined after part or all of the sampling is completed, and must be approved in writing by the DMEA Field Team.

## Estimated Costs of the Work

### Stage I

| | |
|---|---|
| Repair hoist and compressor house | $ 162.50 1/ |
| Install hoist and pump | 400.00 1/ |
| Rehabilitate and dewater shaft to 250-foot level | 1,450.00 1/ |
| Dewater mine, rehabilitate shaft from 250-foot level to 600-foot level | 3,000.00 |
| Total Stage I | $5,012.50 |
| Government Participation at 70% | $3,508.75 |

### Stage II

| | |
|---|---|
| Assaying at $7.50 per sample - maximum allowable | $ 487.50 |
| Total Stage II | $ 487.50 |
| Government Participation at 70% | $ 341.25 |

### Stage III

| | |
|---|---|
| 450 feet of drifting, crosscutting or raising @ $30.00 per foot | $13,500.00 |
| Total Stage III | $13,500.00 |
| Government Participation at 70% | $ 9,450.00 |
| Total Stages I, II & III | $19,000.00 |
| Government Participation at 70% | $13,300.00 |

1/ The entire work constitutes the unit of work.

MF-201

# MORTGAGEE'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the owner is the holder of a mortgage, claim, lien, or encumbrance dated June 30, 1950, recorded in Book 225, page 124, of the records of the county of Gilpin, State of ~~Colorado, and in~~ Book 235, page 584 of the records of the County of Clear Creek, Colorado, upon that certain parcel of ground described in a certain Exploration Project Contract dated ....., 195..., between AMERICAN MINING COMPANY .....,

the owner of said property and the United States of America;

NOW, THEREFORE, the undersigned does by these presents subordinate all of his right, title, and interest in said mortgage, claim, lien, or encumbrance to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights under the provisions of said mortgage, claim, lien, or encumbrance; and

The undersigned agrees to commit no act nor assert any right, title, or interest under said mortgage, claim, lien, or encumbrance that might contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this ..... day of ....., 195....

GOLD URANIUM MINING COMPANY
By

George S. Groves, President

U. S. GOVERNMENT PRINTING OFFICE 940767

MF-203

# OWNER'S CONSENT TO LIEN

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

German Mine consisting of the following lode mining claims: German No. 494, North German No. 18936, German Annex No. 19564, German No. 2, No. 19564, Belcher No. 7076, Ina No. 775, all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

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

2/ American Mining Company, a Delaware Corporation,

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 22,500.00, or ten years have elapsed from the date of the contract.

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

Dated this 11th day of December, 1952.

URANIUM COMPANY OF AMERICA
By [signature] [Seal]
Secretary

GOLD URANIUM MINING COMPANY [Seal]
By [signature] [Seal]
President

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

DEPARTMENT OF INTERIOR
Defense Minerals Administration
MAR 3 1953

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2878

COMMODITY Lead-Uranium

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

# EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Mining Company
Room 839
60 E. 42nd Street
New York City, New York

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado County of Gilpin, described as follows:[3] German Mine consisting of the following Lode Mining Claims: German No. 496, North German No. 18936, German Annex No. 19564, German No. 2, No. 19564, Belcher No. 7076, Ina No. 775, all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

the Operator represents and undertakes:[4]

(a) [redacted] following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: The property is included as security on a $150,000 mortgage to Gold Uranium Mining Company. Mortgagee's Subordination Agreement is attached.

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

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

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium

in or upon the described land; and shall bring the project to completion within a period of ten (10) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay seventy (70) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $13,300.00, which is seventy (70) percent of $19,000.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By _____

By _____

---

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

_____ [CORPORATE SEAL]

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

## Description of the Work

The exploration project is divided into three stages.

Stage I consists of repairing the hoist and compressor house, installing a hoist and pump, rehabilitating the German Shaft, and dewatering the workings to the 600-foot level.

Stage II is dependent on the results of Stage I. Permission to commence work under Stage II must be authorized in writing by the Field Team. If in the opinion of the Field Team the results of Stage I warrant Stage II, Stage II will be authorized. Stage II consists of sampling and assaying in a manner acceptable to the DMEA. A copy of all assay results must be furnished the DMEA.

Stage III is dependent upon the findings of Stage II. Permission to commence work under Stage III must be authorized in writing by the Field Team. If in the opinion of the Field Team the results of Stage II warrant Stage III, Stage III will be authorized. Stage III consists of drifting, crosscutting, or raising. The total exploration will be 450 feet. The location, direction and length of all drifts, crosscuts, or raises will be determined after part or all of the sampling is completed, and must be approved in writing by the DMEA Field Team.

## Estimated Costs of the Work

### Stage I

| | |
|---|---|
| Repair hoist and compressor house | $ 162.50 1/ |
| Install hoist and pump | 400.00 1/ |
| Rehabilitate and dewater shaft to 250-feet level | 1,450.00 1/ |
| Dewater mine, rehabilitate shaft from 250-feet level to 600-foot level | 3,000.00 |
| Total Stage I | $5,012.50 |
| Government Participation at 70% | $3,508.75 |

### Stage II

| | |
|---|---|
| Assaying at $7.50 per sample - maximum allowable | $ 487.50 |
| Total Stage II | $ 487.50 |
| Government Participation at 70% | $ 341.25 |

### Stage III

| | |
|---|---|
| 450 feet of drifting, crosscutting or raising @ $30.00 per foot | $13,500.00 |
| Total Stage III | $13,500.00 |
| Government Participation at 70% | $ 9,450.00 |
| Total Stages I, II & III | $19,000.00 |
| Government Participation at 70% | $13,300.00 |

1/ The entire work constitutes the unit of work.

MF-201

# MORTGAGEE'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the owner is the holder of a mortgage, claim, lien, or encumbrance dated June 29, 1950, recorded in Book 225, page 124, of the records of the county of Gilpin, State of Colorado, and in Book 235, page 504 of the records of the County of Clear Creek, Colorado, upon that certain parcel of ground described in a certain Exploration Project Contract dated ....., 195..., between AMERICAN LEADER COMPANY .....,

the owner of said property and the United States of America;

NOW, THEREFORE, the undersigned does by these presents subordinate all of his right, title, and interest in said mortgage, claim, lien, or encumbrance to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights under the provisions of said mortgage, claim, lien, or encumbrance; and

The undersigned agrees to commit no act nor assert any right, title, or interest under said mortgage, claim, lien, or encumbrance that might contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this ..... day of ....., 195....

COLO GRANITE MINING COMPANY
By
George S. Grover, President

U. S. GOVERNMENT PRINTING OFFICE 940767

MF-203

# OWNER'S CONSENT TO LIEN

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

German Mine consisting of the following lode mining claims: German No. 404, North German No. 16936, German Annex No. 19564, German No. 3 No. 19564, Belcher No. 7076, Ina No. 775, all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

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

2/ American Mining Company, a Delaware Corporation,

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 25,500.00, or ten years have elapsed from the date of the contract.

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

Dated this 11th day of December, 1952.

URANIUM COMPANY OF AMERICA [Seal]
By [signature] [Seal]
Secretary

GOLD URANIUM MINING COMPANY [Seal]
By [signature] President

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 3 1953

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2878

COMMODITY Lead-Uranium

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

# EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Mining Company
Room 839
60 E. 42nd Street
New York City, New York

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado County of Gilpin, described as follows:[3] German Mine consisting of the following Lode Mining Claims: German No. 496, North German No. 18936, German Annex No. 19564, German No. 2, No. 19564, Baleber No. 7076, Ina No. 775, all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

the Operator represents and undertakes:[4]

[redacted] following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:
The property is included as security on a $150,000 mortgage to Gold Uranium Mining Company. Mortgagee's Subordination Agreement is attached.

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

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

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium

in or upon the described land; and shall bring the project to completion within a period of ten (10) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay seventy (70) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $13,300.00, which is seventy (70) percent of $19,000.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By _____

By _____

---

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

_____ [CORPORATE SEAL]

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

## Description of the Work

The exploration project is divided into three stages.

Stage I consists of repairing the hoist and compressor house, installing a hoist and pump, rehabilitating the German Shaft, and dewatering the workings to the 600-foot level.

Stage II is dependent on the results of Stage I. Permission to commence work under Stage II must be authorized in writing by the Field Team. If in the opinion of the Field Team the results of Stage I warrant Stage II, Stage II will be authorized. Stage II consists of sampling and assaying in a manner acceptable to the DMEA. A copy of all assay results must be furnished the DMEA.

Stage III is dependent upon the findings of Stage II. Permission to commence work under Stage III must be authorized in writing by the Field Team. If in the opinion of the Field Team the results of Stage II warrant Stage III, Stage III will be authorized. Stage III consists of drifting, crosscutting, or raising. The total exploration will be 450 feet. The location, direction and length of all drifts, crosscuts, or raises will be determined after part or all of the sampling is completed, and must be approved in writing by the DMEA Field Team.

## Estimated Costs of the Work

### Stage I

| | |
|---|---|
| Repair hoist and compressor house | $ 162.50 1/ |
| Install hoist and pump | 400.00 1/ |
| Rehabilitate and dewater shaft to 250-foot level | 1,450.00 1/ |
| Dewater mine, rehabilitate shaft from 250-foot level to 600-foot level | 3,000.00 |
| Total Stage I | $5,012.50 |
| Government Participation at 70% | $3,508.75 |

### Stage II

| | |
|---|---|
| Assaying at $7.50 per sample - maximum allowable | $ 487.50 |
| Total Stage II | $ 487.50 |
| Government Participation at 70% | $ 341.25 |

### Stage III

| | |
|---|---|
| 450 feet of drifting, crosscutting or raising @ $30.00 per foot | $13,500.00 |
| Total Stage III | $13,500.00 |
| Government Participation at 70% | $ 9,450.00 |
| Total Stages I, II & III | $19,000.00 |
| Government Participation at 70% | $13,300.00 |

1/ The entire work constitutes the unit of work.

MF-201

# MORTGAGEE'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the owner is the holder of a mortgage, claim, lien, or encumbrance dated ....., ....., recorded in Book ....., page ....., of the records of the county of ....., State of ....., and in Book ....., page ..... of the records of the county of Clear Creek, Colorado, upon that certain parcel of ground described in a certain Exploration Project Contract dated ....., 195..., between .....,

the owner of said property and the United States of America;

NOW, THEREFORE, the undersigned does by these presents subordinate all of his right, title, and interest in said mortgage, claim, lien, or encumbrance to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights under the provisions of said mortgage, claim, lien, or encumbrance; and

The undersigned agrees to commit no act nor assert any right, title, or interest under said mortgage, claim, lien, or encumbrance that might contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this ..... day of ....., 195....

.....

U. S. GOVERNMENT PRINTING OFFICE 940767

MF-203

# OWNER'S CONSENT TO LIEN

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

German Mine consisting of the following lode mining claims: German No. 494, North German No. 18936, German Annex No. 19564, German No. 2 No. 19564, Belcher No. 7076, Ina No. 775, all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

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

2/ American Mining Company, a Delaware Corporation,

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 22,500.00, or ten years have elapsed from the date of the contract.

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

Dated this 11th day of December, 1952.

URANIUM COMPANY OF AMERICA [Seal]
By Richard Swanz [Seal]
Secretary

GOLD URANIUM MINING COMPANY [Seal]
By Geo. J. Grosh President

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

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

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

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

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

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

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

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

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

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

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

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

Surname copy

Ching
Ellis
Chandler
Selfridge
Jameson

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

MAY 17 1955

Mr. Charles E. Stahl, Jr., President
Intercounty Corporation
First National Bank Building
Ardsley, New York

Re: Docket No. DMEA-2878 (Uranium, lead, and incidental gold and silver)
Contract No. Idm-E501
German Mine
Gilpin County, Colorado

Dear Mr. Stahl:

This is with reference to the subject Exploration Contract between you and the Government.

It is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to the provisions of the Contract which require the Operator to keep and preserve certain records for the period indicated.

We regret that the exploration work performed did not result in a certification of discovery or development. Your participation in the exploration program, however, is sincerely appreciated.

Sincerely yours,

C. D. Mittendorf (for)

Administrator

Copy to: Intercounty Corporation
c/o C. C. Ridland, Secretary
803 Interstate Trust Building
Denver 2, Colorado

George S. Groves, President *
Gold Uranium Mining Company
Room 839, 60 E. 42nd Street
New York City, New York

*also President, American Mining Co., Assignor

Richard Downing, Secretary-Treasurer
Uranium Company of America
Equitable Bldg., Denver 2, Colo.

MChing/gla
5-10-55

cc to: Admr.'s Reading File
Mr. Selfridge
Docket

Messrs. J. E. Crawford, Rm. 361
T. H. Kiilsgaard, Rm.
J. O. Hosted, Rm. 321
Contract Adm.& Audit
Code 700
Mr. Ching

DMEA Field Team, Region II

Docket copy

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

May 10, 1955

Project Summary Report

By: Michael Ching

1. Docket No. DMEA-2878 (Uranium, lead, incidental gold and silver)
   Contract No. Idm-E501

   Operator - Intercounty Corporation
   (Assignee of American Mining Company)
   c/o G. C. Ridland, Secretary
   403 Interstate Trust Building
   Denver 2, Colorado

   Property - German Mine, consisting of 6 patented lode mining claims; German, North German, German Annex, German No. 2, Belcher, and Ina, located in Sections 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado.
   Operator is the Lessee. Owner's Consent to Lien, dated December 11, 1952, executed by Uranium Company of America and Gold Uranium Mining Company

2. Contract dated March 24, 1953 (Short Form)

   Work authorized -

| | | |
|---|---|---|
| Stage I | - Repair hoist and compressor house, install hoist and pump, dewater and rehabilitate shaft to 600 level | $5,012.50 |
| Stage II | - Assay 65 samples for uranium, lead, gold, and silver | 487.50 |
| Stage III | - 450 feet drifting, crosscutting or raising @ $30.00 per foot | 13,500.00 |
| | Estimated total cost of project | $19,000.00 |
| | Government participation @ 90% | $17,100.00 |

   Amendments -

   Amendment No. 1, dated November 6, 1953, extends final starting date from May 23 to September 15, 1953, and completion period from 10 months to 14 months. Annex I is substituted for Art. 6 of contract form.

Work completed -

| | | |
|---|---|---|
| Stage I. | Repair hoist and compressor house, install hoist and pump, dewater and rehabilitate shaft to 442-ft. level | $3,657.94 |

Stages II and III were not allowed by Field Team.

| | |
|---|---|
| Total accepted cost of project | $3,657.94 |

The work was started on September 14, 1953, and suspended in February, 1954. The contract was terminated under its terms by Notice dated April 26, 1954.

3. Auditor's Report of Review, dated June 23, 1954.

| | |
|---|---|
| Total cost as billed by contractor | $5,012.50 |
| Exceptions | 1,354.56 |
| Total accepted cost | $3,657.94 |
| Government participation @ 90% | $3,292.15 |

4. Certification of Discovery - None.

5. Comments -

Due to organizational or financial difficulties, there was unreasonable delay on the part of the Operator in starting the work. The work was done very slowly, but the quality was good. Operator reported actual cost of the work done as approximately $14,000.00.

The project was designed to make the German-Belcher mine accessible for examination and sampling. If justified by the assays, drifting, crosscutting and raising on the vein was planned.

The mine was made accessible to the fifth or 436-foot level which is apparently the bottom level. The shaft had been reported as 600 feet deep, but there is now considerable doubt as to whether it extends much below the bottom of the present sump at the 442-foot mark.

The field examiners checked the five levels of the old workings with Geiger counter and scintillometer and cut five samples to check some of the better samples taken earlier by the Operator on the three upper levels. Two of the five samples were of ore grade but one had a width of only 4 inches and the other 12 inches. The radiometric survey indicated radioactivity about four times background near an old stope on the 128-foot level and maximums of three times background on the 192 and 252-foot levels. Small stringers and lenses of pitchblende and torbernite were found in the three upper levels at scattered and irregular intervals.

Radiometric measurements in the two lower levels did not give readings above background. The Operator took 36 samples on the two lower levels, only one of which showed slight uranium mineralization.

It was concluded that although small pods and stringers of high-grade pitchblende occur in the mine at irregular intervals, particularly along and above the 128-foot level, they are so small and so few that additional exploration is not likely to result in a significant discovery.

Past production of uranium ore at the German-Belcher mine was mostly in conjunction with gold and silver mining. Between 1909 and 1913 about 8 tons of 10 percent $U_3O_8$ was sorted out and shipped. There was some additional production about 1927, and in 1933.

The work completed under this project has indicated that neither certification of discovery nor participation in further exploration is warranted by the Government.

Michael Ching

Michael Ching

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

May 6, 1955

Re: DMEA-2878
Intercounty Corp.
German Mine
Gilpin Co., Colo.
$3,657.94
Uranium-Lead

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: R. D. Trace, U. S. Geological Survey

Subject: Final Field Team report

I concur with the Field Team in their recommendation that no certification be issued and that no further exploration is warranted.

A few very small pods of high grade uranium were found.

R. D. Trace

R. D. Trace

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 6 1955

April 6, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: Docket DMEA 2878 (Uranium-Lead), Contract Idm-E501, Intercounty Corporation, German Mine, Gilpin County, Colorado

I have reviewed the Field Team final reports pertaining to DMEA Docket 2878, Contract Idm-E501, and have discussed them with Joseph O. Hosted, representative of the Atomic Energy Commission.

We agree that the exploration work did not result in a discovery or development of uranium ore and that a Certification of Discovery or Development is not warranted.

The reports are being forwarded to the Chief, Division of Minerals, in accordance with the routing slip attached thereto.

John E. Crawford
John E. Crawford

Copy to: Division of Minerals
Branch of Rare and Precious Metals
J. O. Hosted (2)
J. E. Crawford (2)

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

224 New Customhouse
Denver 2, Colorado

March 16, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA 2878 (Uranium-Lead), Contract Idm-E501, Intercounty Corporation, German Mine, Gilpin County, Colorado

Enclosed are the following final reports pertaining to work completed under the subject contract:

1. Original and one copy of the operator's final report.

2. Original and three copies of the final geologic report by the U.S. Geological Survey.

3. Original and three copies of the final engineering report by the U.S. Bureau of Mines.

Final payment to the operator was processed by this office March 7, 1955, in conformance with the Report of Review by the Contract Administration and Audit Division dated June 23, 1954.

The exploration work completed consisted of repair of hoist and compressor house and installation of hoist and pump, dewatering of the mine to a depth of 442 feet, and rehabilitation of 250 feet of the shaft, at a total accepted cost of $3,657.94 in which the Government participated to the extent of 90% or an amount of $3,292.15.

Results of the work completed under Stage I indicated that Government participation in the costs of work under Stages II and III was not warranted, therefore the contract was terminated upon completion of Stage I by notice of April 26, 1954.

Inasmuch as the exploration work completed did not result in a discovery or development of uranium-lead ore, a certification of such is not recommended.

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

DMEA
Denver
MAR 3 1955
BUREAU OF
Denver, Colo.

# INTERCOUNTY CORPORATION

21

403 Interstate Trust Building
Denver 2, Colorado

March 1, 1955

Mr. W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

DMEA Docket No. 2878
Contract Idm - E501

Dear Mr. Traver:

## Final Report

Geological and Engineering Report on the
German Mine, Gilpin County, Colorado
(Including estimates of ore reserves)

Location - The German mine is located on Quartz Hill, 1 1/4 miles west of Central City, Gilpin County, Colorado. The property consists of the following lode mining claims located in Section 14 and 15, T.3S., R.73W., 6 P.M.:

| Name | U. S. Survey No. |
|---|---|
| German | 494 |
| North German | 18936 |
| German Annex | 19564 |
| German No. 2 | 19564 |
| Belcher | 7076 |
| Ina | 775 |

Exploration Program - In September, 1953, rehabilitation of the German shaft began and it was completed in January, 1954. A combination compressor-room and change-room shelter was constructed at the collar of the shaft. A hoist, pump, compressor, headframe, and bucket dump were installed at the surface. The collar timbers and cribbing were completely replaced for 30 feet and much of the balance of the timber of the remaining part of the 2-compartment, inclined shaft was replaced. The shaft was pumped dry of water. This program cost approximately $14,000.00.

All accessible levels of the German mine were examined for the presence of uranium.

Results of the Examination - The depth of the German shaft was found to be 432 feet with levels established at 128, 192, 252, 375, and 432 feet. If a sump exists, it is full of debris. Undoubtedly the 432-foot Level is the lowest level as it answers the description of the bottom level reported by former operators to be 600 feet below the surface. The levels extend northeast and southwest from the German shaft for the following approximate distances:

| Distance (ft.) SW of Shaft | Level | Distance (ft.) NW of Shaft |
|---|---|---|
| 105 | 128 | 220 |
| 0 | 192 | 187 |
| 55 | 252 | 292 |
| 127 | 375 | 0 |
| 97 | 432 | 12 |

Surface - The German vein is not exposed on the surface. Many years ago it was opened at places with surface pits, but these are sloughed in today. The holes indicate a strike of N 75 E for the structure, and the country rock is a mixture of pre-Cambrian quartz-mica schist, pegmatite sills and dikes, and granite gneiss. The schist predominates.

128 Level - On the first level the German vein is a strong zone striking approximately N 75 E and dipping 80° south. The wall rock is predominantly a dark-colored quartz mica schist containing frequent sills, dikes and globs of pegmatite. The vein varies from a few inches to 12 feet with an average of less than 2 feet and contains a quartz gangue and heavy sulphide mineralization almost entirely along its exposed length. Pyrite predominates, and sphalerite is abundant. Galena and pitchblende occur less frequently. Visible pitchblende was observed in place on, or in stopes above, the 128 Level at six different locations. Radioactivity is strong throughout almost the entire length of the level.

The best showing of pitchblende is at a point 100 feet northeast of the shaft and 50 feet above the 128 Level in a stope. Here it occurs along the footwall of the vein for a distance of 10 feet horizontally and 16 feet vertically varying in width from 1/8 to 3/4 of an inch. A slickenside schist is on the footwall side, and gray quartz with pyrite bounds the hanging wall side.

A few feet back from the northeast breast of the 128 Level it occurs as little veinlets of relatively pure pitchblende in the main mineralized part of the vein, indicating a contemporaneous origin with the sulphide minerals.

The Levels Below the 128 Level - Pitchblende was detected at only one small spot below the 128 Level at a point 195 feet northeast of the shaft on the 252-foot Level, and, except for a few mild anomalies, radioactivity is normal on the lower levels. The German vein pinches with depth to an average width

of from 1 to 2 feet. The gangue filling, however, is much tighter, with an average of about 6 inches on the 432 Level. Mineralization, nevertheless, is almost invariably present in the same proportions as it is on the first level with the exception of pitchblende.

The German vein flattens to 70° at the 375 Level, but begins to steepen again as the 432 Level is reached.

Ore Reserves - Stage II of the contract was never approved so no D.M.E.A. samples were taken or maps made, and, hence, no ore reserves to report.

Recommendation - It is possible, with the steepening of the German vein, the German vein might widen again below the 432 Level. To test such a possibility four drill holes are recommended. They may be drilled from the 688 Level of the Alps mine to test the German vein 240 feet and 400 feet, respectively, below the 432 Level. If 2 holes are drilled horizontally, the length of holes required will approximate 350 feet for each. If the remaining two holes are drilled at -30° dips, the depth of holes required will approximate 400 feet. Hence, a drilling program totaling 1,500 feet is recommended.

Yours respectfully,

G. C. Ridland
Geological Engineer

GCR:bh

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

COPY

224 New Customhouse
Denver 2, Colorado

March 16, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA 2878 (Uranium-Lead), Contract Idm-E501, Intercounty Corporation, German Mine, Gilpin County, Colorado

Enclosed are the following final reports pertaining to work completed under the subject contract:

1. Original and one copy of the operator's final report.

2. Original and three copies of the final geologic report by the U. S. Geological Survey.

3. Original and three copies of the final engineering report by the U. S. Bureau of Mines.

Final payment to the operator was processed by this office March 7, 1955, in conformance with the Report of Review by the Contract Administration and Audit Division dated June 23, 1954.

The exploration work completed consisted of repair of hoist and compressor house and installation of hoist and pump, dewatering of the mine to a depth of 442 feet, and rehabilitation of 250 feet of the shaft, at a total accepted cost of $3,657.94 in which the Government participated to the extent of 90% or an amount of $3,292.15.

Results of the work completed under Stage I indicated that Government participation in the costs of work under Stages II and III was not warranted, therefore the contract was terminated upon completion of Stage I by notice of April 26, 1954.

Inasmuch as the exploration work completed did not result in a discovery or development of uranium-lead ore, a certification of such is not recommended.

/s/ W. M. TRAVER
W. M. Traver

/s/ E. N. HARSHMAN
E. N. Harshman

sures

Reviewed by
DMEA OPERATING COMMITTEE
3-25-55
(date)

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

June 4, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2878, German-Belcher Mine, Gilpin County, Colorado

Enclosed are 11 copies of the final geologic report by D. R. MacLaren of the U. S. Geological Survey covering the above docket.

Mr. MacLaren concludes that although small pods and stringers of high grade pitchblende occur at irregular intervals in the German Belcher mine, they are so small, so few, and so irregularly spaced that additional exploration will not result in a significant discovery of uranium ore. He further concludes that since no ore was found by the limited exploration accomplished under the contract, no Certificate of Discovery should be issued.

E. N. Hanchman
for A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (11)

Reviewed by
DMEA OPERATING COMMITTEE
3-25-55
(date)

# GERMAN-BELCHER MINE

# GILPIN COUNTY, COLORADO

DMEA DOCKET 2878

Final Geologic Report

By D. R. MacLaren
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
3-25-55
(Date)

GERMAN-BELCHER MINE
GILPIN COUNTY, COLORADO

## INTRODUCTION

On March 24, 1953, the American Mining Company and the Defense Minerals Exploration Administration executed contract Idm-E501 for the purpose of exploring for uranium in the German-Belcher mine, Quartz Hill district, Gilpin County, Colorado. The contract was set up in three stages, the start of stages II and III depending upon the results of the stage preceding. Stage I provided for rehabilitating and installing surface facilities, dewatering the mine to the 600-foot level, and rehabilitating the German shaft. Stage II provided for assaying 65 samples for uranium, and 65 samples for gold, silver, and lead. Stage III provided for drifting, crosscutting, and raising a combined total of 450 feet. The estimated cost of the project was $19,000 (the Government's share 90% or $17,100).

The American Mining Company assigned the exploration contract and their property leases to the Intercounty Corporation effective September 1, 1953, and on September 14, 1953, the latter corporation started work. In a letter dated February 10, 1954, the Intercounty Corporation advised the Field Team that stage I had been completed and requested authorization to proceed with stage II or stage III. An examination of the workings resulted in the conclusion that the chance of making a significant discovery of uranium ore was poor and it was recommended that no further Government funds be spent to explore for uranium on this property. Notice of termination of contract was forwarded to the operator April 27, 1954.

## GEOLOGY

Bastin and Hill (1917) have described the geology of the Quartz Hill district in U. S. Geological Survey Professional Paper 97. Pre-Cambrian biotite schist and granite gneiss have been intruded by bostonite dikes of Tertiary age. Northeast to easterly striking fissures that dip steeply north or south have been filled by veins that contain gold, silver, and pyrite with some chalcopyrite, galena, and sphalerite, in a gangue of quartz and brecciated wall rock. Most of the wall rocks are silicified and pyritized for short distances away from the veins.

The German-Belcher vein was formed in a fissure that strikes about N. 78° E. and dips 70° to 82° S. The vein has been developed by a shaft, said to be 600 feet deep, from which levels have been turned at depths of 128 feet, 192 feet, 252 feet, 375 feet, and 432 feet below the shaft collar.

A radiometric survey of the workings, made by scintillometer and geiger counter, indicated radioactivity to be about four times background on the 128-foot level below a partially filled stope, and to be equally strong at the stope back although no uranium minerals were seen. On the 192-foot level radioactivity reaches a maximum of three times background. Along one fifteen foot interval there are several small stringers and lenses of pitchblende in the drift back. On the 252-foot level radioactivity does not exceed three times background. On this level, along a six foot interval there are a few small lenses of pitchblende up to one-quarter inch long, while along another interval about ten feet long, there are short, narrow, lenses and stringers of torbernite. On the 375-foot and 432-foot levels, there is no detectable increase in radioactivity above background.

Assay records of 118 channel samples taken from the upper three levels by G. C. Ridland in 1948 were furnished with the original application

for DMEA assistance and are filed with Docket 1448X. Only 30 of these samples were assayed for uranium, and of this number 23 assayed .15% $U_3O_8$ or less, while the entire 30 weighted for length of cut but not for distance between cuts, averaged .152% $U_3O_8$. However, due to the smallness of the pitchblende pods, streaks, and lenses and the erratic, spotty high grade assays, averages do not mean much. On the one hand, some eight tons of ore was up-graded by hand sorting to 10% $U_3O_8$, while on the other hand, the entire 118 samples taken, including the nil assays, average .03% $U_3O_8$. Assuming that the 30 samples assayed for uranium represent half the tonnage produced and that the up-graded material represents the other half, the probable grade of the uranium bearing areas is about .11% $U_3O_8$. Five of the channels from which Ridland sampled were accessible to the examiners and check samples were taken. The comparative results are as follows: (R-number: Ridland samples; MHS-number: Examiners' check samples; NA: no assay).

| Sample No. | Width of cut in inches | % $U_3O_8$ | oz./ton gold | oz./ton silver | % lead | % zinc |
|---|---|---|---|---|---|---|
| R-27 | 14 | .39 | .04 | .68 | NA | NA |
| MHS-40 | 12 | .27 | .03 | .40 | .10 | .37 |
| R-24 | 12 | .25 | .05 | 2.00 | NA | NA |
| MHS-41 | 12 | .022 | .05 | .20 | .35 | .80 |
| R-54 | 12 | .15 | .04 | .50 | NA | NA |
| MHS-42 | 12 | .010 | <.005 | <.10 | .07 | .05 |
| R-58 | 14 | 1.00 | .18 | 2.36 | NA | NA |
| MHS-43 | 11 | .004 | .005 | .10 | .07 | <.05 |
| R-30 | 20 | .15 | 1.58 | 2.30 | NA | NA |
| MHS-45 | 4 | .46 | (calculated, .39%Ux1.18) | | | |

Although the general lack of agreement between the original and check samples may be due in part to such factors as inaccuracy or improved methods of assaying, differences in the manner of sampling, and possible oxidation and leaching, it is more probably due to the smallness and

irregularity of the individual pods and shoots containing uranium and other metals.

Samples taken by the operator from the 375-foot and 432-foot levels were checked by scintillometer and geiger counter. None of the samples showed the slightest signs of radioactivity above background although a chemical analysis shows .01% $U_3O_8$ in one sample taken on the 432-foot level. There is a very slight increase in the amount of lead, zinc, and silver on the lower levels, while the gold values remain about the same.

The general low grade, irregularity, and small size of the ore shoots is further indicated by considering the available production figures. From the volume of unfilled portion of the stopes above the 128-foot level, it is estimated that about 1,900 tons of ore has been extracted, excluding vein material hoisted during drifting operations. Production records, compiled from various sources, indicate a total of 8.08 tons of ore having an average grade of 10.03% $U_3O_8$ have been mined. In other words, only .43% of the total ore extracted from the stopes above the 128-foot level could be up-graded to 10% $U_3O_8$.

## CONCLUSIONS AND RECOMMENDATIONS

Although small pods and stringers of high grade pitchblende occur in the German-Belcher mine at irregular intervals, particularly along and above the 128-foot level, it is concluded that they are so small, so few, and so irregularly spaced that only eight tons of ore averaging 10.03% $U_3O_8$ could be sorted from some 1,900 tons of rock mined above the 128-foot level; that the average grade of the entire 1,900 tons is .11% $U_3O_8$; that radioactivity decreases with depth and cannot

be detected on the two lowest levels; and that the chance of making a significant discovery of uranium ore in this mine is poor.

No ore was found, and therefore it is not recommended that a discovery be certified. It is recommended that no more Government funds be spent to explore for uranium in this mine.

## REFERENCES

Bastin, E. S. and Hill, J. M. (1917) U. S. Geological Survey Prof. Paper No. 94; Economic geology of Gilpin County and adjacent parts of Clear Creek and Boulder Counties, Colorado, 379 pp., 23 pls., 1917

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Mining Division
Date Rec'd
SEP 2 - 1954
BUREAU OF MINES
Denver, Colorado

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
August 27, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2878, Contract Idm-E501 (Uranium) Intercounty Corporation (German-Belcher mine) Gilpin County, Colo.

Transmitted herewith are the original and 10 copies of a final engineering report on the subject contract by M. H. Salsbury.

Salsbury concludes that by this contract and other operations by Government agencies, individuals, or mining companies, Quartz Hill has been proven a poor target for the discovery of pitchblende in significant amounts, believing that there is little likelihood of exploration developing ore deposits of commercial importance. He does not recommend additional exploration, either with Government assistance, or privately financed, and in the case of the German-Belcher, recommends that a Certification of Discovery or Development not be made.

I agree with his conclusions and recommendations.

W. M. Traver

W. M. Traver

WMT/ici

cc: 10
E501
DMEA Chron.

Reviewed by
DMEA OPERATING COMMITTEE
3-25-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

# FINAL ENGINEERING REPORT

DMEA 2878, Exploration Project Contract Idm-E501

German-Belcher Mine

Intercounty Corporation

Gilpin County, Colorado

Uranium

M. H. Salsbury, Mining Engineer
Bureau of Mines

July 27, 1954

3-25-55

DMEA 2878
Contract Idm-E501

GERMAN-BELCHER MINE
INTERCOUNTY CORPORATION
GILPIN COUNTY, COLO.

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DMEA 2878
Contract Idm-E501

GERMAN-BELCHER MINE
INTERCOUNTY CORPORATION
GILPIN COUNTY, COLO.

# FINAL ENGINEERING REPORT

By

M. H. Salsbury

## SUMMARY AND INTRODUCTION

In 1951, the Uranium Company of America, a Colorado corporation, applied for a Defense Minerals Exploration Administration loan of $25,000.00 for exploration for uranium, lead, and zinc on a group of claims in Gilpin County, Colo. The original docket was DMA 1448X.

An examination of the property was made by a DMEA Region IV examining team, and a reduced exploration program recommended at the same estimated cost, $25,000.00, but with Government participation computed at 90 percent for uranium only, or $22,500.00. A long-form contract, Idm-E270, was accepted by the applicant late in 1951, but work was not started, probably because of difficulty in raising capital. In the next 18 months, two assignments of the contract were made to other corporations organized by the same promoters. The final holder was the Intercounty Corporation, a subsidiary of a fourth company, the Atomic Uranium Corporation, operator of the adjoining Alps mine.

The original contract was canceled during these changes and a new short-form contract, Idm-E501, calling for an expenditure of $19,000.00 substituted. The applicant reluctantly accepted the new contract which was signed on June 30, 1953. Several times the Government considered cancellation of the contract for non-performance. On September 14, 1953,

one day before expiration of an extension of the starting time granted by the Washington DMEA office, the Intercounty Corporation commenced operations. Rehabilitation proceeded slowly, and it was February, 1954, before the operator completed Stage I of the contract, which covered surface repairs, and unwatering and rehabilitation of the German shaft.

On February 10, 1954, the operator requested authorization to proceed with Stage II, but after progress examinations in February and March, 1954, in which Atomic Energy Commission and Geological Survey personnel assisted, a DMEA examining team recommended denial of Stages II and III of the contract. Further DMEA participation was not considered justified, and on April 26, 1954, the contract was terminated by appropriate Government action.

Certification of Discovery or Development is not warranted or recommended.

## LOCATION AND OWNERSHIP

The property of the Intercounty Corporation is located near the summit of Quartz Hill, Gilpin County, Colorado. The distance to the county seat at Central City, Colo. is 1/2 mile by graded mine road, then 2 miles by a state secondary road (fig. 1). Central City is 40 miles, by paved highways, west of Denver, Colo., the nearest major sources of mining supplies.

The climate of the region, at an altitude of 8,000 to 10,000 feet, is moderate with cool summers and generally mild winters, but with occasional heavy snowfall and periods of cold weather. Year around operations are feasible.

Uranium ores from the Front Range of Colorado have been

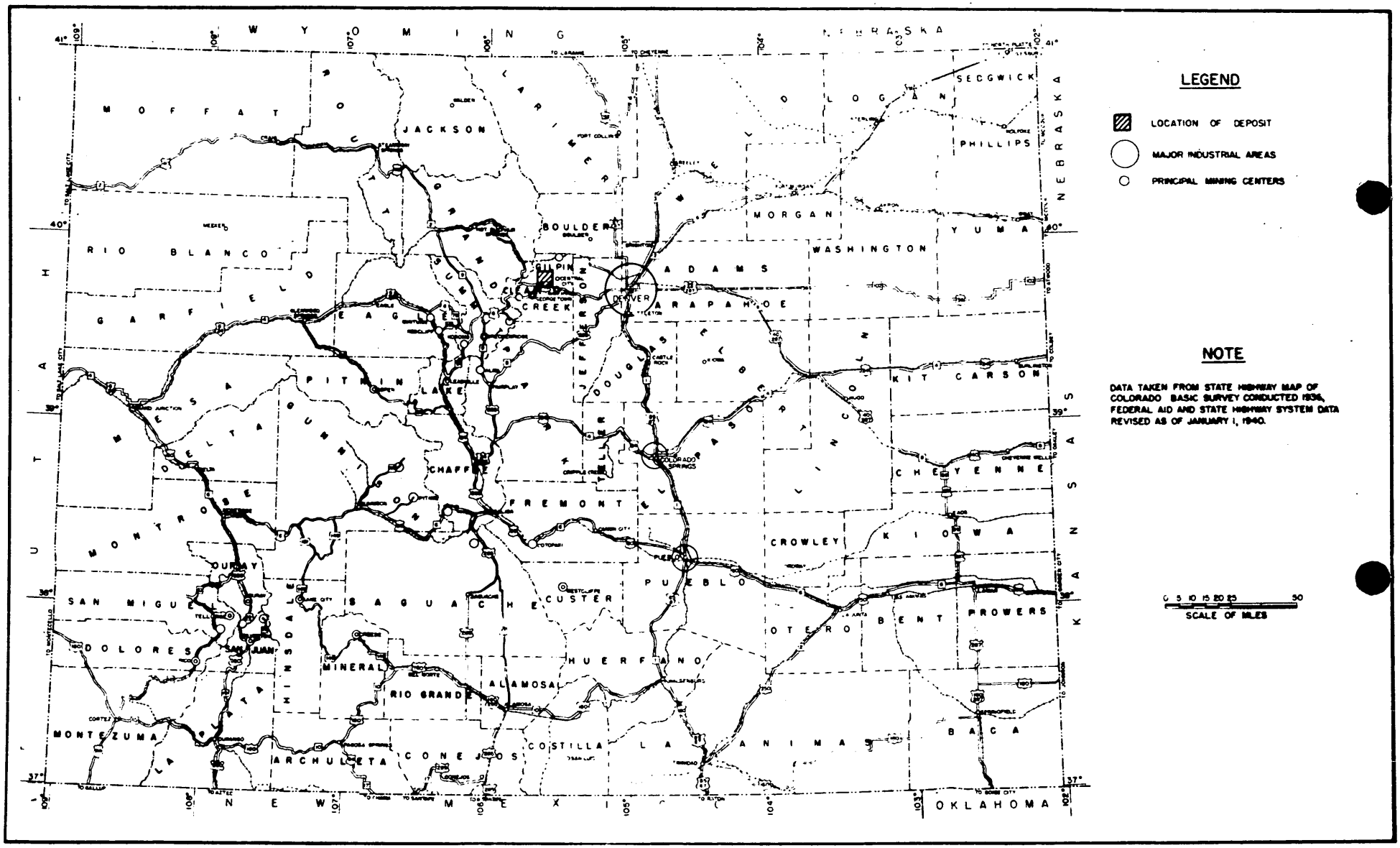


FIGURE 1 - LOCATION MAP, GERMAN-BELCHER MINE, INTERCOUNTY CORP., GILPIN COUNTY, COLO. (DMEA 2878, CONTR. Idm E-501)

shipped to The Vitro Uranium Company at Salt Lake City, Utah, agents for the Atomic Energy Commission. Freight from the rail point nearest the producer is paid by the Commission on ore containing 0.20 percent $U_3O_8$ or more, plus a haulage allowance of 6 cents per ton-mile to the rail head, in this case, the Denver and Rio Grande Western Railroad at Rollinsville, Colo., 20 miles north of the property.

Electric power, water for mining purposes, timber, and mine labor are readily available locally.

The property consists of six patented claims located in Secs. 14 and 15, T. 3 S., R. 73 W. of the sixth principal meridian (fig. 2).

| Claim | U. S. Survey No. |
|---|---|
| German | 694 |
| North German | 18936 |
| German Annex | 19564 |
| German No. 2 | 19564 |
| Belcher | 7076 |
| Ina | 775 |

The property is owned by the Uranium Company of America of New York, New York, the original applicant for the Government exploration loan. It was leased to the American Mining Company, 60 East 42nd Street, New York 17, New York, for a 15-year period from October 21, 1952. The American Mining Company in turn assigned the lease to the Intercounty Corporation, First National Bank Building, Ardsley, New York, on October 16, 1953. The property is included as security on a $150,000.00 mortgage held by the Gold Uranium Mining Company. A mortgagee's consent to lien was furnished with the original application.

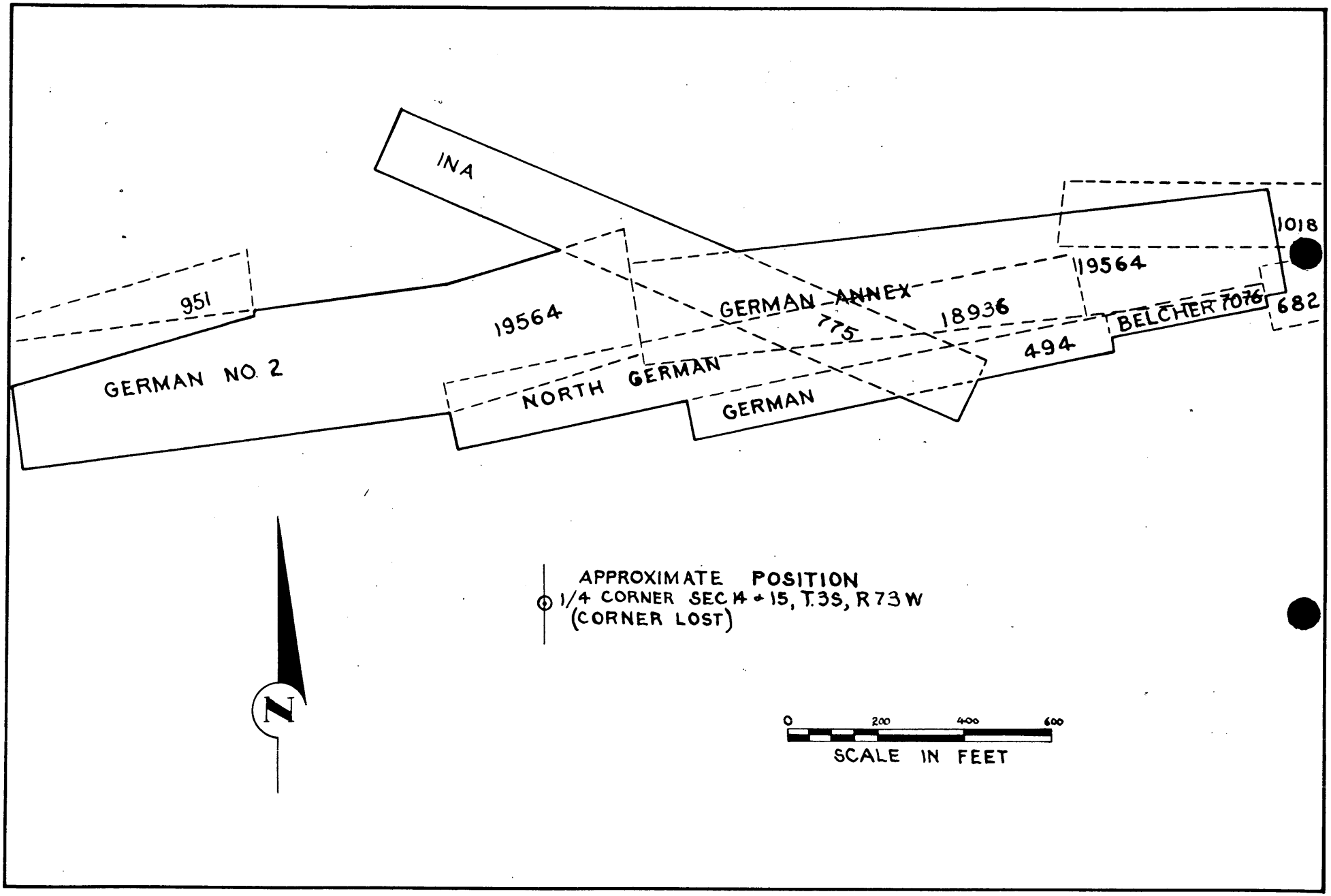


FIGURE 2 - CLAIM MAP, GERMAN-BELCHER MINE, INTERCOUNTY CORP., GILPIN COUNTY, COLO.
(D.M.E.A. 2878, CONTR. Idm - E501)

## HISTORY AND PRODUCTION

The history of Gilpin County mining dates from the discovery of gold in 1858. Mining on Quartz Hill started in the early 1860's, with substantial gold and silver production prior to 1910, after which date mining declined rapidly. After 1920, there was very little activity until the demand for uranium caused renewed interest in Gilpin County. Although pitchblende occurrences had been recognized before 1900, the uranium was recovered only as a by-product of gold mining.

The production records for pitchblende from Gilpin County are not complete. The mineral is a minor constituent of the pyrite veins of Quartz Hill, and undoubtedly some uranium was discarded in the early days of mining. The records do show that, between 1909 and 1913, the German-Belcher mine produced 16,160 pounds of pitchblende ore in shipments ranging from 5 tons, with a content of 2.6 percent $U_3O_8$, to 240 pounds with a content of 70 percent $U_3O_8$. The total production for the four years was 1,672 pounds of $U_3O_8$. There was some additional production about 1927, and, in 1933, approximately 1,000 pounds of ore was mined by a lessee who sold it for $7.50 per pound. An account of the last two periods of operation was given verbally from personal knowledge by the 1933 lessee, G. F. Grutzmacher, now an employee of the Coal Branch, Bureau of Mines, Region IV, at Denver Federal Center. A generous estimate of the total production of the mine would be a maximum of 10 to 15 tons of ore which may have averaged 10 percent $U_3O_8$.

G. C. Ridland, now geologist for the Intercounty Corporation, sampled the three upper levels of the mine, which are above the permanent water level, in 1948. The information thus obtained was

the basis for the DMEA loan application in 1951. Actual operation under the exploration contract did not start until September, 1953, Concurrently, another operation was started on the adjoining Alps mine by the Atomic Uranium Corporation, of which Intercounty Corporation is a subsidiary. Unwatering the Alps shaft lowered the water in the German shaft, and very little pumping was required to handle the water flow encountered.

At the time the contract was terminated by the Government, rehabilitation only had been completed.

## DESCRIPTION OF THE DEPOSIT

The pitchblende deposits of the Quartz Hill area occur as small veinlets and lenses in an east-west system of pyritic quartz veins, dipping steeply to north or south, which have been explored primarily for the gold and silver content. Mines in this category are the German-Belcher, Alps, Kirk, Wood, Calhoun, and others. The country rock of the region is gneiss and schist of the pre-Cambrian Idaho Springs formation. The veins are found in formations which have been sheared, and the wall rock has been silicified and pyritized. Gneissic rocks usually form hard walls but schist is altered and soft. Bostonite dikes have been intruded along north-northwesterly fissures crossing the vein system, and one is exposed in the German workings. Ore shoots are usually found with hard gneissic walls, and in the schist the veins tend to weaken and become barren.

The vein filling is quartz, other silicified gangue material, and brecciated wall rock, with pyrite and minor amounts of gold, silver, sphalerite,galena, chalcopyrite, and pitchblende. Along the German-Belcher vein, there are discontinuous veinlets of pitchblende, from

narrow seams to 6 inches or more in width, and small lenses of pitchblende containing from a few pounds to a few hundred pounds erratically distributed along the vein fissure. In the stope on the vein above the first level of the German shaft, pitchblende was found irregularly on the footwall, and there are still remnants on the wall and in the back. The ore mined in 1933, was a small lense of this type in the footwall. The stringers or lenses are usually very high-grade pitchblende, but the grade of ore produced from them has depended on the size of the individual deposit and the care with which they were mined.

There are no mineable ore reserves on the property. See the brochure accompanying the original loan application. The applicant described three blocks of inferred reserves with ore widths from 17.8 to 25.2 inches:

| Block | Location | Amount Tons | Percent $U_3O_8$ | Content Ounces per ton Gold | Content Ounces per ton Silver | Percent Zinc |
|---|---|---|---|---|---|---|
| A | Above stope, first level east | 1200 | 0.10 | 0.13 | 0.78 | ---- |
| B | East end above first level | 230 | 0.17 | 0.32 | 1.23 | 3.00 |
| C | Below third level east | 2525 | ---- | 0.28 | 1.58 | 2.63 |

Blocks are shown on figure 3.

These figures are based on limited exposures and the ore can barely be classed even as inferred ore. Ore of the estimated grade and width is not commercial at this time, either as gold-silver or uranium ore. At present, the Atomic Energy Commission does not accept ore from the Front Range of Colorado containing less than 0.20 percent $U_3O_8$.

The German-Belcher mine has been developed by two main shafts, the Belcher, now inaccessible, and the German, recently rehabilitated (fig. 3). Most of the work has been done through the German shaft, an incline sunk on the vein, with levels turned off at 129 feet, 195 feet, 255 feet, 377 feet, and 436 feet from surface measured along the south-dipping vein. The shaft was reported to be 600 feet deep, but

if so, it has been filled. A sump was excavated in loose fill at 442 feet from surface during the recent rehabilitation. There are contradictory reports on the shaft depth, but from a description of the levels on page 240 of Professional Paper 94, U. S. Geological Survey, it appears likely that the 436-foot, or fifth is the bottom level. The German and Belcher shafts are connected at the first and third levels. Some stoping has been done through the Belcher shaft, probably all at shallow depth, but the extent is unknown. These stopes were carried through to surface near the shaft. All of the production of the German mine has come from the three upper levels, and most of it from a stope above the first level between the German and Belcher shafts, a distance of about 300 feet. This stope was not mined through to surface except at the Belcher shaft, and the high point of the remainder of the stope is fifty feet above the level, with a 25-foot raise in barren ground above the stope back. Unless there are unrecorded Belcher workings above this stope, there is a block of potential ore-bearing ground about 275 feet long and from 70 to 90 feet high between the back of the stope and surface (Fig. 3).

The fourth and fifth levels develop about 175 feet of the vein west of the shaft, and a crosscut in the north wall of the fifth level west cuts a barren vein referred to as the Bushwacker vein.

With the original application, the contractor furnished a sample map showing the location of 118 samples taken on the three upper levels by G. C. Ridland, the contractor's representative, in 1948 (Table I in Appendix). Spotty uranium mineralization was shown by these samples, and the results were verified during the progress examination of March 11, 1954, by the DMEA examining team, during

which the levels were checked with Geiger counter and scintillometer and five samples cut to check some of the better samples taken by Ridland (Table II in Appendix and fig. 3). In March, 1954, Leonard Abbott, the contractor's superintendent, took 36 samples on the fourth and fifth levels (Table II in Appendix). Mineralization shown by sample results was negligible; this was verified by radiometric measurements and visual inspection during the progress examinations of February and March, 1954.

The contractor had requested authorization for work under Stage II, covering assaying of 65 samples for uranium, gold, silver, and lead, but did not wait for such authorization before proceeding. The DMEA examining team, after considering this request, decided that the poor mineralization found on the fourth and fifth levels did not justify sampling other than checking with Geiger counter and scintillometer. Similar inspection of the three upper levels, together with analyses of the five check samples taken by the examining team, indicated that Ridland's sampling in 1948 had been adequate and did not need to be repeated. It was therefore recommended that authorization for Stage II be denied.

The examining team further concluded that the possibility of finding significant deposits of uranium by proceeding with Stage III was poor, and recommended denial of this work as well.

After the exploration contract was terminated, it was reported that the operator started a drift on the first level to follow uranium values showing in the east face, and to explore ground around the old Belcher shaft. This is the first work the operator proposed to do, if Stage III had been authorized.

## WORK COMPLETED UNDER CONTRACT

In addition to rehabilitation, the original applicant proposed driving 850 feet of drift and accomplishing 500 feet of diamond drilling at an estimated cost of $25,000.00. The cost estimate was too low, and the examining team recommended a program calling for 450 feet of drifting, crosscutting or raising, but no drilling, at the same estimated cost.

The original contract, Idm-E270, signed by the Uranium Company of America, called for surface repairs, shaft unwatering and rehabilitation, analyses of samples, and 450 feet of underground development at an estimated cost of $25,000.00--Government participation 90 percent, or $22,500.00. Under this long-form contract, the Government was obligated to pay 90 percent of all approved costs up to the maximum amount of the contract. Where the applicant assigned the contract and the mining rights to another company, the Government substituted the short-form contract, which had been adopted in the meantime, and the exploration project DMEA 2878, contract Idm-E501, dated March 24, 1953, and eventually assigned to the Intercounty Corporation, was described as follows:

Estimated costs of the project

Stage I

| | |
|---|---|
| Repair hoist and compressor house | $ 162.50* |
| Install hoist and pump | 400.00* |
| Rehabilitate and unwater shaft to 250-foot level | 1,450.00* |
| Unwater mine, rehabilitate shaft from 250-foot level to 600-foot level | 3,000.00 |
| Total Stage I | $5,012.50 |
| Government participation at 90 percent | 4,511.25 |

* The entire work under each item constitutes a unit of work.

Stage II

| | |
|---|---|
| Assaying 65 samples for uranium at $4.00 each | $ 260.00 |
| Assaying 65 samples for gold, silver and lead at $3.50 each | 227.50 |
| Total Stage II | $ 487.50 |
| Government participation at 90 percent | $ 438.75 |

Stage III

| | |
|---|---|
| 450 feet of drifting, crosscutting, or raising at $30.00 per foot | 13,500.00 |
| Total Stage III | $13,500.00 |
| Government participation at 90 percent | $12,150.00 |

| | |
|---|---|
| Total Stages I, II, and III | $19,000.00 |
| Government participation at 90 percent | $17,100.00 |

Each stage was dependent on the results of the previous stage and required authorization in writing in advance. The location, direction, length, and extent of all work under the contract was subject to the approval of the Government.

The applicant did not like this contract because of the reduction in maximum amount from the original $25,000.00, but finally signed and returned it to the Executive Officer, DMEA Field Team, Region IV, on June 30, 1953, the last day of grace for starting work. The operation was not started on this date, and the Field Team, Region IV, recommended cancellation. However, the Washington office gave the operator an extension to September 15, 1953. Operations were actually begun on September 14, 1953, as verified by a Bureau of Mines representative in the field.

The work accomplished in accordance with the terms of the contract, consisted of the four items under Stage I. The fourth item,

rehabilitation of the shaft from the 250-foot level to the 600-foot level was approved for payment on a pro rata basis of $8.57 per foot for an actual footage of 192 feet of shaft repaired below the 250-foot levels, as measured by a Bureau of Mines engineer. It was not considered worthwhile to clean out any more of the shaft, because there was apparently no deeper level, and mineralization on the fourth and fifth levels was so poor that deeper work did not appear to be justified.

## EXPENDITURES

The work completed was done on a unit-cost basis. The contractor claimed that the cost of doing the work under Stage I was considerably higher than the amount allowed in the contract, and it undoubtedly was. The cost of making the old hoist house useable was obviously more than the amount allowed, $162.50.

The contractor stated that rehabilitation and unwatering of the shaft to the 250-foot level cost $6,612.50, as compared with $1,450.00 allowed under Stage I, and similar work from the 250-foot level to the 436-foot level cost $7,425.47, compared with $1,645.44 allowed on a pro rata basis. Part of the excess cost can be attributed to the slowness with which the work was carried on.

Under the short-form contract, the Government had no interest in any supplies or equipment used in the project, and accounting for or disposal of these items were not required to effect final settlement.

A report of review in lieu of a final audit was rendered by the Contract Administration and Audit Division of the Region IV Defense Minerals Exploration Administration on June 23, 1954, including the following tabulation:

| | |
|---|---|
| Total cost as billed by the contractor | $5,012.50 |
| Exceptions (schedule attached) | $1,354.56 |
| Total accepted cost | $3,657.94 |
| Payment by the Government at 90 percent participation | $3,292.15 |

The schedule attached cited the completion of 192 feet of shaft unwatering and rehabilitation from the 250-foot level to 600-foot level, and disallowed $1,354.56, or the difference between the $3,000.00 claimed by the operator and the cost of the work accepted on a proportionate basis, 192 feet at $8.57 per foot, or $1,645.44.

## EFFICIENCY OF OPERATIONS

The record of the several applicant corporations in their dealings with the Defense Minerals Exploration Administration has been one of delay and instability. The successive applicants apparently had organizational or financial difficulties from the beginning. The Government was not informed of the applicant's plans, and actual work appears to have been started only to avoid cancellation of the contract. At one time in the fall of 1953, after the work was under way, there was still a question as to which company was actually doing the work.

The quality of the work done under the exploration contract was good, but the time, and therefore the cost, was excessive. However, because of unforeseen conditions in the shaft, the amount allowed under the contract would have been insufficient even if the work had been done at a reasonable rate.

The operator was an unsatisfactory contractor, both from a business and an operating standpoint.

## CONCLUSIONS

The habit of uranium mineralization in this mine and elsewhere

on Quartz Hill, as determined in recent investigations, and as described in the geological literature of Gilpin County, does not indicate that further exploration would result in a significant discovery of pitchblende in the German-Belcher mine.

So far as is known, no major development in the district has ever been done primarily for uranium. This is certainly true of the German-Belcher mine, where most of the uranium has come from a stope mined for gold and silver originally. If uranium production has been profitable in the past, it was only because the operator was able to take advantage of development done previously for gold. In the 1933 operation, the lessee was able to make a profit because he had to do no development work to reach the ore.

While there are probably lenses of pitchblende in the section of the German-Belcher vein between the back of the first level stope and surface, east of the Belcher shaft, and perhaps elsewhere at shallow depth, it is doubtful that production from small discontinuous, though high-grade, pockets likely to be found, would pay development and mining costs, return in royalties more than a small part of the Government's expenditure, or contribute significant amounts of uranium to the nation's stockpile.

Sampling results on the upper levels where there is also some pitchblende, did not show high enough gold and silver content to indicate a possibility of mining for precious metals alone, and in order to get a return from any uranium content, it would be necessary to effect a separation. At this time, the only available method is mining selectively, sorting, and sacking the pitchblende in the stopes, which would be a slow and expensive procedure. Some finely divided

pitchblende would inevitably be mixed with the gold ore. If there was a possibility of producing enough gold-uranium ore from mines in the area, no doubt the metallurgical problems involved in separating gold and silver from uranium could be solved, but the potential tonnage appears to be too small to justify research.

The examination of the mine indicates that uranium mineralization is confined to shallow depths (above 250 feet). Radiometric measurements of the lower levels did not give readings above background. Of 36 samples taken below the 250-foot level, one returned 0.01 percent $U_3O_8$ on a radiometric assay. The others were blank (Table III in Appendix). The gold and silver content of the vein on the fourth and fifth levels, as shown by the operator's samples, was similar to that on the upper levels, while zinc values were slightly higher. Ore-grade material was not indicated.

At the time the contract was first negotiated, no recent exploration had been carried on in the uranium belt of Gilpin County, few workings were accessible, and knowledge of the ore deposits, particularly in regard to uranium, had to be based on past records. Under these circumstances, and in view of the critical need for uranium in 1951, Government participation in an exploration project for uranium was justified, even though considerable expense was involved merely to open up the workings for examination, without any assurance of the presence of worthwhile mineralization. However, the contract was set up in stages, and it was possible to terminate it when it became clear that exploration was not justified.

## RECOMMENDATIONS

(1) Additional exploration, either with Government assistance or financed privately, is not recommended.

(2) No discovery was made as the result of Government assisted exploration, and a Certification of Discovery or Development is not warranted or recommended.

(3) Production is not economically feasible from any ore which is now exposed or is likely to be found by exploration, and no attempts to effect production are recommended.

APPENDIX

Table I

SAMPLING ON THREE UPPER LEVELS OF THE GERMAN MINE

QUARTZ HILL, GILPIN COUNTY, COLORADO

By G. C. Ridland--1948

Sample locations are shown on fig. 3, DMEA 2878

| Sample No. | Width of Vein (inches) | Gold (oz/t.) | Silver (oz/t.) | Lead (%) | Zinc (%) | Uranium Oxide (%) |
|---|---|---|---|---|---|---|
| | 128 -- level (1st) West of German Shaft | | | | | |
| 54 | 12 | 0.04 | 0.50 | | | 0.15 |
| 53 | 31 | 0.02 | 0.06 | | | Nil |
| 52 | 12 | 0.04 | 1.26 | | | Nil |
| 51 | 10 | 0.24 | 2.52 | | | Nil |
| 50 | 18 | 0.01 | 0.05 | | | Nil |
| 58 | 14 | 0.18 | 2.36 | | | 0.63 W |
| 57 | 16 | 0.02 | 0.03 | | | Nil |
| 56 | 21 | 0.01 | 0.08 | | | 0.15 |
| 55 | 14 | 0.03 | 0.16 | | | Nil |
| 49 | 14 | 0.04 | 0.24 | | | Nil |
| 48 | 15 | 0.03 | 0.78 | | | Nil |
| 47 | 18 | 0.02 | 0.32 | | | Nil |
| 46 | 22 | 0.04 | 0.12 | | | Nil |
| | 128 -- level (1st) East of German Shaft | | | | | |
| 9 | 22 | Nil | Nil | | | Nil |
| 8 | 19 | Nil | Nil | | | 0.08 |
| 7 | 13 | Tr | Tr | | | Nil |
| 6 | 26 | Tr | 0.15 | | | 0.08 |
| 5 | 29 | 0.01 | Tr | | | Nil |
| 4) | 31 | Tr | Tr | | | 0.08 |
| 3) | 21 | Tr | Nil | | | 0.08 |
| 2 | 38 | Nil | Nil | | | Nil |
| 1 | 28 | 0.08 | 2.00 | | | (0.095 W<br>(1.32 W |
| 10) | 24 | Nil | 0.20 | | | 0.15 |
| 11) | 16 | Nil | Nil | | | 0.15 |
| 12) | 24 | Nil | 0.12 | | | (0.15<br>(0.06 W |
| 13 | 32 | Tr | Tr | | | 0.15 |
| 14 | 20 | 0.02 | 0.40 | | | (0.08<br>(0.08 W |
| 15 | 33 | 0.04 | 0.20 | | | 0.08 |
| 16 | 26 | 0.02 | 0.16 | | | 0.08 W |

Table I
(continued)

| Sample No. | Width Vein (inches) | Gold (oz/t.) | Silver (oz/t.) | Lead (%) | Zinc (%) | Uranium Oxide (%) |
|---|---|---|---|---|---|---|
| 17 | 34 | 0.02 | 0.54 | | | (0.15<br>(0.11 W |
| 18 | 24 | 0.01 | Tr | | | Nil |
| 19 | 23 | 0.88 | 1.52 | | | Nil |
| 20 | 14 | 0.02 | 0.28 | | | 0.08 |
| 21 | 15 | Tr | 0.10 | | | 0.08 |
| 22 | 17 | 0.03 | 0.74 | | | Tr. |
| 23 | 12 | 0.06 | 2.88 | | | Nil |
| 24 | 12 | 0.05 | 2.00 | | | 0.25 |
| 37 | 24 | 0.04 | 1.08 | | | Nil |
| 38 | 22 | 0.44 | 2.00 | | | 0.30 |
| 39 | 16 | 0.09 | 1.06 | | | Nil |
| 40 | 30 | 0.12 | 0.22 | | | 0.20 |
| 41 | 26 | 0.06 | 0.24 | | | Nil |
| 42 | 22 | 0.22 | 1.28 | | | Nil |
| 43 | 21 | 0.08 | 0.38 | | | Nil |
| 44) | 26 | 0.04 | 0.05 | | | Nil |
| 45) | 15 | 0.02 | 0.06 | | | Nil |
| 31 | 15 | 0.005 | 1.84 | | | 0.08 |
| 32 | 19 | 0.01 | Tr | | | 0.35 W |
| 33 | 19 | 0.46 | 0.42 | | 1.96 | Nil |
| 34 | 36 | 0.09 | 1.37 | | | 0.08 |
| 35 | 18 | 0.05 | 1.19 | | | 0.15 |
| 36 | 13 | 0.04 | 0.80 | | 2.94 | 0.15 |
| 25 | 12 | 0.03 | 2.01 | | 1.52 | Nil |
| 26 | 13 | 0.02 | 1.58 | | | Nil |
| 27 | 14 | 0.04 | 0.68 | | | 0.39 W |
| 28 | 20 | 0.12 | 1.50 | | | 0.08 |
| 29 | 12 | 0.08 | 1.12 | | 8.04 | Nil |
| 30 | 20 | 1.58 | 0.32 ? | | | 0.15 |
| 30A | 36 | 1.96 | 1.04 | | | |

See Ridland assay table

192 -- level (2nd) East of German Shaft

| | | | | | | |
|---|---|---|---|---|---|---|
| 59 | 10 | 0.48 | 1.92 | | | Nil |
| 60 | 10 | 0.04 | 0.07 | 0.02 | 2.30 | Nil |
| 61 | 53 | 0.14 | 1.56 | | 1.93 | Nil |
| 62 | 27 | 0.09 | 0.04 | 0.12 | 1.47 | Nil |
| 63 | 14 | 0.60 | 0.80 | 0.25 | 2.32 | Nil |
| 72 | 22 | 0.16 | 1.46 | | 0.74 | Nil |
| 64 | 32 | 0.34 | 0.56 | 0.22 | 1.93 | Nil |
| 65 | 16 | 0.05 | 0.60 | 0.53 | 1.84 | Nil |
| 66 | 14 | 0.14 | 0.42 | | 1.56 | Nil |
| 67 | 22 | 0.04 | 1.02 | | | Nil |
| 68 | 20 | 0.03 | 0.43 | | | Nil |
| 69 | 21 | 0.03 | 0.49 | | | |
| 70 | 22 | 0.02 | 0.30 | | 0.27 | Nil |
| 71 | 14 | 0.30 | 1.62 | | 0.18 | Nil |

Table I
(continued)

| Sample No. | Width of Vein (inches) | Gold (oz/t.) | Silver (oz/t.) | Lead (%) | Zinc (%) | Uranium Oxide (%) |
|---|---|---|---|---|---|---|
| 118 | 30 | 0.07 | 0.38 | | 0.60 | Nil |
| 117 | 16 | 0.12 | .22 | | 1.19 | Nil |
| 116 | 14 | 0.03 | 0.62 | | 1.12 | Nil |
| 115 | 12 | 0.07 | 1.25 | | 7.36 | Nil |
| 114 | 26 | 0.50 | 0.70 | | 5.76 | Nil |
| 113 | 28 | 0.07 | 0.53 | | 1.52 | Nil |
| 112 | 26 | 0.14 | 0.66 | | 1.89 | Nil |
| 111 | 21 | 0.04 | 0.98 | Copper % | 1.06 | Nil |
| 73 | 20 | 0.46 | 15.70 | 5.42 | 9.39 | Nil |
| 74 | 16 | 0.20 | 1.84 | | 0.83 | Nil |
| 75 | 13 | 0.03 | 0.59 | 0.12 | 1.38 | Nil |
| 76 | 23 | 0.08 | 1.06 | | 0.46 | Tr |
| 77 | 16 | 0.02 | 1.32 | | 0.87 | Nil |
| 78 | 17 | 0.17 | 2.48 | 0.44 | 2.30 | Nil |
| 79 | 22 | 2.09 | 2.32 | | 0.60 | |
| 80 | 22 | 0.01 | 0.29 | | 0.41 | Nil |
| 81 | 18 | 0.01 | 0.30 | | 0.37 | Nil |
| 82 | 26 | 0.09 | 0.66 | | 5.20 | Nil |
| 83 | 49 | 0.21 | 1.76 | 0.88 | 3.08 | Nil |
| 84 | 20 | 0.10 | 1.54 | | 1.56 | Nil |
| 85 | 16 | 0.54 | 1.86 | 0.31 | 3.04 | Nil |
| 86 | 14 | 0.08 | 0.84 | | 1.93 | Nil |
| 95 | 14 | 0.46 | 2.50 | | 3.36 | Nil |
| 87 | 14 | 0.11 | 1.45 | | 1.66 | Nil |
| 88 | 16 | 0.08 | 1.00 | | 1.75 | Nil |
| 89 | 35 | 0.10 | 0.96 | | 2.21 | Nil |
| 96 | 13 | 1.42 | 18.54 | 0.40 | 4.64 | Nil |
| 90 | 14 | 0.26 | 1.86 | | 7.92 | 0.22 |
| 97 | 13 | 0.10 | 1.60 | | 2.30 | Nil |
| 98 | 15 | 0.92 | 1.32 | | 2.62 | Nil |
| 91 | 13 | 0.06 | 16.88 | 4.55 | 8.20 | Nil |
| 99 | 12 | 0.04 | 1.20 | | 4.14 | Nil |
| 92 | 30 | 0.02 | 1.24 | | 3.22 | Nil |
| 93 | 20 | 0.03 | 1.57 | | 3.08 | Nil |
| 100 | 12 | 0.26 | 2.48 | 1.83 | 4.32 | Nil |
| 94 | 16 | 0.06 | 1.10 | | 0.90 | Nil |
| 101 | 32 | 0.48 | 0.16 | Tr | 1.29 | Nil |
| 102 | 39 | 0.05 | 1.11 | | 0.83 | Nil |
| 103 | 24 | 0.06 | 1.08 | | 0.55 | Nil |
| 104 | 20 | 0.03 | 0.49 | | 1.12 | Nil |
| 105 | 20 | 0.18 | 9.36 | 2.27 | 0.64 | Nil |
| 106 | 20 | 0.04 | 0.84 | | 1.57 | Nil |
| 107 | 28 | 0.02 | 0.06 | Lead | 0.83 | Nil |
| 108 | 22 | 0.04 | 0.57 | | 1.29 | Nil |
| 109 | 15 | 0.06 | 0.24 | | 0.92 | Nil |
| 110 | 22 | 0.04 | 0.08 | | 1.01 | Nil |

Note 1 All uranium assays are radiometric analyses with the exception of those marked "W". The "W" assay results are wet chemical determinations.

Table II

SAMPLES TAKEN BY DMEA EXAMINING TEAM - GERMAN-BELCHER MINE

QUARTZ HILL, GILPIN COUNTY, COLORADO

| DMEA No. | Sample Width ins. | Description | $U_3O_8$ (percent) | Lead (percent) | Zinc (percent) | Gold (oz. per ton) | Silver (oz. per ton) | Mr/hr | Equivalent sample by Ridland: Gold (oz. per ton) | Silver (oz. per ton) | Lead (percent) | Zinc (percent) | $U_3O_8$ (percent) | Width ins. | Sample number |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MHS 40 | 12 | West end of raise at east end of 1st level | 0.270 | 0.10 | 0.37 | 0.03 | 0.4 | 4.0 | 0.04 | 0.68 | --- | --- | 0.39 | 14 | 27 |
| 41 | 12 | Back of stope above 1st level 23 feet east of high raise | 0.022 | 0.35 | 0.80 | 0.05 | 0.2 | 1.0 | 0.05 | 2.00 | --- | --- | *0.25 | 12 | 24 |
| 42 | 12 | Face 1st level west drift | 0.010 | 0.07 | 0.05 | <0.005 | <0.1 | 0.15 | 0.04 | 0.50 | --- | --- | *0.15 | 12 | 54 |
| 43 | 11 | West end of raise above 1st level west 16 ft. above floor | 0.004 | 0.07 | <0.05 | 0.005 | 0.1 | 0.18 | 0.18 | 2.36 | --- | --- | 0.63 | 14 | 58 |
| 44 | 5 | Back of 3rd level east drift, 2.5 feet east of survey station 303 | 2.57 | 0.37 | 0.30 | 0.11 | 2.7 | 10.0 | --- | --- | --- | --- | --- | --- | --- |
| 45 | 4 | In back of 1st level east at 7 feet east of raise where MHS 40 was taken | *0.46 | --- | --- | --- | --- | *5.0± | 1.58 | 0.32 | --- | --- | *0.15 | 20 | [illegible] |

<less than
*indicates radiometric analyses
All other values given are chemical analyses.

Table III

SAMPLING ON TWO LOWER LEVELS OF THE GERMAN MINE

QUARTZ HILL, GILPIN COUNTY, COLORADO

By Intercounty Corporation

Sample locations are shown on fig. 3, DMEA 2878

| Sample No. | Width of Vein (inches) | Gold (oz/t.) | Silver (oz/t.) | Lead (%) | Zinc (%) | Uranium Oxide (%) |
|---|---|---|---|---|---|---|
| | 375 -- level (4th) West of German Shaft | | | | | |
| 4-13H) | 15 | 0.25 | 0.35 | Tr | 1.45 | Nil |
| 4-13F) | 14 *8 | 0.01 | 0.80 | Tr | 18.57 | Nil |
| 4-12 | 14 | 0.03 | 0.28 | Tr | 5.08 | Nil |
| 4-11H) | 11 | 0.03 | 0.17 | Tr | 3.05 | Nil |
| 4-11F) | 12 *31 | 0.09 | 1.71 | 0.14 | 1.55 | Nil |
| 4-10 | 14 | 0.01 | 0.09 | 0.12 | 1.32 | Nil |
| 4- 9 | 12 | 0.02 | 0.20 | Tr | 0.22 | Nil |
| 4- 8 | 14 | 0.02 | 0.18 | Tr | Tr | Nil |
| 4- 7 | 12 | 0.02 | 0.30 | Tr | Tr | Nil |
| 4- 6 | 19 | 0.02 | 0.28 | 0.08 | Tr | Nil |
| 4- 5 | 11 | 0.04 | 0.26 | 0.10 | 0.55 | Nil |
| 4- 4 | 12 | 0.27 | 1.13 | 1.02 | 0.30 | Nil |
| 4- 3 | 6 | 0.32 | 1.18 | 0.55 | 3.10 | Nil |
| 4- 2H) | 4 | 0.03 | Tr | Tr | Tr | Nil |
| 4- 2F) | 5 *21 | 0.04 | 1.18 | Tr | 7.35 | Nil |
| 4- 1 | | 0.46 | 1.74 | 0.12 | 5.80 | Nil |
| | German Shaft, between 375 and 432 -- level | | | | | |
| [illegible] | 10 | 0.06 | 0.34 | Tr | Tr | Nil |
| S1E | 7 | 0.16 | 4.44 | 0.90 | 1.04 | Nil |
| S2W | 7 | 0.04 | 0.12 | 0.10 | 0.40 | Nil |
| S2E | 8 | 0.26 | 2.24 | 0.18 | 1.34 | Nil |
| S3W | 11 | 0.63 | 10.27 | 0.45 | 6.66 | Nil |
| S3E | 8 | 0.44 | 1.06 | Tr | 1.24 | Nil |
| S4W | 12 | 0.38 | 3.22 | Tr | 1.97 | Nil |
| S4E | 8 | 0.26 | 1.54 | Tr | 3.25 | Nil |
| | 432 -- level (5th) West of German Shaft | | | | | |
| 5-10 | 7 | 0.02 | 0.19 | Tr | 0.90 | 0.01 |
| 5- 9 | 5 | 0.58 | 2.02 | Tr | 10.05 | Nil |
| 5- 8 | 5 | 0.04 | 0.26 | Tr | 0.42 | Nil |
| 5- 7 | 10 | 0.02 | 0.16 | Tr | 0.20 | Nil |
| 5- 6 | 5 | 0.80 | 9.80 | 0.74 | 5.40 | Nil |
| 5- 5H) | 5 | 0.17 | 0.73 | Tr | 4.65 | Nil |
| *40 | | | | | | |

Table III

(continued)

| Sample No. | Width of Vein (inches) | Gold (oz/t.) | Silver (oz/t.) | Lead (%) | Zinc (%) | Uranium Oxide (%) |
|---|---|---|---|---|---|---|
| 5- 5F) | 7 | 0.08 | 0.54 | Tr | 0.80 | Nil |
| 5- 4 | 12 | 0.02 | 0.18 | Tr | 0.20 | Nil |
| 5- 3 | 8 | 0.17 | 17.48 | 0.90 | 7.45 | Nil |
| 5- 2 | 7 | 0.52 | 5.08 | 0.72 | 0.30 | Nil |
| 5- 1H) | 12 | 0.03 | 0.49 | Tr | 1.10 | Nil |
| 5- 1F) | 5 *18 | 0.13 | 1.17 | Tr | 0.35 | Nil |

Note 1 5-5H) 5-5F) Samples bracketed are channels in series at the same location in the drift and the width marked * is the width of waste separating the 2 channels.

9/20/54 glu

224 New Customhouse
Denver 2, Colorado

September 14, 1954

REGISTERED

Dr. G.C. Ridland
Intercounty Corporation
403 Interstate Trust Building
Denver 2, Colorado

Re: Docket DMEA 2878 (Uranium-Lead)
Contract Idm-E501

Dear Dr. Ridland:

Reference is made to our registered letter of July 20, 1954 wherein we advised that we are desirous of closing this account at an early date therefore would appreciate receipt of your final engineering and geologic report in conformance with the terms of the contract at your earliest convenience.

Inasmuch as we have had no reply to our letter of July 20 or received your final engineering and geologic report we are again calling your attention to the matter regarding the requisite for your submitting the final engineering and geologic report before final payment can be made to you of the $250.00 suspended from reimbursement on Form MP-104 Operator's Monthly Progress Report and Voucher for the Month of February 1954.

Please advise this office as to the approximate date we can expect to receive your final engineering and geologic report relative to the work performed under Contract Idm-E501.

Very truly yours,

W. H. KING

JFS

John F. Shaw
For W. H. King
Executive Officer, DMEA
Field Team, Region IV

JWT:jp
cc Subject
Chron
Chairman, Oper. Comm.
WMTraver
AHKoschmann
JWTownsend

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

224 New Customhouse
Denver 2, Colorado

July 20, 1954.

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Dr. G. C. Ridland, Secretary
Intercounty Corporation
403 Interstate Trust Building
Denver 2, Colorado

Re: Docket No. DMEA-2878,
Contract No. Idm-E501

Dear Doctor Ridland:

Records in this office indicate that by notice of April 26, 1954 you were advised that the contract was terminated by the Government under provisions of the contract and that in the opinion of the Government further operations were not justified.

We are desirous of closing this account at an early date; therefore, we will appreciate receipt of your final Engineering and Geologic report in conformance with the terms of the contract at your earliest convenience.

Very truly yours,

W H King

W. H. King
Executive Officer
DMEA Field Team, Region IV

JWTownsend:cwm

cc: Contract
Chairman of the Oper. Comm. (2)
WMTraver
AHKoschmann
Chron.
JWTownsend

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
30 1954

224 New Customhouse
Denver 2, Colorado

April 27, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2878 (Uranium-Lead), Contract Idm-E501, Intercounty Corporation, German Mine, Gilpin County, Colorado

Enclosed for your records are three copies of "Notice of Termination of Exploration Project Contract, Under the Terms of the Contract, Before the Completion of the Work" which we have prepared and forwarded to the operator in conformance with authorization contained in a teletype from you dated April 22, 1954. Also enclosed are three copies of a letter to the operator forwarding the termination notice and three copies of data relevant to the termination of the contract.

The original of the termination notice was forwarded to the operator, a copy has been given to the Finance Office, Region IV, and a copy retained for our files.

W H King
W. H. King

Enclosures

RECEIVED
MAY 5 - 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

224 New Customhouse
Denver 2, Colorado

April 26, 1954

REGISTERED

Intercounty Corporation
c/o G. C. Ridland, Secretary
403 Interstate Trust Building
Denver 2, Colorado

Re: Docket DMEA 2878 (Uranium-Lead)
Contract Idm-E501

Dear Dr. Ridland:

Reference is made to your letter of March 9, 1954, wherein you request authorization to proceed with Stage II, or, if the Government prefers, to skip Stage II and proceed with Stage III. Further reference is made to your letter of April 1, 1954 wherein you request an amendment to the contract to authorize a change in the work outline under Stage II.

Intensive examination of the property, after being made accessible by the work performed under Stage I, indicates that the proposed work under Stages II and III would not result in a significant discovery, therefore your requests of March 9, 1954 and April 1, 1954 are hereby denied.

In conjunction therewith, there is enclosed a "Notice of Termination of Exploration Project Contract, Under the Terms of the Contract, Before the Completion of the Work".

Very truly yours,

W. H. King
Executive Officer, DMEA
Field Team, Region IV

JWT:jp

Enclosure

cc Corresp.
Amdt.
Chron.
WMTraver
AHKoschmann
COMittendorf
TAChristensen
JWTownsend
-3- with encl.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
April 16, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2878, Contract IDM-E501, (Uranium-lead), Intercounty Corporation, (German mine), Gilpin County, Colorado--Request for authorization of Stages II and III

Enclosed are the original and seven copies of M. H. Salsbury's memorandum recommending denial of the subject request which has my approval. Salsbury also recommends termination of the contract and that recommendation has my approval.

It is assumed you have copies of G. C. Ridland's map dated March 23, 1954, in sufficient number to accompany the memorandums. We can locate Salsbury's samples on them if you wish.

W. M. Traver

W. M. Traver

Enclosures

cc: 5
E501
Chron.

WMT/ici

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
April 14, 1954

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMEA 2878, Contract IDM-E501, (Uranium-lead), Intercounty Corporation, (German mine), Gilpin County, Colorado—Request for authorization of Stages II and III

On March 9, 1954, the contractor's representative, G. C. Ridland, under the subject contract requested authorization to proceed with Stage II of the contract, assaying 65 samples for uranium, gold, silver and lead, at a cost of $487.50, and if Stage II was denied, to proceed with Stage III, driving the 1st level eastward 450 feet or as long as strong radioactivity is present, with raises at likely looking places. On April 1, 1954, another request was made for an amendment changing Stage II from assaying only to include surveying, sampling, preparing maps, and assaying at no increase in the maximum allowable cost.

An examination of the 4th and 5th levels of the mine had been made on February 16, 1954 by the writer in company with D. R. MacLaren and Paul K. Sims of the Geological Survey, and another inspection was made on March 11, 1954, at which time samples were taken to check radiometric highs and previous sampling by the contractor's representative on the 3 upper levels. R. U. King of the Geological Survey accompanied the examining team on the last examination.

The contractor has submitted a list of 118 samples taken in 1948 on the 1st, 2nd and 3rd levels and 36 samples taken in February 1954 on the 4th and 5th levels. A sample map showing location of all samples was included.

The examining team came to the conclusion that the sampling of the three upper levels in 1948 had been adequate and only a few check samples would be needed. Radiometric readings barely above background count on the 4th level, and background count only on the 5th level did not indicate the need for further sampling for uranium on these levels, and visual inspection did

not show lead or zinc in commercial quantities. This conclusion has been substantiated by the samples taken by the contractor on the 4th and 5th levels without DMEA authorization. The uranium content was nil and gold, silver, lead, and zinc content was not consistent enough to constitute ore-grade material.

Five samples were taken at accessible points on the first and third levels by the examining team. The results, and comparison with the corresponding samples taken by the contractors, are given in table I. The samples were taken at the points where previous sampling had been done, as near as could be determined by the contractor's sample numbers marked on the walls, and by using a Geiger counter to show the points of maximum radioactivity. The variations in comparable samples probably reflect very spotty and erratic mineralization of the vein.

The uranium production record at the German and Belcher mines is incomplete. Available records list 1.05 tons with an average content of 30 percent $U_3O_8$ from the German shaft, and 7.03 tons with a content of 7.05 percent $U_3O_8$ from the Belcher shaft. Probably not included in this total is 1,000 pounds of ore mined in 1933 by a lessee who reported verbally to the writer that he sold this ore for $7.50 per pound. It is not known whether a small production mined in 1924 is included in the total. In any case, the total production is certainly not much more than 10 tons of ore which may have averaged 10 percent $U_3O_8$. This came from small scattered lenses which were mined selectively and probably at high cost. These lenses represent only a fraction of the volume of rock broken in the stoping operations. The extent of the stopes above the first level of the German mine indicate very roughly that a total of about 2000 tons of rock has been broken. Some of this was gold ore, some was uranium ore, but a substantial part of the rock broken remains in the stope as back filling, probably too low in grade to ship.

None of the pitchblende exposures seen by the examining team were lenses of ore in sight which could be mined profitably. Four samples taken by the contractor in the back of the now inaccessible east end of the stope above the first level, near the caved Belcher shaft, ran from nil to 0.15 percent $U_3O_8$ over widths of 15 to 36 inches. Sample No. 32 in the end of the stope, in an exposure which is hardly more than a pillar, assayed 0.35 percent $U_3O_8$ over 19 inches. Good pitchblende in and near the face of the 1st level east is in this same pillar. There is, therefore, no mineable ore in sight, except in a pillar.

TABLE I

| DMEA Sample No. | Width ins. | Description | $U_3O_8$ | Lead | Zinc | Gold | Silver | Mr/hr | Equivalent sample by Ridland: Gold | Silver | Lead | Zinc | $U_3O_8$ | Width ins. | Sample number |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | percent | | | oz. per ton | | | oz. per ton | | percent | | | | |
| MHS-40 | 12 | West end of raise at east end of 1st level | 0.270 | 0.10 | 0.37 | 0.03 | 0.4 | 4.0 | 0.04 | 0.68 | — | — | 0.39 | 14 | 27 |
| 41 | 12 | Back of stope above 1st level 23 feet east of high raise | 0.022 | 0.35 | 0.80 | 0.05 | 0.2 | 1.0 | 0.05 | 2.00 | — | — | *0.25 | 12 | 2[illegible] |
| 42 | 12 | Face 1st level west drift | 0.010 | 0.07 | 0.05 | <0.005 | <0.1 | 0.15 | 0.04 | 0.50 | — | — | *0.15 | 12 | 54 |
| 43 | 11 | West end of raise above 1st level west 16 ft. above floor | 0.004 | 0.07 | <0.05 | 0.005 | 0.1 | 0.18 | 0.18 | 2.36 | — | — | 0.63 | 14 | 58 |
| 44 | 5 | Back of 3rd level east drift, 2.5 feet east of survey station 303 | 2.57 | 0.37 | 0.30 | 0.11 | 2.7 | 10.0 | — | — | — | — | — | — | — |
| 45 | 4 | in back of 1st level east at 7 feet east of raise where MHS 40 was taken | *0.46 | — | — | — | — | *5.0 | 1.58 | 0.32 | — | — | *0.15 | 20 | 30 |

> LESS than
* indicates radiometric analyses.
All other values given are chemical analyses.

Exploration of the 70 to 80 feet of backs between the stope and surface, and of the supposedly unexplored vein east of the Belcher shaft would probably result in the discovery of other small lenses of pitchblende. There is no reason to believe, however, that they would be any larger or more numerous than those mined in the past. At present prices, the equivalent of all the ore estimated to have been produced in the past, would return to the shipper a total of about $17,000.00, which is much less than the cost of the equivalent amount of mining.

It is concluded that the assaying called for in Stage II was not necessary to complete an evaluation of the 4th and 5th levels, where radiometric measurements were clearly negative. Neither were surveying and mapping under a requested amendment to Stage II necessary for a proper evaluation of the mine. An operation which would produce a significant amount of uranium, make a profit for the operator, or return in DMEA royalties more than a small part of the government's probable expenditure, is not indicated.

It is recommended that the request for authorization of Stages II and III be denied and contract IDM-E501 terminated.

M. H. Salsbury
M. H. Salsbury
Mining Engineer

cc: 7
E501
DMEA Chron.

MHS/iei

April 14, 1954

Memorandum

approved AHK 4/14/54

To: Mr. A. H. Koschmann

From: D. R. MacLaren

Subject: DMEA Docket 2878 (uranium), Contract Idm-E501, Intercounty Corporation, Gilpin County, Colorado

In a letter dated March 11, 1954, G. C. Ridland, of the subject corporation, states that Stage I of the subject contract has been completed and requests authorization to proceed with Stage II, or should Stage II be denied, to proceed with Stage III. Under Stage III Ridland proposes to drive the first level of the German mine eastward, through or around the Belcher shaft, for 450 feet, or as long as the vein remains strongly radioactive, and to raise at likely looking places as authorized by the Field Team. In another letter dated April 1, 1954, Ridland requests an amendment to change Stage II of the contract so that the sum of $487.50 authorized for assaying 65 samples for gold, silver, lead, and uranium may be used for surveying, sampling, preparing maps, and assaying an unspecified number of samples for gold, silver, uranium, lead, zinc, and copper.

On February 16, 1954, I visited the mine with M. M. Salsbury of the Bureau of Mines and Paul K. Sims of the Geological Survey. We thoroughly checked all five mine levels with scintillometer and geiger counter. On the first level radioactivity was found to be about four times background beneath an old stope and was equally strong at the stope back although no uranium minerals were seen. On the second level radioactivity reached a maximum of three times background. In one 15-foot interval there were several small stringers and lenses of pitchblende in the back of the drift. On the third level, radioactivity was never more than three times background. In one six-foot interval a few lenses of

pitchblende up to one quarter of an inch thick were found, and in another interval about ten feet long there were short narrow lenses and stringers of torbernite. On the fourth level there was so little increase of radioactivity above background as to be questionable, while on the fifth level there was no increase whatsoever. Ken Baker, of the A.E.C. later told me that one of their men recently made a radiometric survey of the mine and that he also could not detect significant radioactivity above background on either the fourth or fifth levels. At the time of our visit, samples from the fourth and fifth levels, taken by the superintendent, were in the hoist house. Checked with scintillometer and geiger counter, not one of these samples showed any radioactivity above background.

Samples taken from the upper three levels by Ridland in 1948 indicate the presence of a few small lenses of uranium bearing minerals, irregularly spaced, on the first level and in the back of the stope above. The location and assay results of these samples are given in the original application, DMA Docket 1448X. On March 11, 1954, after previously selecting eight of Ridland's samples that assayed from .15 to 1.00% $U_3O_8$, I again visited the mine with Salsbury and R. U. King of the Survey, to re-sample at Ridland's locations. Three of the locations were not accessible, but at the other five locations check samples were taken, if not in the same channels as Ridlands, within a few inches of his channels. As verification of our location, we found Ridland's sample numbers on the walls. The following table gives the comparative results of the two sets of assays (R-number, Ridland's sample; MHS-number, DMEA sample):

| Sample No. | Sample Width | % $U_3O_8$ | oz./ton gold | oz./ton silver | % lead | % zinc |
|---|---|---|---|---|---|---|
| R-27 | 14" | .30 | .04 | .68 | — | — |
| NHS-40 | 12" | .27 | .03 | .40 | .10 | .37 |
| R-24 | 12" | .25 | .05 | 2.0 | — | — |
| NHS-41 | 12" | .022 | .05 | .20 | .35 | .80 |
| R-54 | 12" | .15 | .04 | .50 | — | — |
| NHS-42 | 12" | .010 | .005 | .10 | .07 | .05 |
| R-58 | 14" | 1.00 | .18 | 2.36 | — | — |
| NHS-43 | 11" | .004 | .005 | .10 | .07 | .05 |
| R-30 | 20" | .15 | | | | |
| NHS-45 | 4" | .46 | (Calculated from .39%U × 1.18) | | | |

On the third level, we sampled the torbernite strings in the 10-foot interval mentioned in the second paragraph. Ridland apparently missed this showing in 1948, but he records a sample about 5 feet west and another about 15 feet east. The respective assays are:

| | % $U_3O_8$ | oz./ton gold | oz./ton silver | % lead | % zinc |
|---|---|---|---|---|---|
| R-80 (5 feet west) | nil | .01 | .29 | | .41 |
| NHS-44 | 2.57 | .11 | 2.70 | .37 | .30 |
| R-81 (15 feet east) | nil | .01 | .30 | | .37 |

Although the general disparity between the original and the check assays may be due in part to such factors as inaccuracy or improved methods of assaying, or possible oxidation and leaching, it is more probably due to the smallness and irregularity of the individual pods and sheets containing uranium and the other metals. In the original application there are listed some 28 assays for uranium, or and above the first level. Of these, one is .095%, twelve are .08%, nine are .15%, and one each are 20%, 20%, 30%, 35%, 38%, and 1.00% $U_3O_8$. Thus, 75% of the assays submitted show 15% $U_3O_8$ or less.

The present estimated volume of unfilled stopes above the first level indicates that about 1,875 tons or ore has been extracted. This

figure does not include vein material that was extracted during drifting operations. Production records, compiled from various sources, indicate that not more than 8.08 tons having an average grade of 10.03% $U_3O_8$ have been shipped. In other words, only .43% of the total extraction from the stopes above the first level could be ungraded to 10% $U_3O_8$. This again indicates the infrequency and probable small size of the high grade uranium pods that may be expected.

It is concluded that radioactivity decreases with depth and cannot be detected with any certainty on the two lowest levels; that, although pods of high grade pitchblende undoubtedly occur at irregular intervals, particularly along and above the first level, they are so small that only 8 tons of 10% $U_3O_8$ ore could be sorted from some 1,875 tons of rock mined above the first level; and that the chances of making a significant discovery of uranium ore in the German-Belcher mine are very poor. Therefore, it is recommended that the requests in Ridland's letters of March 11, 1954, and April 1, 1954, be denied. It is further recommended that Contract Idm-E501 be terminated and that no further exploration for uranium be done in the German-Belcher mine.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 30 1954

# INTERCOUNTY CORPORATION

403 Interstate Trust Bldg.
Denver 2, Colorado

April 1, 1954

Mr. W. H. King
Executive Officer
Defense Minerals Exploration Admin.
Field Team, Region IV
224 New Customhouse
Denver 2,COlorado

Re: DMEA Docket No. 2878
Contract Idm - E501

Dear Mr. King:

We wish to request an amendment to our contract. We request a change in the wording of

Stage II

| | |
|---|---|
| Assaying 65 samples for uranium at $4.00 each ..... | $ 260.00 |
| Assaying 65 samples for gold, silver lead at $3.50 each..... | 227.50 |
| | $ 487.50 |

to read:

Stage II

| | |
|---|---|
| Surveying, sampling, preparing maps and assaying samples for gold, silver, uranium, lead zinc and copper..... ..... | $ 487.50 |

The contract does not allow for the cost of cutting the samples, or the surveying and mapping of the workings so that an accurate record of the location of the samples can be made. In spite of the fact that we are confining our sampling and assaying to the lower 2 levels of the mine, our costs of this stage of the program has far exceeded the sum of $487.50, hence we believe authorization of the above amendment fair and justified.

Yours very truly,

INTERCOUNTY CORPORATION

G. C. Ridland

GCR/jl

G. C. Ridland

INTERCOUNTY CORPORATION

403 Interstate Trust Bldg.
Denver 2, Colorado

March 9, 1954

Mr. W. H. King
Executive Officer
Defense Minerals Exploration Admin.
Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Re: DMEA Docket No. 2678
Contract Idm - 1501

Dear Mr. King:

With further reference to our request to proceed with exploration at the German mine, and your letter of March 4, 1954, stating Stage I has not been completed, please refer to our monthly narrative report dated March 1, 1954, and you will see that we have dewatered and rehabilitated the German shaft to the bottom of the mine. The 500-level is the bottom of the mine according to U.S.G.S. Professional Paper 94, page 240-1.

Now, may we please proceed to Stage II, or if you prefer that we skip Stage II, may we proceed to Stage III. We propose to drive the first level eastward through, or around, the Belcher shaft for 450 feet or as long as the vein remains strongly radioactive, and to raise at likely-looking places as authorized by the D.M.E.A. Field Team.

Yours very truly,

INTERCOUNTY CORPORATION

G. C. Ridland
B.H.

G. C. Ridland

GCR:bh

Surname
Doc[illegible] copy

700

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

Ching
Allen
Selfridge

APR [illegible]

T E L E T Y P E

MChing/gla

[redacted]

DMEA - Department of the Interior
[illegible](GA) Revolving Fund,
Defense Production Act,
Interior (Allocated Working Fund
to the Office of the Secy.)

Re: Docket DMEA-2878
Contract No. Idm-E501
(Uranium)

S. H. KING, EXECUTIVE OFFICER
DMEA FIELD TEAM, REG ON IV
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REURTT APRIL 21 DOCKET 2878 INTERCOUNTY CORPORATION YOU AUTHORIZED

TERMINATE CONTRACT UNDER PROVI ING ARTICLE 8(e) AS REQUESTED.

C. O. Mittendorf (for)

C. O. MITTENDORF, ADMINISTRATOR

MChing/gla
4-22-54
cc to: Adm. Reading File
Docket
Messrs. APButler, Jr. Rm. 3212, GSA
HDKeiser, Rm. 3641
Code 700
Mr. Ching
Confirmation to RegionIV

SENT
APR 22 1954
Clerical Service Section

R.C.S.

C. O. Mittendorf
4-21-54
12:06 P.M.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 21 1954

DN 235 BUREAU MINES 4-21-54 10-06 AM

C O MITTENDORF

REFERENCE DOCKET DMEA 2878 /URANIUM-LEAD/ CONTRACT IDM-E501, INTER-COUNTY CORPORATION, GILPIN COUNTY, COLORADO, STAGE I COMPLETED WITH UNWATERING THE SHAFT TO THE 500 LEVEL WHICH IS THE BOTTOM LEVEL OF THE MINE. INTESXXX INTENSIVE EXAMINATION OF THE MINE WORKINGS XXXXXXXXXXX INDICATE THAT FURTHER GOVERNMENT PARTICIPATION IN THE PROPOSED EXPLORATION WORK UNDER STAGES II AND III IS NOT WARRANTED. PLEASE TELETYPE AUTHOIXXX AUTHORIZATION TO TERMINATE THE CONTRACT UNDER PROVISIONS OF ARTICLE 8/C/ OF THE CONTRACT FORM AT THE COMPLETION OF STAGE I. OPERATOR S FORM MF-104 FOR THE MONTH OF FEBRUARY 1954 FORWARDED TO THE SECRETARY TO THE OPERATING COMMITTEE BY OUR MEMORANDUM OF MARCH 25,1954 WOULD IN FACT BE THE FINAL ACCOUNTING REPORT TO BE SUBMITTED.

W H KING

Denver, Colorado.

APR 21 12 39 PM '54
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.

9/23/53 gla

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

224 New Customhouse
Denver 2, Colorado

September 17, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E501, Docket No. 2878- uranium

Enclosed is a copy of a letter dated September 14, 1953 from American Mining Company stating they have started work on the German Mine.

Also enclosed is a copy of a letter dated September 14, 1953 from the Intercounty Corporation stating that they would like to have Contract Idm-E501 assigned to the Intercounty Corporation.

These letters are being forwarded to you for your consideration and appropriate action.

W. H. King

W. H. King

Enclosures

AMERICAN MINING COMPANY

60 EAST 42ND STREET

NEW YORK 17, N. Y.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DENVER

SEP 21 1953

DENVER OFFICE:
405 INTERSTATE TRUST BUILDING
DENVER 2, COLORADO
TELEPHONE: KEYSTONE 0583

Denver, Colorado
September 14, 1953

Mr. W. H. King
Executive Officer, Field Team, Region IV
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Dear Mr. King:

Docket No. 2878
Contract No. Idm E501

German Mine

This is to notify you that we are today commencing work at the German Mine under Contract No. Idm E501, according to the terms of the contract.

Yours very truly,

AMERICAN MINING COMPANY

By Mabel N. Scott

Mabel N. Scott
Secretary

Sent in sextuplicate

# INTERCOUNTY CORPORATION

403 Interstate Trust Building,
Denver 2, Colorado

September 14, 1953

Mr. W. H. King, Executive Officer,
Field Team, Region IV,
Defense Minerals Exploration Administration,
224 New Customhouse,
Denver 2, Colorado

DMEA Docket No. 2878
Contract Idm - E501

Dear Mr. King:

German Mine

The Intercounty Corporation has received a lease on the German property on Quartz Hill, Gilpin County, Colorado, from American Mining Co. This property is owned by Uranium Corporation of America and has been leased to American Mining Company.

American Mining Company has a D.M.E.A. Exploration Contract (identified above) to perform certain work on the property, and now American Mining Company has leased, or sub-leased, the property to Intercounty Corporation and has assigned its interest in the D.M.E.A. contract to Intercounty Corporation.

Intercounty Corporation is well financed and is prepared to perform the work outlined in the contract. The company is almost entirely owned by the Atomic Uranium Corporation and controlled by the same directors and officers.

It should be pointed out that Atomic Uranium Corporation is now actively engaged in dewatering and examining the Alps mine. The Alps lies between the German and Kirk Mines with the wood Mine on the far side of the Kirk. Mr. Leonard Abbott is in charge of the work at the Alps and the writer is acting as consultant. The German operation will be managed by the same individuals. There is no connection between the managements of Atomic Uranium Corp. and American Mining Co., although the writer has, on past occasions, advised American Mining Co.

A copy of the lease setting forth the German property over to Intercounty Corp., containing an assignment of the D.M.E.A. contract, is being prepared and will be forwarded to you as soon as it returns from the photographers. We request that, by amendment, we be allowed to take the part of the American Mining Company in the D.M.E.A. contract.

Yours very truly,

INTERCOUNTY CORPORATION

G. C. Ridland

G. C. Ridland

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

DEC 3 1953

224 New Customhouse
Denver 2, Colorado

December 1, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2878 (Uranium), Contract Idm-E501, Intercounty Corporation (assignee of American Mining Company), Gilpin County, Colorado

Enclosed are the Government, Division, and Docket copies of Amendment No. 1 to Contract Idm-E501 which was prepared in Washington and executed by you for the Government to extend the starting date to September 15, 1953 and extend the completion period of work under the contract from 10 months to 14 months. Also Annex I was attached to amend article 6 of the contract form.

Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

Enclosures

12-3

12/3/53
JB


**FRANCIS HUGHES KNIGHTON**

FIRST NATIONAL BANK BUILDING
ARDSLEY, NEW YORK

DOBBS FERRY 3-5380



DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 - 1953


December 1, 1953.

Mr. C. O. Mittendorf, Administrator
U. S. Department of the Interior
Defense Minerals Exploration Administration
Washington 25
D. C.

Re: Docket No. DMEA-2878 (Uranium lead, and incidental gold and silver)
Contract No. Idm-E501
German-Belcher Mine
Gilpin County, Colorado

Dear Mr. Mittendorf;

Referring to your letter of November 5, 1953 addressed to Mr. Charles E. Stahl, Jr., President, Inter-County Corporation, Ardsley, N. Y.

For your information we wrote Dr. G. C. Ridland, Denver Colorado, on November 9th, sending him a copy of your letter.

We hand you herewith copy of his reply. Hope this covers the matter.

Very truly yours,
INTER-COUNTY CORPORATION

F. H. Knighton

F. H. Knighton
General Manager

Encl. Copy

JB

C
O
P
Y

DEC 2 1953

Denver, Colorado
November 24, 1953.

Mr. Frank Knighton
Ardsley, New York

DMEA-2878 German Mine Contract

With reference to your letter of November 9th and the DMEA letter to you of November 5, 1953 regarding the validity of our claims with reference to Federal oil and gas leases, you may rest assured that there are no such conflicts. All the claims that we have that are covered by the Government contract are patented mining claims and not claims held by location. As there has never been any interest in the area with regard to oil and gas due to the fact that they are located on pre-Cambrian rocks which are considered of no value where oil and gas exploration is concerned, and if Federal oil and gas leases were outstanding at the time and claims were patented, then I am sure that the patents would describe such conflicts. I have not checked all the patents in this group, but I have checked some of them and I know that there are no conflicts stated in the patents with reference to Federal oil and gas leases. You may answer Mr. Mittendorf's letter stating that our claims are all patented mining claims wherein there are no such conflicts with Federal oil and gas leases.

/s/ G. C. Ridland

G. C. Ridland

GCR:bh

FILE COPY
SURNAME:

UNITED STATES 140
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

A.E.Kane
Rubin
Ellis
Talbot
Rewritten by AEKane
Selfridge
Johnson

NOV 9 1953

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2878 (Uranium)
Intercounty Corporation,
Assignee of American
Mining Company
Gilpin County, Colorado
Contract Idm-E501

Dear Mr. King:

Reference is made to your memorandum to the Administrator dated October 23, in which you enclose a proposed Amendment No. 1 for the signature of the Administrator.

We have revised this amendment to provide also for an extension of the time for performance and included the newer royalty provisions. The amendment has been signed by the Administrator and sent to you for execution by the Operator. When this has been accomplished, please see that the usual distribution is made.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

Approved:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

AEKane/emd/10-30-53
AEKane/ema/11-4-53
Copy to: Docket
Adm. R. File
Op. Comm.
J. H. Hedges
T. P. Thayer
E. W. Ellis
J. L. Hofflund
A. E. Kane
Chron.
Pending

R.C. 11-9-53

FILE COPY
SURNAME:

140

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

AEKane
Burton
Ellis
Tackett

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2873 (Uranium)
Intercounty Corporation,
Assignee of American
Mining Company
Gilpin County, Colorado
Contract Idm-E501

Dear Mr. King:

Reference is made to your memorandum to the Administrator dated October 23, in which you enclose a proposed Amendment No. 1 for the signature of the Administrator.

We have revised this amendment to provide also for an extension of the time for performance and included the newer royalty provisions. An amendment of this sort need not be signed by the Administrator and may be signed by the Executive Officer in the region. Consequently, we are returning it for signature by you and the Operator. When the same has been duly executed, please see that the usual distribution is made.

Sincerely yours,

Chairman, Operating Committee

AEKane/emd 10/30/53
Enclosures

Approved:

Member, Bureau of Mines

Member, Geological Survey

Copy to: Docket
Adm. R. File
Operating Comm.
J. H. Hedges
T. P. Thayer
E. W. Ellis
J. L. Hofflund
A. E. Kane
chron.
pending

Docket copy

EXPLORATION PROJECT CONTRACT
INTERCOUNTY CORPORATION
DOCKET NO. DMEA-2878

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Intercounty Corporation, each acting in consideration of the agreement of the other to the terms hereinafter set forth that Exploration Project Contract Idm-E501, Docket No. DMEA-2878, dated March 24, 1953, between the parties hereto, be amended as of September 1, 1953, as follows:

1. In Article 3 of the contract form, in lieu of the words "within sixty (60) days from the date of this contract," the words "prior to September 15, 1953," are substituted; and in lieu of the words "ten (10) months," the words "fourteen (14) months" are substituted.

2. Annex I, attached hereto, is substituted for Article 6 of the contract form.

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
W. H. King, Executive Officer
DMEA Field Team, Region IV

Jack Ow
Arthur
Talbot

INTERCOUNTY CORPORATION

By _____

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

NOV 9 1953

Mr. George S. Groves, President
Atomic Energy Uranium, Inc.
405 Interstate Trust Building
Denver 2, Colorado

Re: Docket No. DMEA-2752 (Uranium)
Atomic Energy Uranium, Inc.
Pewabic-Iron Mine
Gilpin County, Colorado

Dear Mr. Groves:

This is to advise you that your application for an exploration project contract dated October 9, 1952, Docket No. DMEA-2752, relating to the Pewabic property, is denied.

A review of this application, and of the various applications filed by yourself as president of other corporations, indicates neither in this case nor in any case has the application been filed with the intention that the applicant itself would engage in and prosecute the exploration work.

This agency is not authorized to enter into exploration project contracts to aid the applicant in promotional enterprises. On the contrary, we are required to take into consideration "the operating experience and background of the applicant." It was with this in mind that Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, under date of April 10, wrote to you with respect to the subject application:

> "A contract for work on the Pewabic property will be prepared after operations on the German-Belcher Mine have been in progress for a sufficient time to permit an appraisal of the quality of the operation."

Your assignment of all interest in the German-Belcher project to Intercounty Corporation, of course, makes it impossible for DMEA to make any appraisal of the quality of any operation that might have been carried out by your corporation.

In any case, DMEA concluded some months ago that the project set forth in this application would neither justify nor require the expenditure there indicated in the sum of

P.G.S.
11-9-53

$27,770, and that we would not consider contributing to any expenditure in excess of the sum of $9,815. In your letter of March 14 to Mr. King, you rejected this amount as inadequate. I therefore conclude that the action I am now taking denying your application may be of small interest to you, but I deem it necessary in order to clear the records of DMEA.

Sincerely yours,

C. O. Mittendorf

Administrator

JLHofflund:ep 11-2-53

Copy to: Mails & Files (DMEA-2752)
Mails & Files (DMEA-2878)
Administrator
Admr. Reading File
Region IV (2)
Mr. Ellis
Mr. Hofflund
Chron.
Pending

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

DOCKET FILE

Mr. Charles E. Stahl, Jr., President
Intercounty Corporation
First National Bank Building
Ardsley, New York

NOV 5 1953

Re: Docket No. DMEA-2878 (Uranium, lead, and incidental gold and silver)
Contract No. Idm-D501
German-Belcher Mine
Gilpin County, Colorado

Dear Mr. Stahl:

Reference is made to your above-named Exploration Project Contract for uranium. You are probably aware that in some similar cases it has been found that some part or all of the land which is the subject of the exploration project contract consists of claims located on land which was subject to prior Federal oil and gas leases. The validity of such claims is doubtful, and in some cases the Atomic Energy Commission has issued a lease to the land for whatever benefit that may afford in curing the invalidity as far as uranium is concerned.

By the recent act of Congress approved August 12, 1953 (Public Law 250, 83d Cong.), mining claims located between July 31, 1939, and January 1, 1953, on United States Lands which were then subject to oil and gas leases, may be validated by the owners of such claims, if, not later than December 10, 1953, they

> "..... post on such claim in the manner required for posting notice of location of mining claims and file for record in the office where the notice or certificate of location of such claim is of record an amended notice of location of such claim, stating that such notice is filed pursuant to the provisions of this Act and for the purpose of obtaining the benefits thereof."

If any of the land which is the subject of your Exploration Project Contract includes a located claim or claims, the validity of which might be questioned on account of a previous oil and gas lease, the statute cited is called to your attention so that you may validate your rights as above indicated, if you consider this to be in your interest. This Agency deems such validation to be desirable even though the land in question may be covered by a lease from the Atomic Energy Commission.

Sincerely yours,

C. A. Mittendorf

Administrator

EWEllis/gla
11-4-53
cc to: Docket file
Region IV (2)
Division contract file

50811

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

224 New Customhouse
Denver 2, Colorado

October 23, 1953

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket NO. DMEA 2878 (Uranium-Lead), Contract IDM-E501, Intercounty Corporation, Gilpin County, Colorado

Enclosed are six copies of Amendment No. 1 to Contract IDM-E501 which extends the starting date of work under this contract to November 15, 1953.

We had prepared this amendment for the signature of the American Mining Company; however, the assignment of the contract from the American Mining Company to the Intercounty Corporation became effective on September 1, therefore we believe that this amendment should be signed by the Intercounty Corporation.

If this amendment is satisfactory please sign all six copies and return them to this office. We will have the applicant sign all copies and we will make the proper distribution.

John F. Shaw
For W. H. King

Enclosures

10/13/53 gla

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

RECEIVED
OCT 14 1953

224 New Customhouse
Denver 2, Colorado

October 8, 1953.

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2878, Contract Idm-E501 (Uranium), American Mining Company, Gilpin County, Colorado.

Enclosed is copy of a memorandum from C. M. Harrer covering a visit to the German mine on October 1, 1953. This memorandum indicates that work was started on September 14, 1953 by the Intercounty Corporation.

Reference is made to our memorandum dated September 17, 1953, to which was attached copy of a letter dated September 14, 1953 from the American Mining Company stating that they had started work on the German mine. It now appears that the work is being done by the Intercounty Corporation and the letter from the American Mining Company was written for the purpose of keeping the contract in force.

Contract Idm-E501 is between the Government and the American Mining Company. We do not believe that we should authorize reimbursement for any work performed by the Intercounty Corporation. It is possible that Monthly Progress Report Forms MF-104 and MF-104A may be submitted by the American Mining Company; however, we are now aware that the work is being done by the Intercounty Corporation.

Please advise us how to proceed in this matter.

W. H. King
W. H. King

Enclosure

10/14/53 Noted by Mr. Ellis. He said no reply was required since Assignment was mailed to Region IV on October 8, 1953.
gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 6, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2878, Contract Idm-E501 (Uranium), The American Mining Company, Gilpin County, Colorado -- Progress for September 1953

Enclosed are the original and two copies of a memorandum from C. M. Harrer covering the above progress for your record.

Your particular attention iscalled to the fact that Harrer states the supervisor of the German operations understands the work is being done for Intercounty Corporation.

W. M. TRAVER,

W. M. Traver

enclosure

WMT/kp

cc - 2
E501
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 2, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: C. M. Harrer

Subject: DMEA 2878, Contract Idm-E501 (Uranium), The American Mining Company, Gilpin County, Colorado -- Progress for September 1953

Leonard Abbot of Idaho Springs (phone 216-M) was contacted at the German mine shaft on October 1, 1953. He is in charge of work at the German mine and the neighboring Alps property being unwatered by the Atomic Uranium Corporation of Ardsley, New York. He stated that work on the German property was being conducted by "The Intercounty Corporation" with offices at 403 Interstate Trust Building, in Denver; phone Alpine 1891.

Work under stage I of the contract was started on September 14, 1953, with two miners and Leonard Abbot, supervisor, and has continued to date. A crew of three miners and supervisor are now employed in rehabilitating the German shaft and headworks.

C. M. Harrer

C. M. Harrer
Mining Engineer

CMH/kp

cc /2
E501
Chron

140

FILE COPY
SURNAME:

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

OCT - 8 1953

AEKane
Butzin
Ellis
Chapman
Selfridge

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2878
American Mining Company
Gilpin County, Colorado
Contract No. Idm-E501
(Uranium-Lead)

Dear Mr. King:

Enclosed herewith is an Assignment of the subject contract by the American Mining Company to Intercounty Corporation. The Assignment is effective as of September 1, 1953, the date when the property, the subject of the Exploration Project Contract, was transferred to the Intercounty Corporation. The Assignment should be signed by Mr. Groves, as President of the American Mining Company, and the Assignee's Acceptance by the President of the Intercounty Corporation.

When the documents have been duly executed, please make the usual distribution.

Sincerely yours,

George C. Selfridge (JB)
Chairman, Operating Committee

Enclosures

AEKane/ema/9/29/53
cc: Mails & Files
Adm. R. File
Op. Comm.
Mr. Thayer
Mr. Hedges
E. W. Ellis
A. E. Kane
J. L. Hofflund
Chron.
Pending.

Approved:

J. H. Hedges (JB)
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey (JB)

R.C.H. 10-8-53

FILE COPY
SURNAME: EB

Ellis

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

N.S. in R.R.

Memorandum

To: General Counsel

From: Ernest Wm. Ellis, Chief
Rare & Misc. Metals Division

Subject: Request to transfer of Contract No. Idm-8501, American Mining Company, to the Intercounty Corporation.

We are transmitting herewith the complete file and recently received papers appertaining to the proposed transfer of the contract with the American Mining Company to the Intercounty Corporation for your review and recommendation regarding any legal action that should be taken.

We are also attaching a copy of a chronological memorandum for your information.

In reviewing this case, it appears that there are two outstanding points for consideration:

1. It does appear, from all the meager information here in Washington, that the American Mining Company did start work on September 14, 1953.

2. It would appear that the lease dated October 21, 1952, between the Uranium Company of America and the American Mining Company, which lease was transferred by agreement on September 1, 1953, to the Intercounty Corporation, that clause (2) had not been fulfilled in that said clause requires "at least twenty (20) shifts of mining labor per month each and every month during the life of this lease, starting sixty days from date hereof, ten months out of the year." To our knowledge, no such work has been accomplished.

An interesting point to notice in the mining lease dated September 1, 1953, between the American Mining Company and the Intercounty Corporation is the fact that the Intercounty Corporation has issued 88% of its capital stock to the Atomic Uranium Corporation and, furthermore, sells 12% of the capital stock of the Intercounty Corporation to the American Mining Company.

Notwithstanding the extreme difficulty of keeping up with the gyrations of the various companies involved in this contract, and also notwithstanding the fact that there have been numerous occasions, even up to the present time, when the contract has apparently been breached and therefore could have been terminated, assuming that the work actually has started, possibly the best way out would be to write an assignment to the contract permitting the transfer of said contract from the American Mining Company to the Intercounty Corporation. Furthermore, it will be necessary to extend the starting and completion dates by an amendment.

Ernest Wm. Ellis

Ernest Wm. Ellis

EWEllis/gla/db
9-25-53
cc to: Docket
Mr. Ellis

700
FILE COPY
SURNAME:

Ellis

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

September 24, 1953

Memorandum

To: File

From: Ernest Wm. Ellis, Chief
Rare & Misc. Metals Division

Subject: Review of important dates in the case history of American Mining Company (German Mine)
Docket No. DMEA-2878
Contract No. Idm-E501

| | |
|---|---|
| June 4, 1951 | Application received from Uranium Company of America, Docket No. DMA-1448X, estimated cost $25,000, commodities: Lead, zinc and uranium. Applicant stated that the German property was included as security on a $150,000 mortgage to Gold Uranium Corporation. |
| Aug. 6, 1951 | Application referred to Region IV. |
| Oct. 24, 1951 | Memorandum from Region IV stating contract for $25,000 was being processed. |
| March 3, 1952 | Original and five copies of contract, signed by Executive Officer, Region IV, and Richard Downing, Secretary & Treasurer, Uranium Company of America, received for assignment of contract number. |
| March 12, 1952 | Contract Idm-E270, dated February 25, 1952, distributed. Total amount of contract: $25,000.00, Government participation 90%. |
| June 18, 1952 | Amendment No. 1, extended starting time from 90 days to 150 days (contract completinn being 10 months from date of contract). |
| July 25, 1952 | Letter from Applicant, signed by Mabel N. Scott, Assistant Secretary, stated they would like to have an additional 30-day extension. |
| Aug. 1, 1952 | Letter by Executive Officer, Region IV, to Dr. G. C. Ridland, Uranium Company of America, Inc., granting another 30-day extension. |

Oct. 27, 1952 Received memorandum from Executive Officer, Region IV, dated October 24, 1952, enclosing copy of letter, dated October 21, 1952, signed by George S. Groves, President, American Mining Company, stating: "We have this day taken a fifteen-year lease on the German Mine." Letter further requests change of name of the Operator to the American Mining Company and requests extension of time of beginning work to November 25, 1952. The Executive Officer's letter stated that they were requesting a copy of the lease from Mr. Groves and furthermore requested information from the Washington DMEA office with respect to the validity of the Mortgagee Subordination Agreement in a case of an assignment like this.

Nov. 24, 1952 Memorandum from Chief Counsel to Rare and Miscellaneous Metals Division states, in part:

"The Government neednot recognize the assignment of the contract to which it did not consent in writing as provided in the contract. As the Operator has leased the land and divested itself of the right to possession, the Government may consider the contract breached, and rescind it; or, the Government may require the original Operator to perform under the contract.

"If it is administratively determined to permit an assignment of the contract, a new assignment, prepared by the Government, must be executed by the parties and approved in writing by the Government; a new Mortgagee's subordination agreement must be obtained; an Owner's Consent to Lien must be obtained; and a copy of the lease must be furnished to the Government. However, if it is administratively determined to permit the American Mining Company to perform the work, none of which has been done, it would be preferable to execute a new long form contract in addition to obtaining the papers mentioned in the previous sentence.

"If the Government wishes to terminate the contract under the provisions of the contract, it may do so under the provisions of Article 17

for the additional reason that the Operator has failed to carry out operations pursuant to the contract i.e., an additional extension of time is required in order to proceed under it without the Operator being in default."

Dec. 4, 1952 — Letter to Executive Officer, Region IV, stating that present contract should be cancelled by mutual agreement and, furthermore, requesting a new contract, in the name of the American Mining Company, be drawn by Region IV and an Owner's Consent to Lien be obtained.

Jan. 16, 1953 — Letter dated January 13, 1953, from Executive Officer, Region IV, enclosing six copies of exploration contract in the name of American Mining Company and enclosing copy of lease dated October 21, 1952, between the Uranium Company of America and the American Mining Company. The letter also states that since work was not started within 60 days of the date of the lease, the lease is now in default.

Jan. 19, 1953 — Received three copies of "Rescission of Exploration Project Contract By Agreement Before Work is Begun", effective December 8, 1952, signed by Richard Downing for the Operator.

Feb. 6, 1953 — Received memorandum from Legal Division regarding proposed contract submitted by Region IV for American Mining Company, in the amount of $19,000.00.

Feb. 10, 1953 — All material from Docket No. DMA-1448X transferred to new docket No. DMEA-2878, AmericanMining Company.

Feb. 20, 1953 — Letter to Executive Officer, Region IV, instructing him to prepare contract under delegated authority.

March 9, 1953 — Received letter, dated March 3, 1953, from Executive Officer, Region IV, enclosing six copies of proposed contract, stating that since the original application was for lead and uranium the Government participation should be on a 70% basis, not on a 90% basis as in the original contract. This letter from the region requested legal approval and finalization of the contract

in Washington (as Applicant was too difficult to handle in the field).

| | |
|---|---|
| Mar. 16, 1953 | Memorandum from Legal Division transmitting contract to Rare and Miscellaneous Metals Division, stating contract (DMEA-2878) is in satisfactory legal form, subject to the attachment of Owner's Consent to Lien and Mortgagee's Subordination Agreement and maps. |
| Mar. 24, 1953 | New contract (Idm-E501) sent to field. Amount of contract $19,000; Government participation 70%. |
| Mar. 30, 1953 | Letter from George S. Groves to DMEA Administrator objecting to the 70% participation instead of 90% as provided in the original contract (DMA-1448X). |
| April 1, 1953 | Letter from Executive Officer, Region IV, admitting it was an oversight in stating that the Government participation should be 70% instead of 90%. (Actually, it should have been 70% under contract Idm-E270). |
| April 24, 1953 | Memorandum from Executive Officer, Region IV, enclosing six copies of contract Idm-E501 prepared on a 90-10 basis. |
| April 28, 1953 | Six copies of contract Idm-E501 transmitted to Executive Officer, Region IV, as prepared in that office, signed by the Administrator. |
| May 18, 1953 | Received Executive Officer's memorandum dated May 13, 1953, advising that Contract No. Idm-E501 was mailed to the Operator on May 1 for signature but has not been returned. Executive Officer pointed out that the starting date of work shown in the contract is 60 days from date of contract (March 24, 1953) and inquired whether they should extend the starting date. |
| May 25, 1953 | Letter to Region IV, stating that unless the signed contract is delivered and work started by June 30, 1953, the contract will be cancelled by the Washington Office. |
| July 3, 1953 | Received copy of letter from George S. Groves, dated June 26, 1953, to Executive Officer, Region IV, requesting starting date be advanced to July 31, 1953. |

| | |
|---|---|
| July 6, 1953 | Received memorandum, dated July 2, 1953, from Executive Officer, Region IV, stating that Contract No. Idm-E501 was signed by the Operator and returned to their office on June 30, 1953. |
| Aug. 11, 1953 | Letter to George S. Groves by Administrator, offering to amend the contract to extend the starting date of the work to September 15, 1953. |
| Sept. 2, 1953 | Received letter from George S. Groves, dated August 31, 1953, accepting conditions of Mr. Mittendorf's letter dated August 11, and indicating it might be necessary to set up a new corporation to operate this property and adjoining property. |
| Sept. 11, 1953 | Received copy of letter dated September 10, 1953, from George S. Groves to Mr. Mittendorf, stating they would start work on the German Mine on September 15, 1953. |
| Sept. 11, 1953 | Received copy of letter, dated September 10, 1953, from Francis H. Knighton, Chairman of Board, Intercounty Corporation, stating that under date of September 1, 1953, the American Mining Company leased the German Mine to the Intercounty Corporation, said company being a subsidiary of the Atomic Uranium Corporation. |
| Sept. 16, 1953 | Received memorandum dated September 11, 1953, from Executive Officer, Region IV, to Mr. Mittendorf, stating that Dr. G. C. Ridland phoned him on September 9 and stated that he was employed by the Atomic Uranium Company, which company is unwatering the Alps Mine which adjoins the German Mine. It is furthermore stated that Groves is not connected with the Atomic Uranium Company. The memorandum further states that Groves was unable to finance the German Mine project under Contract No. Idm-E501 and he had given the Atomic Uranium Company a lease on the German Mine and wanted permission to transfer the contract to the Atomic Company.<br><br>The Executive Officer, Region IV, requested Dr. Ridland for a copy of the lease from the American Mining Company to the Atomic Uranium Company. This brought out the fact that Ridland said that the lease was not made out |

to the Atomic Uranium Company but to a wholly-owned subsidiary of that company (Intercounty Corporation).

Sept. 14, 1953 Teletype to Executive Officer, Region IV, stating that if work does not commence on September 15, we will terminate contract. However, if work does start on or prior to that time and Applicant wishes to transfer holdings to another company, we will consider that plan upon receipt of full details.

Sept. 17, 1953 Received memorandum from Executive Officer, Region IV, dated September 16, 1953, stating that Dr. G. C. Ridland telephoned his office on September 15 and said that rehabilitation of the German shaft had been started on September 14 by Atomic Uranium Company, which company is reported to have a lease from the American Mining Company. Ridland was informed by the Executive Officer that it was doubtful if the work on the property by employees of the Atomic Uranium Company would hold the contract in force. Later Ridland phoned again and said Mrs. Scott, the secretary of the American Mining Company, had agreed that that the American Mining Company would pay for work performed on the German shaft from September 14 until such time as the contract is assigned to the Atomic Uranium Company. (Note: For clarification purposes, it is pointed out that the request is for assignment of Contract No. Idm-E501 from the American Mining Company to the Intercounty Corporation, which is a subsidiary of the Atomic Uranium Company.)

The Executive Officer's memorandum also states that a Bureau of Mines engineer who visited the German mine on September 15 found two men working in the shaft. When the engineer asked the men who their employer was, they stated they did not know what company they were working for.

Sept. 21, 1953 Received memorandum from Executive Officer, Region IV, enclosing copy of lease dated September 1, 1953, between the American Mining Company and the Intercounty Corporation; copy of lease dated October 21, 1952, between the Uranium Company of America and the American Mining Company; and copy of

Amendment to Mining Lease, dated January 3, 1953, between Uranium Company of America and American Mining Company.

Sept. 21, 1953 Received memorandum from Executive Officer, Region IV, dated September 17, enclosing copy of letter, dated September 14, 1953, from Mabel N. Scott, Secretary, American Mining Company, notifying that work had commenced on that date at the German Mine under Contract No. Idm-E501. Also enclosed is copy of letter from G. C. Ridland of the Intercounty Corporation, addressed to the Executive Officer, Region IV, under date of September 14, 1953, stating that Intercounty Corporation has leased (subleased) the German property from the American Mining Company and, further, the American Mining Company has assigned its interest in DMEA Contract No. Idm-E501 to the Intercounty Corporation. It is stated in this letter that the Intercounty Corporation is almost entirely owned by the Atomic Uranium Company and controlled by the same directors and officers. The letter also states that a copy of the lease setting forth the German property over to the Intercounty Corporation, containing an assignment of the DMEA contract, is being prepared and will be forwarded. Ridland requests that, by amendment, the Intercounty Corporation be allowed to take over the American Mining Company contract.

Ernest Wm. Ellis

Ernest Wm. Ellis, Chief
Rare & Misc. Metals Division

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

Department of the Interior
Defense Minerals Administration
RECEIVED
SEP 29 1953

224 New Customhouse
Denver 2, Colorado

September 25, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E501, Docket No. DMEA 2878, American Mining Co.

Today Dr. G. C. Ridland asked us when he could expect the transfer of Contract Idm-E501 from the American Mining Company to the Atomic Uranium Company.

If you consider it advisable to transfer this contract, please advise us of the status of the transfer.

W. H. King
W. H. King

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

September 24, 1953

Memorandum

To: File

From: Ernest Wm. Ellis, Chief
Rare & Misc. Metals Division

Subject: Review of important dates in the case history of American Mining Company (German Mine)
Docket No. DMEA-2878
Contract No. Idm-E501

| | |
|---|---|
| June 4, 1951 | Application received from Uranium Company of America, Docket No. DMA-1448X, estimated cost $25,000, commodities: Lead, zinc and uranium. Applicant stated that the German property was included as security on a $150,000 mortgage to Gold Uranium Corporation. |
| Aug. 6, 1951 | Application referred to Region IV. |
| Oct. 24, 1951 | Memorandum from Region IV stating contract for $25,000 was being processed. |
| March 3, 1952 | Original and five copies of contract, signed by Executive Officer, Region IV, and Richard Downing, Secretary & Treasurer, Uranium Company of America, received for assignment of contract number. |
| March 12, 1952 | Contract Idm-E270, dated February 25, 1952, distributed. Total amount of contract: $25,000.00, Government participation 90%. |
| June 18, 1952 | Amendment No. 1, extended starting time from 90 days to 150 days (contract completion being 10 months from date of contract). |
| July 25, 1952 | Letter from Applicant, signed by Mabel N. Scott, Assistant Secretary, stated they would like to have an additional 30-day extension. |
| Aug. 1, 1952 | Letter by Executive Officer, Region IV, to Dr. G. C. Ridland, Uranium Company of America, Inc., granting another 30-day extension. |

Oct. 27, 1952 Received memorandum from Executive Officer, Region IV, dated October 24, 1952, enclosing copy of letter, dated October 21, 1952, signed by George S. Groves, President, American Mining Company, stating: "We have this day taken a fifteen-year lease on the German Mine." Letter further requests change of name of the Operator to the American Mining Company and requests extension of time of beginning work to November 25, 1952. The Executive Officer's letter stated that they were requesting a copy of the lease from Mr. Groves and furthermore requested information from the Washington DMEA office with respect to the validity of the Mortgagee Subordination Agreement in a case of an assignment like this.

Nov. 24, 1952 Memorandum from Chief Counsel to Rare and Miscellaneous Metals Division states, in part:

"The Government neednot recognize the assignment of the contract to which it did not consent in writing as provided in the contract. As the Operator has leased the land and divested itself of the right to possession, the Government may consider the contract breached, and rescind it; or, the Government may require the original Operator to perform under the contract.

"If it is administratively determined to permit an assignment of the contract, a new assignment, prepared by the Government, must be executed by the parties and approved in writing by the Government; a new Mortgagee's subordination agreement must be obtained; an Owner's Consent to Lien must be obtained; and a copy of the lease must be furnished to the Government. However, if it is administratively determined to permit the American Mining Company to perform the work, none of which has been done, it would be preferable to execute a new long form contract in addition to obtaining the papers mentioned in the previous sentence.

"If the Government wishes to terminate the contract under the provisions of the contract, it may do so under the provisions of Article 17

for the additional reason that the Operator has failed to carry out operations pursuant to the contract i.e., an additional extension of time is required in order to proceed under it without the Operator being in default."

Dec. 4, 1952 — Letter to Executive Officer, Region IV, stating that present contract should be cancelled by mutual agreement and, furthermore, requesting a new contract, in the name of the American Mining Company, be drawn by Region IV and an Owner's Consent to Lien be obtained.

Jan. 16, 1953 — Letter dated January 13, 1953, from Executive Officer, Region IV, enclosing six copies of exploration contract in the name of American Mining Company and enclosing copy of lease dated October 21, 1952, between the Uranium Company of America and the American Mining Company. The letter also states that since work was not started within 60 days of the date of the lease, the lease is now in default.

Jan. 19, 1953 — Received three copies of "Rescission of Exploration Project Contract By Agreement Before Work is Begun", effective December 8, 1952, signed by Richard Downing for the Operator.

Feb. 6, 1953 — Received memorandum from Legal Division regarding proposed contract submitted by Region IV for American Mining Company, in the amount of $19,000.00.

Feb. 10, 1953 — All material from Docket No. DMA-1448X transferred to new docket No. DMEA-2878, AmericanMining Company.

Feb. 20, 1953 — Letter to Executive Officer, Region IV, instructing him to prepare contract under delegated authority.

March 9, 1953 — Received letter, dated March 3, 1953, from Executive Officer, Region IV, enclosing six copies of proposed contract, stating that since the original application was for lead and uranium the Government participation should be on a 70% basis, not on a 90% basis as in the original contract. This letter from the region requested legal approval and finalization of the contract

in Washington (as Applicant was too difficult to handle in the field).

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| Mar. 16, 1953 | Memorandum from Legal Division transmitting contract to Rare and Miscellaneous Metals Division, stating contract (DMEA-2878) is in satisfactory legal form, subject to the attachment of Owner's Consent to Lien and Mortgagee's Subordination Agreement and maps. |
| Mar. 24, 1953 | New contract (Idm-E501) sent to field. Amount of contract $19,000; Government participation 70%. |
| Mar. 30, 1953 | Letter from George S. Groves to DMEA Administrator objecting to the 70% participation instead of 90% as provided in the original contract (DMA-1448X). |
| April 1, 1953 | Letter from Executive Officer, Region IV, admitting it was an oversight in stating that the Government participation should be 70% instead of 90%. (Actually, it should have been 70% under contract Idm-E270). |
| April 24, 1953 | Memorandum from Executive Officer, Region IV, enclosing six copies of contract Idm-E501 prepared on a 90-10 basis. |
| April 28, 1953 | Six copies of contract Idm-E501 transmitted to Executive Officer, Region IV, as prepared in that office, signed by the Administrator. |
| May 18, 1953 | Received Executive Officer's memorandum dated May 13, 1953, advising that Contract No. Idm-E501 was mailed to the Operator on May 1 for signature but has not been returned. Executive Officer pointed out that the starting date of work shown in the contract is 60 days from date of contract (March 24, 1953) and inquired whether they should extend the starting date. |
| May 25, 1953 | Letter to Region IV, stating that unless the signed contract is delivered and work started by June 30, 1953, the contract will be cancelled by the Washington Office. |
| July 3, 1953 | Received copy of letter from George S. Groves, dated June 26, 1953, to Executive Officer, Region IV, requesting starting date be advanced to July 31, 1953. |

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| July 6, 1953 | Received memorandum, dated July 2, 1953, from Executive Officer, Region IV, stating that Contract No. Idm-E501 was signed by the Operator and returned to their office on June 30, 1953. |
| Aug. 11, 1953 | Letter to George S. Groves by Administrator, offering to amend the contract to extend the starting date of the work to September 15, 1953. |
| Sept. 2, 1953 | Received letter from George S. Groves, dated August 31, 1953, accepting conditions of Mr. Mittendorf's letter dated August 11, and indicating it might be necessary to set up a new corporation to operate this property and adjoining property. |
| Sept. 11, 1953 | Received copy of letter dated September 10, 1953, from George S. Groves to Mr. Mittendorf, stating they would start work on the German Mine on September 15, 1953. |
| Sept. 11, 1953 | Received copy of letter, dated September 10, 1953, from Francis H. Knighton, Chairman of Board, Intercounty Corporation, stating that under date of September 1, 1953, the American Mining Company leased the German Mine to the Intercounty Corporation, said company being a subsidiary of the Atomic Uranium Corporation. |
| Sept. 16, 1953 | Received memorandum dated September 11, 1953, from Executive Officer, Region IV, to Mr. Mittendorf, stating that Dr. G. C. Ridland phoned him on September 9 and stated that he was employed by the Atomic Uranium Company, which company is unwatering the Alps Mine which adjoins the German Mine. It is furthermore stated that Groves is not connected with the Atomic Uranium Company. The memorandum further states that Groves was unable to finance the German Mine project under Contract No. Idm-E501 and he had given the Atomic Uranium Company a lease on the German Mine and wanted permission to transfer the contract to the Atomic Company.<br><br>The Executive Officer, Region IV, requested Dr. Ridland for a copy of the lease from the American Mining Company to the Atomic Uranium Company. This brought out the fact that Ridland said that the lease was not made out |

to the Atomic Uranium Company but to a wholly-owned subsidiary of that company (Intercounty Corporation).

Sept. 14, 1953 Teletype to Executive Officer, Region IV, stating that if work does not commence on September 15, we will terminate contract. However, if work does start on or prior to that time and Applicant wishes to transfer holdings to another company, we will consider that plan upon receipt of full details.

Sept. 17, 1953 Received memorandum from Executive Officer, Region IV, dated September 16, 1953, stating that Dr. G. C. Ridland telephoned his office on September 15 and said that rehabilitation of the German shaft had been started on September 14 by Atomic Uranium Company, which company is reported to have a lease from the American Mining Company. Ridland was informed by the Executive Officer that it was doubtful if the work on the property by employees of the Atomic Uranium Company would hold the contract in force. Later Ridland phoned again and said Mrs. Scott, the secretary of the American Mining Company, had agreed that that the American Mining Company would pay for work performed on the German shaft from September 14 until such time as the contract is assigned to the Atomic Uranium Company. (Note: For clarification purposes, it is pointed out that the request is for assignment of Contract No. Idm-E501 from the American Mining Company to the Intercounty Corporation, which is a subsidiary of the Atomic Uranium Company.)

The Executive Officer's memorandum also states that a Bureau of Mines engineer who visited the German mine on September 15 found two men working in the shaft. When the engineer asked the men who their employer was, they stated they did not know what company they were working for.

Sept. 21, 1953 Received memorandum from Executive Officer, Region IV, enclosing copy of lease dated September 1, 1953, between the American Mining Company and the Intercounty Corporation; copy of lease dated October 21, 1952, between the Uranium Company of America and the American Mining Company; and copy of

Amendment to Mining Lease, dated January 3, 1953, between Uranium Company of America and American Mining Company.

Sept. 21, 1953 Received memorandum from Executive Officer, Region IV, dated September 17, enclosing copy of letter, dated September 14, 1953, from Mabel N. Scott, Secretary, American Mining Company, notifying that work had commenced on that date at the German Mine under Contract No. Idm-E501. Also enclosed is copy of letter from G. C. Ridland of the Intercounty Corporation, addressed to the Executive Officer, Region IV, under date of September 14, 1953, stating that Intercounty Corporation has leased (subleased) the German property from the American Mining Company and, further, the American Mining Company has assigned its interest in DMEA Contract No. Idm-E501 to the Intercounty Corporation. It is stated in this letter that the Intercounty Corporation is almost entirely owned by the Atomic Uranium Company and controlled by the same directors and officers. The letter also states that a copy of the lease setting forth the German property over to the Intercounty Corporation, containing an assignment of the DMEA contract, is being prepared and will be forwarded. Ridland requests that, by amendment, the Intercounty Corporation be allowed to take over the American Mining Company contract.

Ernest Wm. Ellis

Ernest Wm. Ellis, Chief
Rare & Misc. Metals Division

9/23/53 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 21 1953

224 New Customhouse
Denver 2, Colorado

September 16, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2878 (Uranium-Lead), Contract Idm-E501, American Mining Company, Gilpin County, Colorado

Enclosed is a copy of a letter dated September 10, 1953, signed by George S. Groves stating that work will be started on the German mine in accordance with DMEA Contract Idm-E501.

This letter was received in the Denver office the morning of September 16. That afternoon, Mrs. Scott, the secretary of the American Mining Company, was in this office and we mentioned that we had received a letter from Mr. Groves. She stated that she had signed the letter. We note that the letter does not state that work was started by the American Mining Company. To date we do not have anything in writing stating whether the work is being done by the American Mining Company or by the Atomic Uranium Company.

We are also enclosing a copy of a lease dated September 1, 1953 between the American Mining Company and the Intercounty Corporation, a copy of a lease dated October 21, 1952 between the Uranium Company of America and the American Mining Company, a copy of an amendment to mining lease dated January 3, 1953 between the Uranium Company of America and the American Mining Company.

We note that Article 2 of the lease between the Uranium Company of America and the American Mining Company states: "To work and mine said premises as aforesaid, steadily and continuously during the period of this lease and in doing said work to perform at least twenty (20) shifts of mining labor per month each and every month during the life of this lease, starting sixty days from date hereof, ten months out of the year."

It appears that the American Mining Company is in default for lack of performance of work.

W. H. King

W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 21 1953

COPY

AMERICAN MINING COMPANY
60 East 42nd Street
New York 17, N. Y.

Denver Office:
405 Interstate Trust
Building, Denver 2,
Colorado

September 10, 1953

Mr. W. H. King
Defense Minerals Exploration Administration
Room 224
Denver, Colo.

Dear Mr. King:

This is to advise you that work will be started on the German in accordance with the D. M. E. A.'s contract #2878 I.D.M.A. 501, dated March 24, 1953, on September 15, 1953.

Very truly yours,

AMERICAN MINING COMPANY

/s/ Geo. S. Groves

George S. Groves

GSG:mc

# MINING LEASE

THIS AGREEMENT, entered into this 1st day of September, 1953, by and between AMERICAN MINING COMPANY, a Delaware corporation having offices at Room 839, 60 East 42nd Street, New York, N. Y., hereinafter called the party of the first part, and INTER-COUNTY CORPORATION, a Colorado corporation having offices at the First National Bank Building, Ardsley, N. Y., hereinafter called the party of the second part;

WITNESSETH, that the said party of the first part is the owner of a certain agreement of lease that was made and entered into on the 21st day of October, 1952 between Uranium Company of America, a Colorado corporation having offices at 405 Interstate Trust Building, Denver, Colorado, and the American Mining Company, the party of the first party hereof. A copy of said lease and an amendment to the same dated the third day of January, 1953, is hereto attached, marked Exhibit "A".

NOW, THEREFORE, for and in consideration of the sum of one dollar ($1) cash in hand paid and other good and valuable considerations in law, the party of the first part does hereby sell, transfer and assign to the party of the second part the said agreement of lease marked Exhibit "A" attached hereto, on the following terms, to-wit:

The party of the second part has issued to Atomic Uranium Corporation, a Delaware corporation, 88% of the capital stock of party of the second part, which corporation is the owner of same, and as a further consideration for the making of this agreement the party of the second part does hereby sell to the party of the first part 12% of the authorized capital stock of Inter County Corporation, the party of the second part hereof, for the sum of six dollars ($6), the receipt of check for this sum being hereby acknowledged.

The party of the second part hereby agrees to start work on said leased premises not later than September 15, 1953, and that the party of the second part will comply with all requirements in Exhibit "A" to be performed by the lessee.

The party of the second part agrees not to adulterate or mix any ores broken or mined without the consent of the party of the first part hereto; it being understood that all ores mined which are too low grade for present shipment shall remain the property of and be subject to the control and disposition of the said party of the first part.

As a further consideration for the making of this agreement it is expressly understood and agreed that the party of the second part will pay to the party of the first part, for any ores shipped or sold from said leased premises in any manner during the life of this lease five per cent (5%) of the net smelter or other ore buyer's returns, in addition to the royalty provided for as set forth in Exhibit "A", and that said party of the second part will instruct the smelter or other ore buyer to deduct 5% royalty from its settlement on each such shipment and to send the check for said 5% direct to American Mining Company, payable to it, at Room 839, 60 East 42nd Street, New York 17, N.Y. All royalty settlements to be made upon the smelter, mill or sampler net assay values, deducting therefrom only the actual cost of transportation charges paid by the corporation for transportation above ground.

The party of the second part agrees to pay all taxes to be paid on the leased property, beginning with the taxes assessed for the year 1953. Any previous taxes to be paid by the party of the first part. The party of the first part will have a period of twelve (12) months from date hereof to pay the same.

The party of the second part agrees that the said leased premises will be delivered to, and the lease Exhibit "A" be reassigned to the party of the first part without demand or further notice on the 21st day of October, 1967, and further agrees that in the event of any violation of any of the covenants or conditions contained herein, the said lease dated October 21, 1952 will revert back immediately without demand or further notice to the party of the first part, but provided the party of the first part will give to the party of the second part fifteen (15) days' written notice by registered mail setting forth the default or defaults complained of, and unless within said 15 days the default or defaults are corrected, the said assignment of the lease dated October 21, 1952 to party of the second part is hereby cancelled and the said lease dated October 21, 1952 as shown in Exhibit "A" will be owned by the party of the first part. It will not be necessary to give notice by the party of the first part to the party of the second part of the date to start work as mentioned herein - September 15, 1953.

The lease dated October 21, 1952 is being hereby assigned to the party of the second part, but the party of the second part agrees that no further assignments of the said lease as set forth in Exhibit "A" will be made by it to other parties.

The party of the first part has made application to the Defense Minerals Exploration Administration for certain government financing, and party of the first part has been notified that work must begin under the Defense Minerals Exploration Administration contract on or before September 15, 1953. Party of the first part does hereby sell, transfer and assign to the party of the second part any rights it may have in and to the said application and contract for government financing, subject

to any necessary approval of the Defense Minerals Exploration Administration.

The party of the first part hereby attaches hereto as Exhibit "B" a letter from Uranium Company of America showing that the right is granted under Exhibit "A" lease to start work on or before sixty days from August 12, 1953.

Time is the essence of this agreement. This agreement will not become binding or effective unless approved by a majority of the directors of the party of the second part, at a legal directors' meeting called to act upon the same, the party of the second part agreeing to mail a certified copy of the resolution approving said agreement not later than September 10, 1953 by registered mail to party of the first part at the above address, or this agreement will be null and void and of no effect.

This agreement is subject to approval hereof by Uranium Company of America in accordance with the consent attached hereto marked Exhibit "C".

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names the day and year first above written.

Party of the first part:

AMERICAN MINING COMPANY

By Geo. S. Groves

George S. Groves, President

Party of the second part:

INTER-COUNTY CORPORATION

By

President

No. 90-A. MINING LEASE (Long Form). —The Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, Denver.

**This Agreement of Lease,** Made and entered into this 21st day of October, A. D. 19.52., by and between URANIUM COMPANY OF AMERICA, a Colorado corporation, 405 Interstate Trust Bldg., Denver, Colorado of, hereinafter called the lessor....., and AMERICAN MINING COMPANY, a Delaware corporation, of Room 839, 60 E. 42nd Street, New York, N.Y. hereinafter called lessee.....;

WITNESSETH, That the said lessor.....for and in consideration of the rents, royalties, covenants and agreements hereinafter expressed to be paid, kept and performed by the said lessee....., ha...s.. leased, let and demised and by these presents do...es lease, let and demise unto said lessee.....the following described mining property and premises, situate in the Nevada Mining District, Gilpin County, State of Colorado, to-wit:

German lode mining claim, U. S. Survey No. 494
German Annex lode mining claim, U. S. Survey No. 19564
German No. 2 lode mining claim, U. S. Survey No. 19564
North German lode mining claim, U. S. Survey No. 18936
Belcher lode mining claim, U. S. Survey No. 7076.

Consent is hereby given to assign this lease to another corporation to be organized by the Lessee, and such assignment will release the above named Lessee from all obligations hereunder upon the acceptance hereof by such new Lessee.

TO HAVE AND TO HOLD the above described premises for the purposes of mining, from the 21st day of October, A. D. 19.52., to the 21st day of October, A. D. 1967, unless sooner forfeited or terminated through the violation of any of the covenants and conditions herein contained, with no power to assign this lease or any part thereof or to sublet the whole or any part of said leased premises without the written consent of the said lessor.....first had and obtained.

The said lessee.....in consideration of the premises ha...s....covenanted, contracted and agreed and by these presents do...es covenant, contract and agree to and with the said lessor....., its successors ~~executors, administrators~~ and assigns:

(1) To enter upon said leased premises and to work the same in mine fashion in manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, with due regard to the development and preservation of said mine or mining premises, as a workable mining property, and to the special covenants herein contained.

(2) To work and mine said premises as aforesaid, steadily and continuously during the period of this lease and in doing said work to perform at least twenty (20) shifts of mining labor per month each and every month during the life of this lease., starting sixty days from date hereof, ten months out of the year.

(3) To repair all old timbering wherever it may become necessary, and to well and sufficiently timber said mine and mining new premises at all points where proper and necessary in accordance with good and safe mining; continuing the timbering in the working shafts now upon said premises with timber of the same dimensions as heretofore used, unless it becomes necessary for safety to use larger timber, in which event timber of sufficient size for safety and permanent mining shall be used.

Exhibit "A"

PHOTO - COPY
BY PICK
FOR EXTRA COPIES, [illegible] 287[illegible]
AUG 3 1 [illegible]53
PICK PHOTOGRAPH & BLUEPRINT CO.
1015 - 17th ST. [illegible] COLO.
CERTIFIED ON REQUEST

(4) To allow the lessor.....or.....its.....agent from time to time to enter upon and descend into all parts of said leased premises, for the purpose of inspection, surveys or taking samples therefrom, and to render to said parties proper assistance in making such inspection, surveys or examination.

(5) To occupy and hold as the property of the lessor.....all cross and parallel lodes, spurs and mineral deposits of every kind which may be uncovered, disclosed or discovered within said leased ground by the said lessee.....or any person or persons under or in privity with.....it....., with privilege to said lessee.....to work and mine the same as part and parcel of said premises.

(6) To keep at all times the drifts, shafts, tunnels and other workings thoroughly drained and clear of loose rock and rubbish, unless prevented by extraordinary mining casualty.

(7) To stow no waste underground except with the consent and under the direction of the lessor.....

(8) To do no underhand stoping below the bottom of any main working level or winze and to do no stoping or breaking of ore rock within.....five (5).....feet of any working shaft.

~~(9) Not to adulterate or mix any ores broken or mined without the consent of the lessor, it being understood that all ores mined which are too low grade for present shipment shall remain the property of and be subject to the control and disposition of the lessor.....~~

(10) To make all new working shafts at least four (4) feet by eight (8) feet in the clear; all drifts and tunnels at least three and one-half (3½) feet by six and one-half (6½) feet in the clear, and all winzes and raises at least three and one-half (3½) feet by seven (7) feet in the clear.

(11) It is expressly understood and agreed that the lessor.....reserves.....the property and right of property in and to all ores extracted from said premises during the period of this lease, and the said lessee.....covenants.....and agrees.....to pay and allow the lessor.....as royalty upon all ores mined, shipped or sold from said leased premises in any manner during the life of this lease, as follows, to-wit:

Ten per cent (10%) of the net smelter or ore buyer proceeds, after deducting all transportation and smelting, assaying or treatment charges.

Said royalty to be paid to Mrs. Mabel N. Scott, as trustee, with authority for her to apply this royalty towards any real estate taxes or insurance due by the Lessor on all real estate owned in Colorado including those taxes previously paid by others; and when such taxes and insurance are paid, then in that event the Lessee will pay said royalty to the Lessor

All settlements to be made upon the smelter, mill or sampler net assay values, deducting therefrom only the actual cost of transportation and treament.....and assaying.....

In event the U. S. Government will make any loans of any nature or advance any monies from time to time to the Lessee, the Lessor agrees to execute any subordination agreements required by the government for any future loans, and does hereby transfer and assign any pending development loans.

In the event the Lessee violates any terms or conditions herein, before termination by the Lessor, the Lessor agrees to give Lessee thirty (30) days' written notice by registered mail setting forth the violation and giving the Lessee an opportunity to cure or correct such violations.

Exhibit "A"

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(12) The lessee.....shall and hereby do.es.assume all responsibility in case of accident to....all..... or any of.....its.....employees in or about said property.

(13) All taxes assessed against said demised premises for ores mined and shipped under this lease shall be paid by the less or and all taxes of every nature Lessor agrees to pay promptly. Royalty monies are available for that purpose.

(14) All bills and expenses incurred by the lessee.....or those in privity with.....it.....shall be promptly paid by the lessee....., and by said prompt payment said lessee.....shall prevent the filing of any and all liens of miners, mechanics or material men, against said demised premises; and, if by reason of the failure of said lessee.....to pay such bills or expenses, any lien or liens shall be filed against said premises the said lessor.....may forthwith pay off and discharge the same, and the said lessee.....hold.s itself..... bound to pay to said lessor.....all sums so advanced or paid to clear said premises from liens which may be filed as aforesaid, ~~and the said lessor may also at its election declare a forfeiture of this lease~~

(15) Said lessee.....further covenant..s.that no person not in privity with the parties hereto shall be allowed to hold possession of said premises or any part thereof under any pretext whatever.

(16) Further, that.....it.....will deliver to said lessor.....quiet and peaceable possession of said demised premises in good order and condition with all drifts, tunnels and other passages thoroughly drained and cleared of loose rock and rubbish and said premises ready for immediate continued working, without demand or further notice, on the.....21st.....day of.....October....., A. D. 19.67., at noon, or at any time previous thereto, upon demand for forfeiture, and it is mutually understood that all machinery and tools which may be placed upon said premises by the said lessee.....may be removed therefrom within ten days after the termination of this lease; provided, however, that no such tools or machinery shall be so removed while the said lessee.....may be in any manner indebted to the said lessor..... under any obligation incurred under this lease.

(17) Upon the violation of any covenant or condition herein contained, this lease shall, at the option of said lessor....., expire and terminate, and the said premises with the appurtenances and all buildings and other improvements shall become forfeited to the lessor....., and the said lessor..... or.....its..... agent may thereupon, after demand in writing for possession, enter upon said premises and dispossess all persons occupying the same, with or without force, and with or without process of law, or at the option of the lessor.....the said lessee.....and all persons found occupying said premises or any part thereof may be proceeded against as guilty of unlawful detainer.

Time is of the essence of this agreement, and each and every clause of this indenture and all the covenants and conditions contained herein, expressed or implied, shall extend to the successors, heirs, executors, administrators and lawful assigns of all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names the day and year first above written.

URANIUM COMPANY OF AMERICA .....[SEAL]
By Richard W. Avery .....[SEAL]
Secretary
.....[SEAL]

American Mining Company
By Geo. S. Grover .....[SEAL]
.....[SEAL]
President
.....[SEAL]

Exhibit "A"

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Exhibit "A"

36

# MINING LEASE

FROM

URANIUM COMPANY of AMERICA

TO

AMERICAN MINING COMPANY

STATE OF Colorado
County of Gilpin } ss.

I hereby certify that this instrument was filed for record in my office, at 2:00 o'clock P M., on the 24 day of October, A. D. 1952, and is duly recorded in book 225, page 333

Marie Garwood
Recorder.

By
Deputy.

Fees, $2:00 Pd

7-47

Exhibit "A"

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AUG 3 1 1953
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# AMENDMENT TO MINING LEASE

THIS AGREEMENT made and entered into at Denver, Colorado this third day of January, A. D., 1953, by and between Uranium Company of America, a Colorado corporation, hereinafter called Lessor and American Mining Company, a Delaware corporation, hereinafter called Lessee, being the same parties who heretofore and on October 21, 1952 entered into a certain Mining Lease on German Lode Mining Claim U. S. Survey No. 494 and other Lode Mining Claims therein described, which said Mining Lease was thereafter recorded in the Office of the County Clerk and Recorder of Gilpin County, Colorado on October 24, 1952, and appears of record in Book 225, Page 333 of said records.

WHEREAS, it has developed through error, mistake and inadvertence the Ina Lode Mining Claim U. S. Survey No. 775, which was supposed to have been included in said description of property leased by the lessor to the lessee, was inadvertently ommited from said description.

NOW, THEREFORE, it is agreed by and between the parties hereto that the said Ina Lode Mining Claim U. S. Survey No. 775 should be included in said Mining Lease and by this Agreement said Ina Lode Mining Claim is included in said Mining Lease, subject to all of the terms and conditions affecting said Lode Mining Claims together with this claim now added.

IT IS FURTHER MUTUALLY UNDERSTOOD AND AGREED that except as herein changed by the addition of the Ina Lode Mining Claim U. S. Survey No. 775 that the said Agreement of Lease hereinabove referred to shall continue in full force and effect as to all properties

Exhibit "A"

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CERTIFIED ON REQUEST

as originally written.

IN WITNESS WHEREOF the parties have hereunto subscribed their names the day and year first above written.

URANIUM COMPANY OF AMERICA

(SEAL)
Secretary

AMERICAN MINING COMPANY

(SEAL)
President

Recorded in Gilpin County, Colorado at 11:30 A.M.
January 14, 1953 in Book 225 at page 368
Entry No. 36612

Exhibit "A"

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AUG 3 1 1953
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1015 - 17th ST. DENVER, COLO.
CERTIFIED ON REQUEST

URANIUM COMPANY OF AMERICA
405 INTERSTATE TRUST BUILDING
DENVER 2, COLORADO

KEystone 0583

WASHINGTON, D. C. OFFICE
209 MILLS BUILDING
TELEPHONE NATIONAL 5588

Denver, Colorado
August 7, 1953

American Mining Company
405 Interstate Trust Building
Denver 2, Colorado

Gentlemen:

German Mine

With reference to your lease from Uranium Company of America dated October 31, 1952 on the German group of mines, we hereby grant you an additional period of sixty days from August 12, 1953 in which to commence work.

Yours very truly,

URANIUM COMPANY OF AMERICA

By Richard Downing

Richard Downing
Secretary

Exhibit "B"

PHOTO - COPY
BY PICK
FOR EXTRA COPIES, CALL TA. 2876
AUG 3 1 1953
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EXHIBIT "C"

Denver, Colorado

10th day of September, 1953.

The foregoing assignment of lease, referred to as Exhibit "A", is hereby approved; in the event that American Mining Company shall again become the owner of said lease, as hereinabove provided, the condition of said lease as to right to assign same shall remain in full force and effect as to American Mining Company.

URANIUM COMPANY OF AMERICA

By Richard W. Deming

Secretary

ATTEST:

Robert P. Neal

Assistant Secretary

PHOTO - COPY
BY PICK
FOR EXTRA COPIES, CALL KE. 287.
SEP 16 1953
PICK PHOTOGRAPH & BLUEPRINT CO.
1015 - 17th ST. DENVER, COLO.
CERTIFIED ON REQUEST

WOOD
ATTORNEYS AT LAW

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 16 1953

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

September 16, 1953

Airmail-Special Delivery

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2878 (Uranium-Lead), Contract Idm-E501, American Mining Company, Gilpin County, Colorado

Dr. G. C. Ridland telephoned this office on September 15, 1953, and stated that rehabilitation of the German shaft had been started on September 14, 1953, by the Atomic Uranium Company. This company is reported to have a lease on the German mine from the American Mining Company.

Contract Idm-E501 between the Government and the American Mining Company provides that work should be started not later than September 15, 1953. Dr. Ridland said that he would submit a request for the assignment of Contract Idm-E501 from the American Mining Company to the Atomic Uranium Company. This request has not yet been received. Dr. Ridland was informed that it was doubtful if work on the property by employees of the Atomic Uranium Company would hold the contract in force.

Later in the day Dr. Ridland again telephoned this office and stated that he had discussed the matter with Mrs. Scott, the secretary of the American Mining Company, and she agreed that the American Mining Company would pay for the work performed on the German shaft from September 14 until such time as Contract Idm-E501 was assigned to the Atomic Uranium Company.

We have not received any official notification from the American Mining Company that work has been started under the terms of the contract. A Bureau of Mines engineer visited the German mine on September 15, 1953, and reported that two men were working in the shaft approximately 100 feet below the collar and that timber was being lowered into the shaft. The engineer asked the men who their employer was but they stated they did not know what company they were working for.

We will forward the requests for assignment of the contract and copies of the lease when they have been received in this office.

W. H. King

W. H. King

FILE COPY
SURNAME:

Ellis
Chamberlin
Rubin
Atkins

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

DMEA

5295 1640

1L13923.970 Working Fund, Interior DMEA
September 14, 1953

MR. [illegible] ELLIS, EXECUTIVE OFFICER, DMEA FIELD TEAM, REGION IV,
221 NEW CUSTOMHOUSE BUILDING, DENVER 2, COLORADO

REFERENCE SEPTEMBER 11, 1953, CONTRACT [illegible]-2501, IN ACCORDANCE WITH OUR LETTER AUGUST 11 TO AMERICAN [illegible] COMPANY AND OUR LETTER TO YOU DATED SEPTEMBER 1, AMERICAN [illegible] COMPANY IS HEREBY TO COMMENCE WORK ON THE PROJECT SEPTEMBER 15. IF FOR ANY REASON YOU CANNOT COMPLETE WITHIN AND NOTIFY THE CONTRACT. IF YOU DO NOT START PRIOR TO SEPTEMBER 15 AND APPLICANT SHOULD AFTER WORK IN THE MEANTIME BOLDINGS TO ANOTHER COMPANY OR WHICH THEY MAY HAVE THE RIGHT OF FULL ESTATE.

C. O. Mittendorf (fw)

C. O. MITTENDORF, ADMINISTRATOR

EWEllis/db
9-14-53
cc to: Adm. Reading File
Docket
Messrs: H.D.Keiser, Rm. 3641
A.P.Butler, Jr., Rm. 3206, GSA
Ellis
DMEA Field Team, Region IV (2)
Confirmation

SENT
SEP 14 1953
Clerical Service Section

9-15-53

1-1027
(April 1946)

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

AGENCY DMEA REG IV

TELETYPE

Originator:
Ext.: Room:

Appro.:
Date: 9/11/53
Time:
No.: 2878
To: C O MITTENDORF DMEA WASH

Subject:

REFERRING TO A LETTER DATED SEPTEMBER 10, 1953 FROM THE INTERCOUNTY CORPORATION, A COPY OF WHICH WAS SENT DIRECT TO YOU, THIS LETTER WAS RECEIVED AFTER WE WROTE YOU A MEMORANDUM REGARDING THE TRANSFER OF CONTRACT IDM-E501, AMERICAN MINING COMPANY (GEORGE GROVES) TO THE INTERCOUNTY CORPORATION. PLEASE advise IF WORK ON THE PROPERTY BY THE INTERCOUNTY CORPORATION WOULD BE SATISFACTORY IN LIEU OF WORK BY THE AMERICAN MINING COMPANY UNDER CONTRACT IDM-E501. KINDLY ADVISE US HOW TO PROCEED IN THIS SITUATION.

JWE W. H. King
W. H. KING

Authorized:

CONFIRMATION

Sign original message and transmit to Room ..... in duplicate

U. S. GOVERNMENT PRINTING OFFICE 16—50915-1

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY IMRA

Originator: 5295 Ext.: Room: 4640

TELETYPE

Appro.: 14X3923.970 Working Fund, Interior IMRA
Date: September 14, 1953
Time:
No.:
To: MR. W. H. KING, EXECUTIVE OFFICER, IMRA FIELD TEAM, REGION IV, 224 NEW CUSTOMHOUSE BUILDING, DENVER 2, COLORADO

Subject: REURTT SEPTEMBER 11, 1953, CONTRACT IDM-E5C4, IN ACCORDANCE WITH OUR LETTER AUGUST 11 TO AMERICAN MINING COMPANY AND OUR LETTER TO YOU DATED SEPTEMBER 4 AMERICAN MINING COMPANY IS REQUIRED TO COMMENCE WORK ON OR BEFORE MIDNIGHT SEPTEMBER 15. IF WORK DOES NOT COMMENCE NOTIFY US AND WE WILL TERMINATE CONTRACT. IF WORK DOES START PRIOR TO SPECIFIED TIME AND APPLICANT THEREAFTER WISHES TO TRANSFER HOLDINGS TO ANOTHER COMPANY WE WILL CONSIDER THAT PLAN UPON RECEIPT OF FULL DETAILS.

C. O. Mittendorf

Authorized: C. O. MITTENDORF, ADMINISTRATOR

Sign original message and transmit to Room ..... in duplicate

9-14-53

U. S. GOVERNMENT PRINTING OFFICE 16—50915-1

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 14 1953

Mr. C. O. Mittendorf
Sept. 14, 1953
7:45 A.M.
MDS

DMEA 2878

DN 235 BUREAU MINES 9-11-53 4-17 PM

C O MITTENDORF

REFERRING TO A LETTER DATED SEPTEMBER 10,1953 FROM THE INEXXX INTERCOUNTY CORPORATION, A COPY OF WHICH WAS SENT DIRECT TO YOU, THIS LETTE R WAS RECEIVED AFTER WE WROTE YOU A MEMORANDUM REGARDING THE TRANSFER OF CONTRA CT IDM -E501, AMERICAN MINING COMPANY /GEORGE GROVES/ TO THE INTERCOUNTY CORPORATION. PLEASE ADVISE IF WORK ON THE PROPERTY BY THE INTERCOUNTY CORPORATION WOULD BE SATISFACTORY IN LIEU OF WORK BY THE AMSRICAN MINING COMPANY UNDER CONTRACT IDM-E501. KINDLY ADVISE US HOW TO PROCEED IN THIS SITUATION.

W H KING

Denver, Colo.

SEP 14 8 17 AM '53
BUREAU OF P...
MAIL ROOM
WASHINGTON.

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

224 New Customhouse
Denver 2, Colorado

September 11, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2878 (Uranium-Lead), Contract Idm-E501, American Mining Company, Gilpin County, Colorado

On September 9, 1953, Dr. G. C. Ridland phoned this office and stated that he was employed by the Atomic Uranium Company. The Atomic Uranium Company is unwatering the Alps mine which adjoins the German mine. Dr. Ridland said that George Groves was not connected with the Atomic Uranium Company. He also stated that Mr. Groves' financing had not been successful and he would not be able to start work on the German mine under Contract No. Idm-E501, so Mr. Groves had given the Atomic Uranium Company a lease on the German mine. He wanted permission to transfer Contract No. Idm-E501 to the Atomic Uranium Company.

It was suggested that Dr. Ridland send us a copy of the lease from George Groves to the Atomic Uranium Company and six copies of a letter requesting transfer of Contract No. Idm-E501 and that this letter should be approved by the American Mining Company. We would then send this information to the Washington office for their consideration.

Ridland then said that the lease was not made out to the Atomic Uranium Company but to a wholly owned subsidiary of that company. It is our understanding that George Groves has an interest in this wholly owned subsidiary.

To date we have not received any of the information requested. It is doubtful if the transfer can be completed before the starting date of the contract.

We will keep you informed of any new developments on this situation.

W. H. King

W. H. King

P.O. Box No. 544
Ardsley, N.Y.

9/14/53 gla

September 10th, 1953.

Mr. W. K. King,
Executive Offices DMEA
Field Team-Region IV
224 Customhouse,
Denver 2, Colorado.

DMEA-2878
CONTRACT No. IDM-E501

Dear Mr. King:

Under dated of September 1st, 1953 a Mining lease has been entered into between American Mining Company, a Delaware Corporation and Intercounty Corporation, a Colorado Corporation, a subsidiary of Atomic Uranium Corporation, having offices at First National Bank Bldg. Ardsley, New York. This lease covers an assignment of agreement of lease entered into on the 21st day of October, 1952 between Uranium Company of America, a Colorado Corporation and American Mining Company a Delaware Corporation pertaining to the German-Belcher lode mining claims in Gilpin County, Colorado.

Under the terms of the lease American Mining Company assigns to Intercounty Corporation any right it may have in and to said application and contract for Government financing subject to any necessary approval of the Defense Minerals Exploration Administration. American Mining Company informs us that they have been notified that work must begin under Defense Minerals Exploration Administration contract on or before Sept. 15, 1953. Intercounty Corporation is prepared to start work Sept. 15th, 1953, and we have notified out engineer, geologist and director Dr. G. C. Ridland to start work immediately after approval of this assignment to us by you. The writer would appreciate a reply from you immediately as to just what is necessary to get under way.

Yours truly,
INTERCOUNTY CORPORATION
Francis H. Knighton
By: Francis H. Knighton, Chr. of Bd.

cc: C. [illegible] Mittendorf, Washington, D.C.
G. C. Ridland, Denver, Colorado.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 11 1953

# AMERICAN MINING COMPANY

60 EAST 42ND STREET
NEW YORK 17, N. Y.

DENVER OFFICE:
405 INTERSTATE TRUST BUILDING
DENVER 2, COLORADO
TELEPHONE: KEYSTONE 0583

September 10, 1953.

Mr. C. O. Mittendorf,
Defense Minerals Administration
Bureau of Mines
17th & 18th Streets S. W.
Washington, D. C.

Dear Mr. Mittendorf:

This is to advise you that work will be started on the German in accordance with the D. M. E. A.'s contract #2878 I.D.M.A.501, dated March 24, 1953, on September 15, 1953.

Very truly yours,

AMERICAN MINING COMPANY

George S. Groves

GSG:mc

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 4 - 1953

224 New Customhouse
Denver 2, Colorado

September 1, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2878 (Uranium-Lead), Contract IDM-E501, American Mining Company, Gilpin County, Colorado

Enclosed is a copy of a letter dated August 31, 1953 from George S. Groves, President, American Mining Company.

We have forwarded Mr. Groves his copy of the contract.

W. H. King
W. H. King

Enclosure

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP 4 - 1953

COPY

AMERICAN MINING COMPANY
60 East 42nd Street
New York 17, N.Y.

Denver Office:
405 Interstate Trust Bldg.
Denver 2, Colorado

Denver, Colorado
August 31, 1953

Mr. W.H. King
Executive Officer
D.M.E.A. Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Dear Mr. King:

Re: Docket No. DMEA 2878
Contract Idm E501

I have received a letter from the Defense Minerals Exploration office in Washington, and I enclose herewith a copy of my reply. They have given us until September 15th to start to work, and we have agreed to begin not later than that date.

Will you please forward to us a signed copy of our contract, of which all copies, signed by us, were delivered to you on June 30th, so that we will have a complete copy executed by you in this office?

Thanking you for your kind attention, we are,

Very truly yours,

AMERICAN MINING COMPANY

By /s/ Geo. S. Groves

George S. Groves
President

GSG/S

Encl.

MF-201

# MORTGAGEE'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the owner is the holder of a mortgage, claim, lien, or encumbrance dated June 30, 1950, recorded in Book 225, page 124, of the records of the county of Gilpin, State of Colorado, and in Book 235, page 584 of the records of the County of Clear Creek, Colorado, upon that certain parcel of ground described in a certain Exploration Project Contract dated _____, 195__, between AMERICAN MINING COMPANY _____, the owner of said property and the United States of America;

NOW, THEREFORE, the undersigned does by these presents subordinate all of his right, title, and interest in said mortgage, claim, lien, or encumbrance to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights under the provisions of said mortgage, claim, lien, or encumbrance; and

The undersigned agrees to commit no act nor assert any right, title, or interest under said mortgage, claim, lien, or encumbrance that might contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 20th day of March, 1953

GOLD URANIUM MINING COMPANY
By Geo S Groves
George S. Groves, President

U. S. GOVERNMENT PRINTING OFFICE 940767

MF-203

# OWNER'S CONSENT TO LIEN

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

German Mine consisting of the following lode mining claims: German No. 494, North German No. 18936, German Annex No. 19564, German No. 2, No. 19564, Belcher No. 7076, Ina No. 775, all located in Sec. 14 and 15, T. 3 S., R. 73 W., 6 P.M., Gilpin County, Colorado

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

2/ American Mining Company, a Delaware Corporation,

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 22,500.00, or ten years have elapsed from the date of the contract.

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

Dated this 11th day of December, 1952.

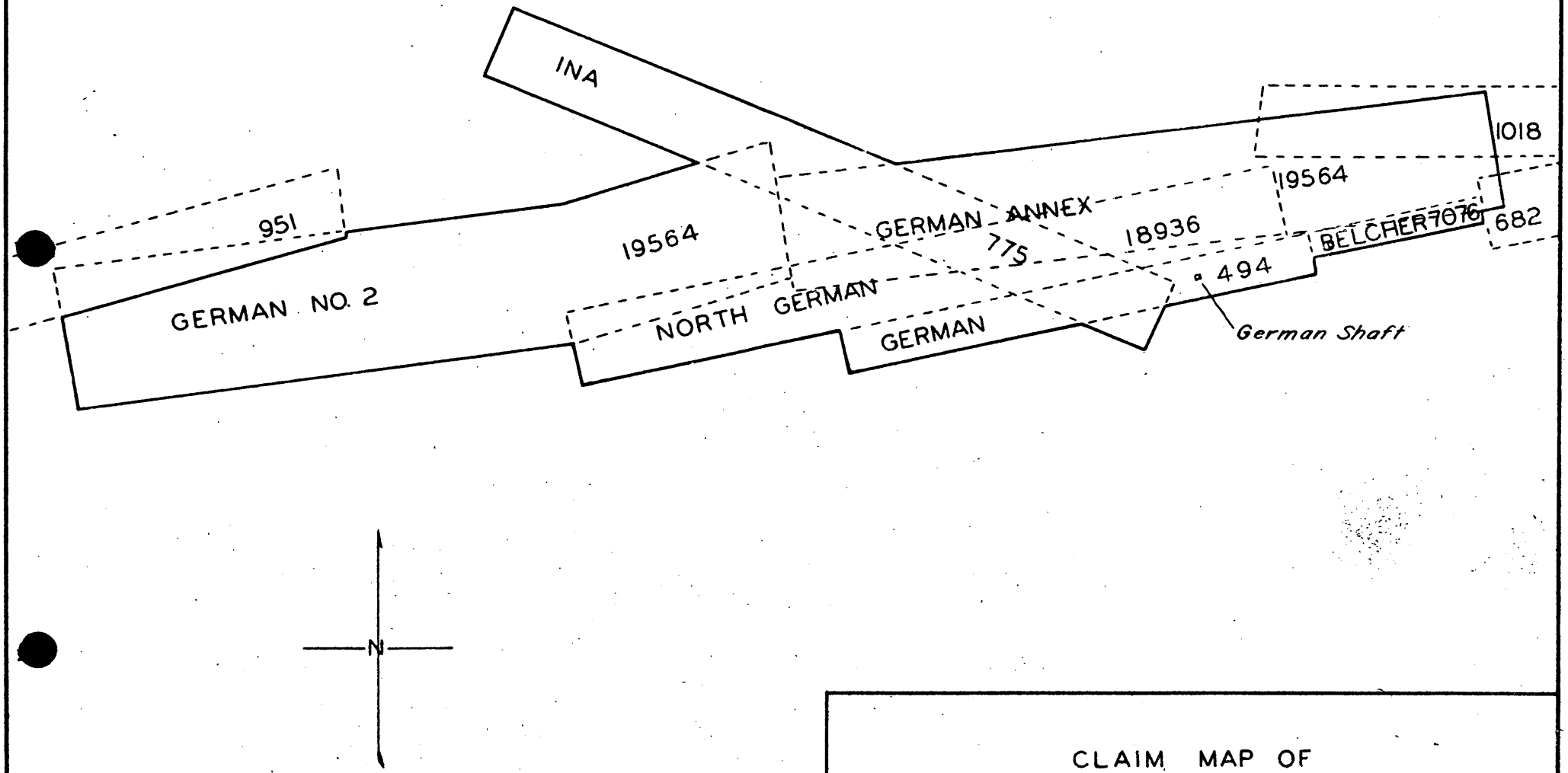
URANIUM COMPANY OF AMERICA [Seal]
By [signature] [Seal]
Secretary
GOLD URANIUM MINING COMPANY [Seal]
By [signature]
President

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

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

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

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




CLAIM MAP OF

# GERMAN-BELCHER PROPERTY

GILPIN COUNTY

SCALE: 1" = 300'

DATE: MAR. 1 1948

To accompany Geol. Report 28R by G.C. Ridland

FILE COPY
SURNAME:

Ching
Ellis
Hedges
Mittendorf

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

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
221 New Customhouse Building
Denver 2, Colorado

SEP 4 1953

Re: Docket No. DMEA-2878 (Uranium-Lead)
Contract No. Idm-3501
American Mining Company
Gilpin County, Colorado

Dear Mr. King:

Reference is made to Mr. C. O. Mittendorf's letter, dated August 11, to Mr. George S. Groves and the latter's reply, dated August 31, 1953, regarding the captioned contract. We understand that you have copies of both letters and that, to date, no action has been taken to amend the contract with respect to the starting date.

Mr. Groves' announced plan to combine the operations of the American Mining Company with those of the Atomic Uranium Corporation and the possibility that a new corporation will be set up to make use of the Government aid covered by the subject contract, may lead to further complications and delays in connection with this contract. In the event work under contract is started on or before September 15 by the American Mining Company, it will be necessary for you to amend the contract by extending the starting date of the work to September 15, 1953, and advancing the completion date.

If, however, the work has not been started by September 15, please advise us and we will take the necessary steps to rescind the contract.

Sincerely yours,

Ernest Wm. Ellis
Chairman, Operating Committee

APPROVED:
J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

MChing/db
9-4-53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs: H.D.Keiser, Rm. 3641
A.P.Butler, Jr., Rm. 3206, GSA
Ellis

R.C.S.
9-4-53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 2 - 1953

AMERICAN MINING COMPANY

60 EAST 42ND STREET

NEW YORK 17, N. Y.

DENVER OFFICE:
405 INTERSTATE TRUST BUILDING
DENVER 2, COLORADO
TELEPHONE: KEYSTONE 0583

Denver, Colorado
August 31, 1953

Mr. C. O. Mittendorf
Defense Minerals Exploration Administration
U. S. Bureau of Mines
17th and 18th Streets, S. W.
Washington 25, D. C.

Dear Mr. Mittendorf:

Re: Docket No. DMEA 2878
Contract Idm E501

Your recent kind letter approving the German mine application for government aid was received during my vacation and absence, and this is the first opportunity I have had to advise you that your letter is most satisfactory and that work will be started on the German mine not later than September 15th, 1953.

It is our plan now, due to the fact that the Atomic Uranium Corporation is dewatering and examining the Alps mine (which lies adjacent to the German mine), to combine our operations for efficiency; and it may be necessary to set up a new corporation to operate the German mine with this government aid. We will keep you advised as to our plans.

Our geologist has advised us that the German and Alps veins dip towards each other and will meet at a shallow depth, and this is another reason we are considering combining the two mining operations. Furthermore, the Alps we now learn reaches a depth of 1,650 feet below the surface, and it may be possible to carry on deep exploration of the German property at a later date through the facilities of the Alps shaft.

Very truly yours,

GSG/S

AMERICAN MINING COMPANY

By Geo S Groves

George S. Groves
President

CC;- Mr. W. H. King
Denver

FILE COPY
SURNAME:

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

AUG 1 1 1953

Mr. George S. Groves, President
American Mining Company
60 East 42d Street
New York 17, New York

Re: Docket DMEA-2878 (Uranium, Lead)
Contract Idm-E501
American Mining Company
Gilpin County, Colorado

Dear Mr. Groves:

I have personally reviewed the docket in the subject case because it has been suggested that your contract be rescinded due to your failure to prosecute operations pursuant to the terms thereof. Since the docket reveals that all signed copies of the contract are being retained by Mr. King, of the Denver office, and because there is no evidence that your letters to both Mr. King and myself, dated June 30, have been formally acknowledged, I have chosen to defer the proposed termination of your contract until a reply is made to your letters and a statement of your work plans is received.

The docket reveals that on May 1, 1953, the Denver office forwarded to you the original and four copies of the subject contract for your signature. Your letter to me dated June 26, which reached me on June 29, requested an extension of time within which to commence work, and also commented on the fact that the approved project cost was reduced to $19,000, from $25,000 as shown in the original contract made with the Uranium Company of America. Upon checking on the matter, we learned that the contracts mailed to you on May 1 had not been signed and returned as of June 29. However, we received information from the Denver office, on June 30, to the effect that you delivered the signed copies of the contract to them on that date.

Other information at hand indicates that the Denver office had advised Mrs. M. N. Scott, your secretary, on several occasions, that work under the contract would have to commence by June 30, 1953 or the contract would be terminated.

The original contract made with the Uranium Company of America was drafted and executed by the Executive Officer of Region IV and prepared on our first contract form, which has since become obsolete. In that contract the total project cost was estimated at $25,000,

but any payments made thereunder by the Government would be on the basis of actual costs incurred, and would first require documentation and only be paid if they were found to be reasonable and necessary and admissible under the terms of the contract.

In the consideration of your request to assign the contract to the American Mining Company, we recognized that the contract with the Uranium Company of America had been legally cancelled and, therefore, this Administration chose to draft a new contract on its new form and provide for the work to be done on a unit cost basis. In so doing, the approved work was restated in definite units of work to be performed and the agreed unit price for this work was set forth without regard to actual cost accounting. The revised contract also eliminated minor items of equipment which were originally intended to be purchased and in which the Government, upon completion of the work, would have a 90 percent equity.

The contract in the name of the American Mining Company, which you have signed and delivered to the Denver office, was prepared in Washington on the basis of unit costs which were recommended by the Field Team and which are considered by this Administration to be adequate to perform the work contemplated.

Due to the period of time elapsed in formally answering the questions raised in your letter of June 26, I now deem it appropriate to offer to amend the contract to extend the starting date of the work to September 15, 1953, with the understanding that the contract will be rescinded if operations do not commence on that date. This suggestion is made, of course, on the assumption that you desire to prosecute the work in accordance with the terms of the contract.

I shall appreciate an immediate reply from you stating your intentions in the matter.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

AEKane/COMittendorf/fw
8/11/53
cc: Mails & Files
Admr Reading File
Mr. Ellis
Field Team, Reg. IV (2)
Mr. Hofflund
Mr. Kane
Mr. Mittendorf

CLASSIFIED

FILE COPY
SURNAME:

140

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

Schmidt
AEKane
Hofflund
Ellis

Mr. George S. Groves
President
American Mining Company
60 East 42d Street
New York 17, New York

Re: Docket No. DMEA-2878 (Uranium)
Contract No. Idm-E501
American Mining Company
Gilpin County, Colorado

Dear Mr. Groves:

The subject contract dated March 24, 1953, provides that work is to commence within 60 days, that is, on or before May 23. You were informed by our Region IV office, in response to your June inquiry, that unless work was started before June 30, cancellation of the contract would be recommended.

Although you have repeatedly stated that you were ready to begin work, the work has not yet been started. Consequently, the granting of any further extension of time is not warranted. In the opinion of the Government, you have failed to prosecute operations pursuant to the terms of the contract, and you are hereby notified that the contract is now terminated and rescinded.

Sincerely yours,

Administrator

AEKane:ep 8-3-53

Copy to: Mails & Files
Adm. R. File
Mr. Ellis
Operating Comm.
Field Team, Region IV (2)
Mr. Hofflund
Mr. Kane
Chron.
Pending

7/28/53 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 27 1953

224 New Customhouse
Denver 2, Colorado

July 23, 1953.

DOCKET COPY

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA-2878, Contract Idm-E501 (Uranium-Lead), American Mining Company.

Reference is made to your teletype dated July 21, 1953, in which you requested copies of letters and memorandums of telephone calls which advised the Operator the latest date to begin work was June 30.

We did not write the Operator to notify him that the contract would be cancelled if he did not resume work before June 30. Mr. Groves' secretary telephoned this office sometime during the middle of June and inquired about the status of this contract. We informed her that we would recommend cancellation unless work was begun before June 30. This was a local call and we do not have any memorandum regarding it. Mr. Groves was evidently made aware of this conversation because in his letter dated June 26, 1953 he states, "Now you inform my office that if work is not begun by June 30, this matter will be cancelled".

The Operator's signed copy of Contract Idm-E501 has been retained in this office. We recommend that this contract be cancelled.

W. H. King

W. H. King

FILE COPY
SURNAME:

Schmidt
F. Knowe

DMEA

5295 4640

1/X3923.970 Working Fund, Interior, DMEA
July 20, 1953

S. W. King, Executive Officer, DMEA Field Team, Region IV,
224 New Customhouse Building, Denver 2, Colorado
Docket No. DMEA-2878, American Mining Company (Granium-Lease)

RE DOCKET DMEA-2878 AMERICAN MINING COMPANY CONTRACT I 4-1501,
TO COMPLETE DATA FOR RECOMMENDED CONTRACT CANCELLATION FOR FURNISH-
ING OF SUPPLIES AND MATERIALS OF TYPES OF GOODS WHICH
ADVISED DEFENSE DEPARTMENT LATEST DATE TO BUTTE FIELD WAS JUNE 30.

C. O. Mittendorf

C. O. MITTENDORF, ADMINISTRATOR

FSSchmidt/gla
cc to: Adm. Reading File
Docket
Mr. Schmidt
Confirmation to Region IV

SENT
JUL 21 1953
Clerical Service Section

R.C.S.
7-21-53

FILE COPY
SURNAME:

Schmidt

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

JUL 21 1953

Mr. William Swift
Division of Corporation Finance
Securities & Exchange Commission
Washington 25, D. C.

Re: Docket No. DMEA-2878 (Uranium-Lead)
Contract No. Idm-8501
American Mining Company
Gilpin County, Colorado

Dear Mr. Swift:

In accordance with your request, we are quoting below a copy of the clipping from the Denver Post of May 24, 1953, which Mr. F. Sumner Schmidt of this office read to you over the telephone in connection with the above docket:

"URANIUM (pitchblende) CLAIMS

"Will lease for 99 years.

"No cash down. Royalty basis. Can start production immediately. Possibility U. S. Government paying 90% exploration expense. One property 34 patented claims U. S. Government reports 8 tons ore shipped amounting to 11,520 pounds uranium U308. Silver and other minerals over $100 per ton average values. Another property U. S. Government reports one piece weighing 240 pounds assayed 58% uranium oxide. Have another property with 6-foot wide vein averaging .27% uranium. These properties among best silver and gold mines known. Do not communicate unless you are financially responsible and can carry on large mining operations.

"Telephone George S. Groves, Murray Hill 2-1815, 60 East 42nd Street, New York City or local Denver Office Keystone 0583, 405 Interstate Trust Building."

We are pleased to be of service to you in this matter and appreciate the assistance we have received from your office in connection with this case.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

FSSchmidt/bd/gla
July 20, 1953
cc to: Adm. Reading File
Docket
DMEA Field Team, Region IV (2) Ellis Schmidt

R.C.B.
7-21-53

7/20/53

Fone Sterling 3-7600 ex 8008

S.E.C.

Fone conversation with William Swift who had taken the place of Henegan as Groves specialist. Division of Corporation Finance at 425 2nd St. N.W. Washington. He was most interested in this a[illegible] for copy as he [illegible] take it up with their Denver office

Schmidt

**URANIUM (pitchblende) CLAIMS**

Will lease for 99 years.

No cash down. Royalty basis. Can start production immediately. Possibility U. S. Government paying 90% exploration expense. One property 34 patented claims U. S. Government reports 8 tons ore shipped amounting to 11,520 pounds uranium U308. Silver and other minerals over $100 per ton average values. Another property U. S. Government reports one piece weighing 240 pounds assayed 88% uranium oxide. Have another property with 6-foot wide vein averaging .27% uranium. These properties among best silver and gold mines known. Do not communicate unless you are financially responsible and can carry on large mining operations.

Telephone George S. Groves, Murray Hill 2-1815, 60 East 42nd Street, New York City or local Denver Office, KEystone 0583, 405 Interstate Trust Building.

See May 25, 1953 memorandum to Mr. C.O. Mittendorf, from W. H. King, Executive Officer, DMEA, Denver, Colorado.

Enclosed for your information are two newspaper clippings from the May 24, 1953 edition of The Denver Post.

(Above memo filed in Div. Contract File DMA-1311X
The Realty Company, Contract Idm-E175

7/20/53

Notes by Schmidt

Notes concerning the Denver Post advertisement

by Groves

Can start production immediately This could only be true if the ore were known to be available for production. This is not the case. and the burden of proof is on the one making the statement.

U..S.Government reports 8 tons ore shipped amounting to 11,520 lbs ura nium 72%

U308 This is expressed as U308 as though it were an isotope instead of U3 08

It is doubtful whether this production was ever made a nd there is no proof today that it ever was made. It has been ha nded down by word of mouth and it is so reported in Government reports. see Leonard USGS ~~1015/51~~ Oct 15,1951 This was the Joe Reynolds Mine. DMA 1446 X

Silver and other minerals over $100 per ton average values. This is not true.

Another property US Government reports one piece weighing 240 lbs assayed 88% uranium oxide ( note this time he does not say U308) If this is true he should be made to prove it.

These properties among best silver and gold mines known. Ridiculous. ~~Willfull~~ Willfull misrepresentation.

MF-

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

# REFERENCE SLIP

DATE 7/8/53

REFERRED TO:

1. ~~Hazel Berry Room 4624~~
2. Mr. Ellis, Rm. 4640
3.
4.

FOR:

| | |
|---|---|
| ..... Action | ..... Recommendation |
| ..... Approval | ..... Record |
| ..... Comment | of ..... |
| ..... Conference | ..... Referring |
| ..... Consideration | to..... |
| ..... Filing | ..... Reply for signa- |
| ..... Instructions | ture of ..... |
| ..... Investigation | ..... Rewriting |
| ..... Initials | ..... Signature |
| ..... Mailing | ..... Suggestions |
| ..... Previous correspondence | ..... Your information |

REMARKS: Mrs. Ault: In case it is decided to cancel the contract, it will be necessary to request return of all copies of contract. They will then be forwarded to Mr. Adams.

Hazel

Check (X) before the items needing attention. ilb

ROBERT E. ADAMS

*Initials of sender.*

GPO 16—63815-1

American Mining Co. Cancellation of Contract E 501 Notes by Schmidt 7/20/53

5/13/53 King letter - on May 1 he sent operator the contract E 501 but operator had not returned them-Contract dated 3/24 calls for work start 60 days, asks for advise about extending starting date.

5/25/53

Letter from us to King- The contract was sent to operator 5/1 could only be about 10 days between time we recd it and the date of Kings letter. 5/13 Since so much time was lost between the date of contract 3/24 and delivery to operator it is suggested that unless signed contract is delivered and work started by 6/30 the contract be cancelled.

In other words the contract is dated 3/24 it is sent to operator 5/1 and we instruct King tht work must start not 60 days after contract date (which would be about 5/24) but we give operator until 6/30 two months after the contract was sent to him to start work.

6/25 Groves to King This is first opportunity to answer letter of May 1 enclosing contract. He says that his Denver office advises King has given him to 6/30 to start work-wants it set to July 31, and his Co has not as yet executed the contract. ( He gets the contract a few days after May 1 and not until 6/25 does he have opportunity to answer ) ( Just when did King instruct him that he must start wor by 6/30) ( We told King by letter of 5/25 that work is to start 6/30 When did he notify operator.) see his letter 7/23

6/26 Groves to King-Decides to tell King why he wants to see him because he will not be in Denver for two or three weeks. Claims Washington office promised to change the name with no other changes. ( here was no such promise). complains about changing from $25,000 to $19,000. Contract not executed by his company because he wants to see King about the above matter namely the reduction in contract. and wants extension to 7/31 to start work.

6/26 Groves to Mittendorf-Complains about reducing contract and delay He did not want to take the complaints up with king by mail but wanted to WAIT until he could see him. which will be another 2 or 3 weeks.
says King has just foned his Denver office (this is 6/26) stating that work would have to be started by June 30 and has written King asking for extension to 7/31 for time to go to Denver for conference.
( important to know when King gave Groves the dead line of June 30 and whether he delayed until June 26 to fone Groves Denver office. Nothin in the files to show when King informed him of dead line of June 30) see King letter 7/23

King 7/23 states he foned Groves June 26

6/30 King to Mittendorf- King states that contracts registered mailed on May 1 to operator Groves has not contacted him concerning this contract about 2 months after the date the operator must have recd it. King says he has been in touch with Groves secretar and informed her work must start 6/30 or contract would be cancelled. ( This would indicate that it was not left to the last moment to inform operator that 6/30 was the dead line. King believes Groves had ample time to start work under this contract and recommends cancellation. ( Groves has constantly written that he is anxious to go to work at once intimating that we were holding him up)

7/2 King to Mittendorf sends original and 2 copies of contract now signed which King received 6/30 They were mailed to Groves May 1 King says since work was not started within the dead line contract should be cancelled.

7/2-/53 Conference with Knouse in which we both agree thatwe should have proof that King really did inform Groaves that work was to start before June 30. some time prior to June 26 as claimed by Groves in his letter of 6/26 to Mittendorf. If King only informed Groves on June 26 then Groves has justification in wanting more time. But if King did notify him in ample time then our case is much stronger. The file does not show copies of any correspondence between King and Groves concerning this matter though King says he was in touch with Groves office. Just what is meant by being in touch. We want to be able to prove that Groves had ample time. Hence a teletype will be sne to King.
This is 7/20 There is no use considering a new deadline of 7/31 It would be that time before we could get this processed to Groves.

Sel

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

REGISTERED

224 New Customhouse
Denver 2, Colorado

July 2, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E501 (Uranium-Lead), Docket No. DMEA 2878, American Mining Company

Enclosed are the original and two copies of Contract Idm-E501. This contract was sent to Mr. George S. Groves by registered mail on May 1, 1953. They were returned signed to this office on June 30, 1953.

Inasmuch as work was not started within the authorized period, we recommend that this contract be cancelled. We are retaining the operator's copy pending your decision.

W. H. King
W. H. King

Enclosure

Cor
7-7

7/6/53 gla

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

224 New Customhouse
Denver 2, Colorado

June 30, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2878, Contract Idm-E501, American Mining Company

Enclosed are two copies of each of two letters from Mr. George S. Groves, President of the American Mining Company, regarding Contract Idm-E501.

The original and four copies of this contract signed by C. O. Mittendorf were mailed to Mr. Groves by registered mail on May 1, 1953. We retained the Operator's copy in this office.

Mr. Groves has not contacted us regarding this contract. As far as we know the copies of this contract have not been signed. We have been in touch with Mrs. M. N. Scott, who is Mr. Groves' secretary, and informed her that if work were not commenced by June 30, 1953 the contract would be cancelled. This is in accordance with the instructions received from your office.

We believe that Mr. Groves has had ample time to start work under this contract, and recommend that the contract be cancelled.

W. H. King
W. H. King

Enclosure

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

224 New Customhouse
Denver 2, Colorado

June 30, 1953

Memorandum

To: C. O. Mittenderf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2878, Contract Idm-E501, American Mining Company

Enclosed are two copies of each of two letters from Mr. George S. Groves, President of the American Mining Company, regarding Contract Idm-E501.

The original and four copies of this contract signed by C. O. Mittenderf were mailed to Mr. Groves by registered mail on May 1, 1953. We retained the Operator's copy in this office.

Mr. Groves has not contacted us regarding this contract. As far as we know the copies of this contract have not been signed. We have been in touch with Mrs. M. N. Scott, who is Mr. Groves' secretary, and informed her that if work were not commenced by June 30, 1953 the contract would be cancelled. This is in accordance with the instructions received from your office.

We believe that Mr. Groves has had ample time to start work under this contract, and recommend that the contract be cancelled.

W. H. King
W. H. King

Enclosure

F-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

# REFERENCE SLIP

DATE 6/29

REFERRED TO:
1. Ellis
2.
3. Code 700
4.

30

FOR:

6-30-53

| | | | |
|---|---|---|---|
| ..... | Action | ..... | Recommendation |
| ..... | Approval | ..... | Record |
| ..... | Comment | ..... | of ..... |
| ..... | Conference | ..... | Referring |
| ..... | Consideration | ..... | to (today) |
| ..... | Filing | ..... | Reply for signature of ..... |
| ..... | Instructions | ..... | |
| ..... | Investigation | ..... | Rewriting |
| ..... | Initials | ..... | Signature |
| ..... | Mailing | ..... | Suggestions |
| ..... | Previous correspondence | ..... | Your information |

Called Tony this date. He is mailing recommendation to cancel contract. ADS

REMARKS:

What is latest on this? Conferred with Mr

6-30-53

Check (X) before the items needing attention.

CRM
Initials of sender.

GPO 16—63815-1

6/29/53 gla

# AMERICAN MINING COMPANY

60 EAST 42ND STREET
NEW YORK 17, N. Y.

DENVER OFFICE:
405 INTERSTATE TRUST BUILDING
DENVER 2, COLORADO
TELEPHONE: KEYSTONE 0589

June 26, 1953.

DMEA-2878

Mr. C. O. Mittendorf
Defense Minerals Administration
Bureau of Mines
17th & 18th Streets, S. W.
Washington, D. C.

Dear Mr. Mittendorf:

I am still having trouble with the DMEA's loan application on the German-Belcher. Inasmuch as you always cooperated with me, I am forced to call your attention again to the following facts as per copy of the enclosed letter.

The Government exploration project on the German-Belcher mine was originally approved for 90% of $25,000 in the name of Uranium Company of America. I requested this name to be made American Mining Company, and with the approval of your office and the Denver office, with a promise that it could be done within 10 or 15 days, the job was finally accomplished after about seven months. All they had to do was to merely change the name with no other changes. Papers came through in May with the amount cut down to 90% of $19,000 or $17,100. I did not want to take this matter up with Mr. King of the Denver office by correspondence and I wanted to wait until I could see ~~you~~ him, which will be in the next two or three weeks.

Mr. King has just telephoned my Denver office stating that work would have to be started by June 30th. I have written him requesting an extension to July 31st to give me time to go to Denver for a conference.

I would appreciate you giving this your prompt attention and to write me Monday so I will know definitely how I stand, and thanking you, I am

Very truly yours,

AMERICAN MINING COMPANY

By Geo S. Graves
President

GSG:m

D. Okure [illegible]

June 26, 1953.

Mr. W. H. King, Executive Officer
224 New Custom House
Denver 2, Colorado

Dear Mr. King:

Since my letter to you of yesterday stating that I wanted to see you when I came out to Denver before signing the contract, as per your letter of May 1st, for the Government's exploration project on the German-Belcher mine, I think I had best tell the reason why I want to see you as I do not believe I will be in Denver for the next two or three weeks.

This loan was originally approved for $25,000 and you and your Washington office promised to change the name from Uranium Company of America to American Mining Company with no other changes. After approximately seven months, this was accomplished, but I notice in your new papers, that you have cut the loan down to 90% of$19,000, or $17,100.

Now you inform my office that if work is not begun by June 30th, this matter will be cancelled. This contract has not been executed by my company for the reason that I want to see you about the above matter. I requested an extension to July 31st and I cannot see how you could refuse this request.

Very truly yours,

AMERICAN MINING COMPANY

By

President

GSG:lm
cc: Mr. C.O. Mittendorf
Mrs. M. N. Scott

C O P Y

AMERICAN MINING COMPANY

60 East 42nd Street

New York 17, N. Y.

June 26, 1953

Mr. W. H. King, Executive Officer
224 New Custom House
Denver 2, Colorado

Dear Mr. King:

Since my letter to you of yesterday stating that I wanted to see you when I came out to Denver before signing the contract as per your letter of May 1st, for the Government's exploration project on the German-Belcher mine, I think I had best tell the reason why I want to see you, as I do not believe I will be in Denver for the next two or three weeks.

This loan was originally approved for $25,000 and you and your Washington office promised (1) to change the name from Uranium Company of America to American Mining Company with no other changes. After approximately seven months, this was accomplished, but I notice in your new papers, that you have cut the loan down to 90% of $19,000, or $17,100.

(2) Now you inform my office that if work is not begun by June 30th, this matter will be cancelled. This contract has not been executed by my company for the reason that I want to see you about the above matter. I requested an extension to July 31st and I cannot see how you could refuse this request.

Very truly yours,

AMERICAN MINING COMPANY

By (signed) Geo. S. Groves

President

(1) promised how?
(2) When

C O P Y

AMERICAN MINING COMPANY

60 East 42nd Street

New York 17, N. Y.

June 25, 1953

Mr. W. H. King, Executive Officer
224 New Custom House
Denver, Colorado

Dear Mr. King:

This is the first opportunity I have had to answer your letter of May 1st enclosing contract for exploration project on the German-Belcher mine, to be executed and returned to you.

I was recently in Denver but did not stay there long enough to see you. I plan to be out there again within a week or two and I will drop in to see you and discuss the matter.

Since it took about seven months for the DMEA's office merely to change the name from Uranium Company of America to American Mining Company, and waiting this period of time, my plans for mining have changed considerably.

Not a fair statement WK.

My Denver office advises me that you have given us until June 30th to begin work. I would appreciate you setting this date to July 31st, as the contract has not as yet been executed by my company, and inasmuch as it took so many months to get the new contract, I feel as though I am not asking for too much to ask for this extension date of July 31st.

Thanking you in advance for your kind, prompt attention, we are

Very truly yours,

AMERICAN MINING COMPANY

By (Signed) Geo S. Groves

President

FILE COPY
SURNAME:

Docket.
Schmidt
Ellis
Martin
Johnson
Hedges

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

MAY 25 1953

Mr. W. B. King
Executive Officer
DMA Field Team, Region IV
224 Customhouse Bldg.,
Denver 2, Colorado

Re: Docket No. DMA-2828 (Uranium)
Contract Ida-2501
American Mining Company
German-Belcher Mine
Gilpin County, Colorado

Dear Mr. King:

This acknowledges receipt of your letter of May 13, 1953, concerning the subject contract. Since the contract was sent to the Operator on May 1st, there could not have been more than about ten days between the time he received it, and the date of your letter. However it is possible that the contract has been signed by this time. If it has not, we are then faced with two alternatives, either to terminate the contract under the terms thereof or write an amendment extending the date of commencing work.

It has been noted in all correspondence with the Operator that he expressed himself as being prepared and anxious to start work immediately. It is therefore surprising that the contract has not been promptly signed and returned by him. Since so much time was lost between the date of the contract (March 24, 1953) and its delivery to the Operator, it is suggested that unless the signed contract is delivered and work started by June 30th, the contract be cancelled by this office upon notification by you that the Operator has failed to meet the foregoing conditions.

While any permitted departure from the terms of the contract will require an amendment, it is recommended that no further consideration than that suggested above be given in this particular case.

Very truly yours,

W. S. Martin
ACTING Chairman, Operating Committee

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

S.N. 5-25-53

Messrs. A.P.Butler, Jr. Rm 3206-GSA
H.D.Keiser, Rm 3617
Ellis
Schmidt
DMA Field Team, Region IV (2)

FSSchmidt/ab
5-21-53
cc to: Adm. Reading File
Operating Committee
Docket

5/19/53 gla

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

224 New Customhouse
Denver 2, Colorado

May 13, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 18 1953

Memorandum

To: C. O. Mittendorf, Administrator

From: Executive Officer, Field Team, Region IV

Subject: Contract Idm-E501, Docket 2878, American Mining Company

On May 1, 1953, we sent the Operator the original and four copies of Contract Idm-E501. These copies had been signed by the Administrator, DMEA, and the Operator has not yet returned the copies of this contract.

The contract is dated March 24, 1953. Article 3 provides that the Operator should start work within 60 days from the date of the contract. We doubt if the Operator will return the signed copies of the contract before the commencement date of work as provided under the contract.

Please advise us if you desire us to extend the starting date.

W. H. King
W. H. King

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

224 New Customhouse
Denver 2, Colorado

May 13, 1953

Memorandum

To: C. O. Mittendorf, Administrator

From: Executive Officer, Field Team, Region IV

Subject: Contract Idm-E501, Docket 2878, American Mining Company

On May 1, 1953, we sent the Operator the original and four copies of Contract Idm-E501. These copies had been signed by the Administrator, DMEA, and the Operator has not yet returned the copies of this contract.

The contract is dated March 24, 1953. Article 3 provides that the Operator should start work within 60 days from the date of the contract. We doubt if the Operator will return the signed copies of the contract before the commencement date of work as provided under the contract.

Please advise us if you desire us to extend the starting date.

W. H. King

W. H. King

700
FILE COPY
SURNAME:

Schmidt
Ellis
Keane
Butler
Selfridge
Kleinsch

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

APR 28 1953
AIR MAIL

Mr. [illegible] King
Executive Officer
DMEA Field Team, Region IV
221 New Customhouse Building
Denver 2, Colorado

Re: Docket No. [illegible]A-2878 (Uranium)
American Mining Company
German-Belcher Mine
Gilpin County, Colorado
Contract No. Idm-[illegible]501

Dear Mr. King:

This acknowledges receipt of your letter of April 9, 1953, together with the original and five copies of Contract No. Idm-[illegible]501 on the subject application. This contract is for 90% Government participation and replaces the former one on a 70% basis. This change was made in accordance with recommendation from this office.

Enclosed we return the original and five copies of this contract prepared by your office, which is now signed by the Government. When the original and all copies have been signed by the operator they are to be distributed in accordance with the usual practice.

Sincerely yours,

H.N.
4-28-53
(GHB)

George C. Selfridge

Chairman, Operating Committee

FSSchmidt/gla 4-23-53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. APButler, Jr., Rm. 3206 GSA
HDKeiser, Rm. 3647
Ellis
Schmidt
DMEA Field Team, Reg. IV

[illegible]:

J. H. Hedges

Member, Bureau of Mines (GHB)

A. R. Kinkel, Jr.

Member, Geological Survey (GHB)

4/28/53 gla

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

DOCKET COPY

224 New Customhouse
Denver 2, Colorado

April 24, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 27 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2878, Contract Idm-E501, American Mining Company, German-Belcher Mine, Gilpin County, Colorado (Uranium-Lead)

Reference is made to your letter dated April 20, 1953, in which you request that we prepare new copies of Contract Idm-E501 and forward them to Washington. The instructions in this letter are similar to those given by Mr. Schmidt in a telephone conversation on April 6, 1953.

Accordingly, we prepared the contract on a 90-10 basis and sent them to the Administrator, DMEA, on April 9, 1953. We also returned six copies of Form MF-200A prepared on a 70-10 basis which were signed by the Acting Administrator. A copy of our memorandum dated April 9, 1953, and a copy of our letter dated April 10, 1953, to Mr. George S. Groves are enclosed.

W. H. King
W. H. King

Enclosures

Docket Copy

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

224 New Customhouse
Denver 2, Colorado

April 24, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 27 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2878, Contract Idm-E501, American Mining Company, German-Belcher Mine, Gilpin County, Colorado (Uranium-Lead)

Reference is made to your letter dated April 20, 1953, in which you request that we prepare new copies of Contract Idm-E501 and forward them to Washington. The instructions in this letter are similar to those given by Mr. Schmidt in a telephone conversation on April 6, 1953.

Accordingly, we prepared the contract on a 90-10 basis and sent them to the Administrator, DMEA, on April 9, 1953. We also returned six copies of Form MF-200A prepared on a 70-10 basis which were signed by the Acting Administrator. A copy of our memorandum dated April 9, 1953, and a copy of our letter dated April 10, 1953, to Mr. George S. Groves are enclosed.

W. H. King
W. H. King

Enclosures

JFS:ld

cc: Koschmann
Traver
Subject
Chron.

Docket Copy

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

224 New Customhouse
Denver 2, Colorado

April 10, 1953

COPY

Mr. George S. Groves, President
American Mining Company
405 Interstate Building
Denver 2, Colorado

Dear Mr. Groves:

This will acknowledge receipt of four copies of Exhibit "A", Contract Idm-E501, four copies of Owner's Consent to Lien, and four copies of a claim map of the German Belcher Property, which were sent to this office by Mrs. Scott on April 8, 1953.

We have revised contract Idm-E501 to provide for reimbursement by the Government of 90% of the agreed estimated costs. The contract has been sent to the Washington Office, DMEA, for their approval and signature.

A contract for work on the Pewabic property will be prepared after operations on the German Belcher Mine have been in progress for a sufficient time to permit an appraisal of the quality of the operation.

As soon as we have received the approved signed contract on the German Belcher Mine we will forward it to you for signature.

Very truly yours,

/s/ W. H. King

W. H. King
Executive Officer
DMEA Field Team, Region IV

JFS:fwo

cc COMittendorf, Administrator, DMEA

WMTraver, Jr.
JFShaw
Subject
Chron
Koschmann (2)

Docket Copy

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

224 New Customhouse
Denver 2, Colorado

April 24, 1953

COPY

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E501, Docket No. DMEA 2878, American Mining Company

Enclosed are the original and five copies of contract Idm-E501 between the Government and the American Mining Company. We have retyped this contract on a 90-10 basis as instructed by Mr. Schmidt in a telephone conversation on April 6, 1953.

Also enclosed are six copies of Form MF-200 (A), contract Idm-E501 to which are attached copies of Exhibit "A" prepared on a 70-30 basis; which were signed by you; and a copy of our letter to Mr. George S. Groves.

/s/ W. H. King

W. H. King

Enclosures

JFS:fwo

cc WMTraver, Jr.
JFshaw
Contract
Chron
Koschmann (2)

Mailed 4/20/53

Mr. George A. Grover
60 East 42nd Street
New York 17, N. Y.

Re: Docket DMA-2878 (Uranium)
Contract No. Idm-[illegible]
American Mining Company
German-Belcher Mine
Gilpin County, Colorado

Dear Mr. Grover:

This acknowledges receipt of your letter of March 3, concerning the subject contract. In view of the fact that the subject property is primarily a base metal mine, the 70% participation by the Government was quite correct and in accordance with your original application of May 26, 1951. However, since the original contract had been written for 90%, it has been decided that in this case the new contract can be written for this same figure.

We wish to draw your attention, however, to our reluctance to make any future contracts for this 90% participation, when the history of the mine shows that its principal production in the past has been base metals.

We are authorizing the DMA Regional Office in Denver to make this change from 70% to 90% Government participation in the subject contract. In order to make this change in the contract it will be rewritten in the Denver Regional Office of the DMA. All copies, complete with attachments, should be signed by yourself and delivered to Mr. King, Executive Officer, DMA Field Team, Region IV, Denver, Colorado

Sincerely yours,

SIGNED

Administrator

Fischadt/eef 4/7/53
Cc to: Adm. Reading Files
Operating Committee
Docket
DMA Field Team, Region IV

Messrs. Pfautler Jr. Rm. 3206 GSA
H.Keiser Rm. 3647
Ellis
Schridt

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

APR 2 1958

Re: Docket No. DMEA-2678 (Uranium-Lead)
Contract No. Ida-501
American Mining Company
German-Bohemian Mine
Gilpin County, Colorado

Dear Mr. King:

We have received a letter from Mr. George Groves dated March 30, together with copy of his letter to you of same date concerning the subject contract.

We agreed with you on making the Government participation 70% in this contract. On reviewing this situation it seems that since the original contract (Ida-278) was for 90% Government participation, that regardless of the fact that the application includes the exploration for lead, we did not introduce this factor on the original contract. This office recognizes that there is a certain justice in the contention of Mr. Groves that the new contract was not intended to alter the terms of the original contract in rewriting it on the short form (RFRC-4) for a successor corporation.

It would therefore appear to be proper to make this change in Government participation from 70% to 90% in this contract. However, it should be definitely understood by Mr. Groves and other applicants that this 90% Government participation in this case does not establish a precedent in the exploring of base metal mines of this kind in which there may be some indication of uranium. We assume that you have informed Mr. Groves that no other contract will be made with him without your approval of his operation under the subject contract.

Since the cost of Government participation must be changed, and the changes initialed three times in the Exhibit "A", and once on the contract form, we agree with you that it would be better to rewrite this short contract, and avoid the confusion occasioned by so many corrections.

It is our understanding from your letter of April 1, that Mr. Groves has returned the copies of the contract given him for signing, from which he has extracted 4 copies of Exhibit "A", 4 copies of Owner's Consent to Lien and 4 copies of the map which were attached to their respective copies of the contract, without which the contract is not complete.

We agree with you in holding the whole matter in abeyance until these papers are returned, at which time we understand that you will make the new copies of the contract and forward them to Washington, executed by Mr. Groves, complete with attachments. The six copies of the present contract should also be returned.

The complaint of Mr. Groves is confined to the Government participation. Should there be any other dissatisfaction on his part with the terms of the contract this office will not make any changes other than the one indicated above.

Enclosed is a copy of letter to Mr. Groves which is self-explanatory.

Sincerely yours,

Chairman, Operating Committee

Enclosure

FSSchmidt/eef 4/7/53

APPR VED:

Member, Bureau of Mines

Member, Geological Survey

cc to: Adm. Reading Files
Operating Committee
Docket
DMEA Field Team, Region IV (2)
Messrs. APButler Jr. Rm. 3206 GSA
HDKeiser, Rm. 3647
Ellis
Schmidt

FILE COPY
SURNAME:
700

Schmidt
Ellis
Butler
McKane
Hedges
Kimball
Lefebvre

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

Mr. George S. Groves
60 East 42nd Street
New York 17, N. Y.

APR 20 1953

Re: Docket DMEA-2678 (Uranium)
Contract No. Idm-5501
American Mining Company
German-Belcher Mine
Gilpin County, Colorado

Dear Mr. Groves:

This acknowledges receipt of your letter of March 30, concerning the subject contract. In view of the fact that the subject property is primarily a base metal mine, the 70% participation by the Government was quite correct and in accordance with your original application of May 28, 1951. However, since the original contract had been written for 90%, it has been decided that in this case the new contract can be written for this same figure.

We wish to draw your attention however, to our reluctance to make any future contracts for this 90% participation, when the history of the mine shows that its principal production in the past has been base metals.

We are authorizing the DMEA Regional Office in Denver to make this change from 70% to 90% Government participation in the subject contract. In order to make this change in the contract it will be rewritten in the Denver Regional office of the DMEA. All copies, complete with attachments, should be signed by yourself and delivered to Mr. King, Executive Officer, DMEA Field Team, Region IV, Denver, Colorado

Sincerely yours,

SIGNED
Administrator

FSchmidt/eaf 4/7/53
Cc to: Adm. Reading Files
Operating Committee
Docket
DMEA Field Team, Region IV

Messrs. APhutlerJr. Rm. 3206 GSA
HDKeiser Rm. 3647
Ellis
Schmidt

FILE COPY
SURNAME:

Schmidt
Pelz
Rubin
Pierce
Mitchell

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

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

APR 20 1953

Re: Docket No. DMEA-2676 (Uranium-Lead)
Contract No. Idm-501
American Mining Company
German-Belcher Mine
Gilpin County, Colorado

J.C. 4/20/53

Dear Mr. King:

We have received a letter from Mr. George Groves dated March 30, together with copy of his letter to you of same date concerning the subject contract.

We agreed with you on reducing the Government participation 70% in this contract. In reviewing this situation it seems that since the original contract (Idm-4270) was for 90% Government participation, that regardless of the fact that the application includes the exploration for lead, we did not introduce this factor on the original contract. This office recognizes that there is a certain justice in the contention of Mr. Groves that the new contract was not intended to alter the terms of the original contract in rewriting it on the short form (MF2C-A) for a successor corporation.

It would therefore appear to be proper to make this change in Government participation from 70% to 90% in this contract. However, it should be definitely understood by Mr. Groves and other applicants that this 90% Government participation in this case does not establish a precedent in the exploring of base metal mines of this kind in which there may be some indication of uranium. We assume that you have informed Mr. Groves that no other contract will be made with him without your approval of his operation under the subject contract.

Since the cost of Government participation must be changed, and the changes initialed three times in the exhibit "A", and once on the contract form, we agree with you that it would be better to rewrite this short contract, and avoid the confusion occasioned by so many corrections.

It is our understanding from your letter of April 1, that Mr. Groves has returned the copies of the contract given him for signing, from which he has extracted 4 copies of Exhibit "A", 4 copies of Owner's Consent to Lien and 4 copies of the map which were attached to their respective copies of the contract, without which the contract is not complete.

We agree with you in holding the whole matter in abeyance until these papers are returned, at which time we understand that you will make the new copies of the contract and forward them to Washington, executed by Mr. Groves, complete with attachments. The six copies of the present contract should also be returned.

The complaint of Mr. Groves is confined to the Government participation. Should there be any other dissatisfaction on his part with the terms of the contract this office will not make any changes other than the one indicated above.

Enclosed is a copy of letter to Mr. Groves which is self-explanatory.

Sincerely yours,

[illegible] (JHB)

Chairman, Operating Committee

Enclosure

FSSchmidt/eef 4/7/53

cc to: Adm. Reading Files
Operating Committee
Docket
DMEA Field Team, Region IV (2)
Messrs. APButler Jr. Rm. 3206 GSA
HDKeiser, Rm. 3647
Ellis
Schmidt

APPROVED:

[illegible] (JHB)

Member, Bureau of Mines

[illegible] (JHB)

Member, Geological Survey

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

224 New Customhouse
Denver 2, Colorado

April 10, 1953

DMEA-2878

Mr. George S. Groves, President
American Mining Company
405 Interstate Building
Denver 2, Colorado

Dear Mr. Groves:

This will acknowledge receipt of four copies of Exhibit "A", Contract Idm-E 501, four copies of Owner's Consent to Lien, and four copies of a claim map of the German Belcher Property, which were sent to this office by Mrs. Scott on April 8, 1953.

We have revised contract Idm-E 501 to provide for reimbursement by the Government of 90% of the agreed estimated costs. The contract has been sent to the Washington Office, DMEA, for their approval and signature.

A contract for work on the Pewabic property will be prepared after operations on the German Belcher Mine have been in progress for a sufficient time to permit an appraisal of the quality of the operation.

a copy placed in DMEA-2752 Pewabic

As soon as we have received the approved signed contract on the German Belcher Mine we will forward it to your for signature.

Very truly yours,

W. H. King

W. H. King
Executive Officer
DMEA Field Team, Region IV

cc COMittendorf, Administrator, DMEA

Department of the Interior
Defense Minerals Administration
APR 10 1953

4/15/53 gla

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

224 New Customhouse
Denver 2, Colorado

April 9, 1953

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E 501, Docket No. DMEA 2878, American Mining Company

Enclosed are the original and five copies of contract Idm-E 501 between the Government and the American Mining Company. We have retyped this contract on a 90-10 basis as instructed by Mr. Schmidt in a telephone conversation on April 6, 1953.

Also enclosed are six copies of Form MF-200 (A), contract Idm-E501 to which are attached copies of Exhibit "A" prepared on a 70-30 basis; which were signed by you; and a copy of our letter to Mr. George S. Groves.

W. H. King
W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 10 1953

RECEIVED
APR 16 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

cc 4/13

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

224 New Customhouse
Denver 2, Colorado

April 9, 1953

To: C. O. Hittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E 501, Docket No. DMEA 2878, American Mining Company

Enclosed are the original and five copies of contract Idm-E 501 between the Government and the American Mining Company. We have retyped this contract on a 90-10 basis as instructed by Mr. Schmidt in a telephone conversation on April 6, 1953.

Also enclosed are six copies of Form MF-200 (A), contract Idm-E501 to which are attached copies of Exhibit "A" prepared on a 70-30 basis; which were signed by you; and a copy of our letter to Mr. George S. Groves.

W. H. King
W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
APR 10 1953

4/6/53 gla

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

224 New Customhouse
Denver 2, Colorado

April 1, 1953.

**AIR MAIL**

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 3 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA-2878, Contract Idm-E501, American Mining Company

Enclosed are two copies of a letter dated March 30, 1953 from George S. Groves, President, American Mining Company, in which he states that Contract Idm-E501 as submitted is not satisfactory. Also enclosed is a copy of our reply to Mr. Groves.

The original application on this property was for Uranium and Lead. The Operator only requested reimbursement for 70% of the costs incurred in that original application. Through an oversight the original contract was prepared on the basis of 90% Government participation. The contract is on the short form and the Government does not have any equity in equipment or installations and for that reason the costs should be less than in the original contract.

W. H. King
W. H. King

Enclosures

C
O
P
Y

AMERICAN MINING COMPANY
60 East 42nd Street
New York 17, New York

March 30, 1953.

Mr. W. H. King, Executive Officer, DMEA
Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 3 1953

Dear Mr. King:

We are in receipt of your letter of the 27th inst. enclosing the original and four copies of Contract IDM-E 501.

The contract is not satisfactory. It was agreed with your office, and I have a letter from your Washington office accordingly, that the $25,000 exploration loan approved in the name of Uranium Company of America would be changed to the name of American Mining Company. That all that was to be done was to withdraw the old approved application and to file application for a new exploration loan on the same terms and basis. We were promised that this new contract would be approved accordingly.

This procedure has taken almost six months by your office and now you present a contract with 70% instead of 90% as set forth in the original contract.

Evidently your office has made an unintentional mistake, as any material changes of this nature in the new contract if intended, would be dishonorable and I am sure, that this was not your intention.

Will you please make this correction and return these to me for signature so that we may begin work as soon as possible on the German-Belcher Mine.

Very truly yours,

AMERICAN MINING COMPANY

/s/ George S. Groves, President

C
O
P
Y

AMERICAN MINING COMPANY
60 East 42nd Street
New York 17, New York

March 30, 1953.

Mr. W. H. King, Executive Officer, DMEA
Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Dear Mr. King:

We are in receipt of your letter of the 27th inst. enclosing the original and four copies of Contract IDM-E 501.

The contract is not satisfactory. It was agreed with your office, and I have a letter from your Washington office accordingly, that the $25,000 exploration loan approved in the name of Uranium Company of America would be changed to the name of American Mining Company. That all that was to be done was to withdraw the old approved application and to file application for a new exploration loan on the same terms and basis. We were promised that this new contract would be approved accordingly.

This procedure has taken almost six months by your office and now you present a contract with 70% instead of 90% as set forth in the original contract.

Evidently your office has made an unintentional mistake, as any material changes of this nature in the new contract if intended, would be dishonorable and I am sure, that this was not your intention.

Will you please make this correction and return these to me for signature so that we may begin work as soon as possible on the German-Belcher Mine.

Very truly yours,

AMERICAN MINING COMPANY

/s/ George S. Groves, President

224 New Customhouse
Denver 2, Colorado

April 1, 1953.

Mr. George S. Groves, President
American Mining Company
405 Interstate Trust Building
Denver 2, Colorado

Dear Mr. Groves:

Reference is made to your letter dated March 30, 1953, in which you stated that you were returning the original and four copies of Contract Idm-E501 and that this contract is not satisfactory.

We have received the original of the contract and in addition four copies of Form MF-200(A), Exploration Project Contract, and four copies of Form MF-201, Mortgagee Subordination Agreement. Four copies of Exhibit "A", four copies of Owner's Consent to Lien, Form MF-203, and four copies of the map, which were attached to the contract, were not returned. Please return the missing papers so that we may reassemble the contract and return it to the Washington office, together with your comments, for their consideration.

Very truly yours,

W. H. King

W. H. King
Executive Officer
DMRA Field Team, Region IV

JFS:cwm

cc: Contract
COMittendorf
WMTraver
Chron.
Koschmann (2)

4/1/53 gla

DMEA-2878

GEORGE S. GROVES
60 EAST 42ND STREET
NEW YORK 17, N.Y.
MURRAY HILL 2-1815

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 31 1953

March 30, 1953.

Mr. C. O. Mittendorf
Defense Minerals Administration
Bureau of Mines
17th & 18th Streets, S. W.
Washington, D. C.

Dear Mr. Mittendorf:

After almost six months, your Denver office in changing the name of the contract approved in the name of Uranium Company of America to American Mining Company, has presented me with a new contract, which is different from the original contract, and which I am returning to the Denver office today for correction, that is, the original contract for 90% to be advanced instead of 70% as set forth in the new contract.

I was promised by both offices that the only changes that would be made would be the change in name.

I am herewith enclosing a copy of letter to Mr. King today.

Will you please therefore get in touch with Mr. King's Denver office and have him make this correction, which will be appreciated, and oblige

Yours very truly,

Geo S Groves

George S. Groves

GSG:m
Enc

March 30, 1953.

Mr. W. H. King, Executive Officer, DMEA
Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Dear Mr. King:

We are in receipt of your letter of the 27th inst. enclosing the original and four copies of contract IDM-E 501.

The contract is not satisfactory. It was agreed with your office, and I have a letter from your Washington office accordingly, that the $25,000 exploration loan approved in the name of Uranium Company of America would be changed to the name of American Mining Company. That all that was to be done was to withdraw the old approved application and to file application for a new exploration loan on the same terms and basis. We were promised that this new contract would be approved accordingly.

This procedure has taken almost six months by your office and now you present a contract with 70% instead of 90% as set forth in the original contract.

Evidently your office has made an unintentional mistake, as any material changes of this nature in the new contract if intended, would be dishonorable and I am sure, that this was not your intention.

Will you please make this correction and return these to me for signature so that we may begin work as soon as possible on the German-Belcher Mine.

Very truly yours,
AMERICAN MINING COMPANY

George S. Groves, President

GSG:m
Enc.

SURNAME COPY
Selfridge
Adams

Defense Minerals Exploration Administration

Robert E. Adams

2017

14X3923.970, Working Fund, Interior, DMEA
March 25, 1953
9:00 a.m.

W.H.King, Executive Officer, Region IV, 224 New Customhouse Bldg., Denver 2, Colo.

Change in Commodity on Contract Idm-E-501

SIX COPIES OF CONTRACT IDM-E-501, DOCKET NO. DMEA 2878 ON AMERICAN MINING COMPANY MAILED 3-24-53. CHANGE ALL SIX COPIES ON FIRST PAGE OF CONTRACT UNDER HEADING COMMODITY FROM LEAD URANIUM TO URANIUM LEAD.

m.s in R.s R.

GEORGE C. SELFRIDGE, CHAIRMAN
OPERATING COMMITTEE

READams/meb
cc to: Adm.Reading File
Mails & Files Br.
Audits Division
Operating Committee Files

SENT
MAR 25 1953
Clerical Service Section

3/24/53 gla

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

224 New Customhouse
Denver 2, Colorado

March 18, 1953

Memorandum

To: C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2878, German-Belcher Mine

Enclosed for your information is a copy of a letter dated March 14, 1953, from George S. Groves, President, American Mining Company.

W. H. King

W. H. King

Enclosure

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

224 New Customhouse
Denver 2, Colorado

March 18, 1953

Memorandum

To: C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2878, German-Belcher Mine

Enclosed for your information is a copy of a letter dated March 14, 1953, from George S. Groves, President, American Mining Company.

W. H. King
W. H. King

Enclosure

JF:ld

cc: Kornmann
Traver
Docket
Chron.

COPY

AMERICAN MINING COMPANY

60 East 42nd St.

New York 17, N.Y.

Denver Office:
405 Interstate Trust Bldg.
Denver 2, Colo.

Denver, Colorado
March 14, 1953

Mr. W. H. King, Executive Officer
Field Team, Region IV
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA-2878 (Uranium)
German-Belcher Mine
Gilpin County, Colorado

Dear Mr. King:

On October 9, 1952 the loan application in the name of Uranium Company of America, which had already been approved by your office, was withdrawn and a new application was made in the name of American Mining Company.

On December 3, 1952 we received a letter from Mr. Frank E. Johnson, Acting Administrator of your Washington office, as follows:

> "It will be more expedient to write a new contract than to transfer the present one. This matter is now being referred to the Denver Office of the DMEA where the present contract was written. They have authority to cancel it by mutual agreement, and enter into a new one with the American Mining Company."

Five months have elapsed on the ninth of March, and as yet this matter has not been concluded, although I have consistently pursued your office and the Washington office regarding same so that I could begin operations.

On March 3rd you asked for another map, which I promptly furnished on March 12th, and which I hope is satisfactory. Such map information should have been requested by your office months ago, and not after this length of time.

I respectfully again request that this German-Belcher loan be completed, as after all, all that had to be done was to change the name from Uranium Company of America to American Mining Company.

Very truly yours,

AMERICAN MINING COMPANY

By /s/ Geo. S.Groves

George S.Groves, President

GSG/S

FILE COPY
SURNAME:

140

Rubin

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

March 16, 1953

Memorandum

To: Administrator

Through: E. W. Ellis

From: Chief Counsel

J. M. S. in RR

Subject: American Mining Company - Docket No. DMEA-2678

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the Owner's Consent to Lien, the Mortgagee's Subordination Agreement, and the maps requested by the Executive Officer, prior to execution.

J. L. Hofflund
Chief Counsel

Attachment
HCRubin/ema
cc: Mails & Files
H. C. Rubin
J. L. Hofflund
E. W. Ellis
Chron.

Defense Minerals Exploration Administration

Robert E. Adams
2017

14X3923.970, Working Fund, Interior, DMEA
March 25, 1953
9:00 a.m.

W.H.King, Executive Officer, Region IV, 224 New Customhouse Bldg.,Denver 2, Colo.

Change in Commodity on Contract Idm-E-501

SIX COPIES OF CONTRACT IDM-E-501, DOCKET NO. DMEA 2878 ON AMERICAN MINING COMPANY MAILED 3-24-53. CHANGE ALL SIX COPIES ON FIRST PAGE OF CONTRACT UNDER HEADING COMMODITY FROM LEAD URANIUM TO URANIUM LEAD.

GEORGE C. SELFRIDGE, CHAIRMAN
OPERATING COMMITTEE

READams/meb
cc to: Adm.Reading File
Mails & Files Br.
Audits Division
Operating Committee Files

700

FILE COPY
SURNAME:

Schmidt
Ellis
Jeffries

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

Mr. A. G. King
Executive Officer
DMEA Field Team, Region IV
221, New Customhouse Building
Denver 2, Colorado

MAR 1953

Re: Docket No. DMEA-2752 (Uranium)
Atomic Energy Uranium, Inc.
Pewabic Iron Mine, Gilpin County, Colo.
Docket No. DMEA-2878 (Rare Uranium)
American Mining Company
German-Belcher Mine, Gilpin County, Colo.

3/24/53

Dear Mr. King:

The following is confirmation of a letter dictated by Mr. Schmidt which was part of a telephone conversation on March 17 between himself and Mr. Schmidt concerning the proposed contracts for the subject applications:

"Received copies of letters of March 11 to King from Groves. Tell Groves we are preparing contract on German-Belcher. Will forward in few days to your office for his signature. You can explain it was written in Las Vegas and not your office. Explain following to Groves, concerning Pewabic, we are not writing contract, and will not do so, until such time as he has proven that he is performing satisfactorily on the German-Belcher, and your office is satisfied that he has competent men, is getting something done, is paying his bills, and is in general a satisfactory partner. He can take bills up with Washington if he wants. When you so inform us we will, on your recommendation, make out a Pewabic contract. There is not only a precedent for Groves' practical mining operations for us to make several contracts on a 90-10 basis, all to start nearly simultaneously. The background of applicant in mining is important, especially in this type of contract, for protection of Government. Recognize that Field Team cannot be watching operation continually. Letter confirming above will be mailed."

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

A. R. Kinkel, Jr. (JHB)
Member, Geological Survey

(JHB)

FSSchmidt/gla 3-20-53
cc to: Adm. Reading File
Operating Com.
Docket 2878
Ellis
Schmidt

Mr. HDKeiser, Rm. 3647
Mr. APButler, Rm. 3206 GSA Bldg.

700

FILE COPY
SURNAME:

Schmidt
Ellis
Talbert
Selfridge
Johnson

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

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

AIR MAIL

MAR 24 1953

Re: Docket No. DMEA-2878 (Lead-Uranium)
American Mining Company
German-Belcher Mine
Elbpin County, Colorado

J.C. 3/24/53

Dear Mr. King:

This acknowledges receipt of your letter of March 17, 1953, together with six copies of a satisfactory map of the German-Belcher property. This map will be part of the contract on the subject application. It is recognized that the mine is flooded and that there is no map available of the underground workings.

Enclosed are the original and five copies of a contract which have been signed for the Government. When the original and all copies have been signed by the Operator, they are to be distributed in accordance with the usual practice.

It will be noted that the Mortgagee's Subordination Agreement has been signed by the Operator, Mr. George S. Groves, but that it is not dated. This should be dated by Mr. Groves at the time of the signing of the contract and the date should be initialed by him.

Enclosed is a confirmation of the letter telephoned to you on March 17 by Mr. Schmidt concerning the German-Belcher contract and the proposed project for application DMEA-2752 (Pewabic Mine).

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

(GCS)

CONCUR:

J. H. Hedges (GCS)
Member, Bureau of Mines

A. R. Kinkel, Jr. (GCS)
Member, Geological Survey

FSSchmidt/gla 3-20-53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. HDKeiser, Rm. 3647
APButler, Rm. 3206 GSA Bldg.
Ellis
Schmidt
DMEA FT, Region IV

3/17/5-3gla

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

140

March 16, 1953

Memorandum

To: Administrator

Through: E. W. Ellis

From: Chief Counsel

Subject: American Mining Company - Docket No. DMEA-2878

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the Owner's Consent to Lien, the Mortgagee's Subordination Agreement, and the maps requested by the Executive Officer, prior to execution.

J. L. Hofflund
Chief Counsel

Attachment

3/18/53 gla.

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

224 New Customhouse
Denver 2, Colorado

March 17, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 18 1953

AIRMAIL

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2878, American Mining Company (Lead-Uranium)

Enclosed are six copies of a claim map of the German Belcher property. A contract for exploration assistance on this property, Docket DMEA 2878, was forwarded to you on March 3, 1953, for your approval subject to receipt of suitable maps.

In a letter dated February 20, 1953, the Chairman of the Operating Committee returned for revision a contract covering this application. Among other things the letter stated: "It will be noted that the map attached to the contract does not show the location of the shaft or indications of any possible proposed work, within the limits of the claims."

The applicant was requested to submit a map showing the shaft and the location of the proposed work. The enclosed map shows the location of the German shaft but does not show any underground workings. This was called to the attention of the applicant and he stated that the underground workings were inaccessible and it was impossible to obtain a map showing any of the underground workings.

We agreed to forward this map to your office to be attached to the contract. Please advise us if this map is satisfactory and if the contract can be approved without a map showing the underground workings.

W. H. King

W. H. King

Enclosures

3/19

Maps received. Told King over fone that if maps were satisfactory I would not need to inform him but would use them.

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

224 New Customhouse
Denver 2, Colorado

March 17, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 18 1953

Memorandum

To: C.O. Mittenderf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2878, American Mining Company (Lead-Uranium)

Enclosed are six copies of a claim map of the German Belcher property. A contract for exploration assistance on this property, Docket DMEA 2878, was forwarded to you on March 3, 1953, for your approval subject to receipt of suitable maps.

In a letter dated February 20, 1953, the Chairman of the Operating Committee returned for revision a contract covering this application. Among other things the letter stated: "It will be noted that the map attached to the contract does not show the location of the shaft or indications of any possible proposed work, within the limits of the claims."

The applicant was requested to submit a map showing the shaft and the location of the proposed work. The enclosed map shows the location of the German shaft but does not show any underground workings. This was called to the attention of the applicant and he stated that the underground workings were inaccessible and it was impossible to obtain a map showing any of the underground workings.

We agreed to forward this map to your office to be attached to the contract. Please advise us if this map is satisfactory and if the contract can be approved without a map showing the underground workings.

W. H. King

W. H. King

Enclosures

File German Belcher

Denver, Colorado
March 14, 1953

Mr. W. H. King, Executive Officer
Field Team, Region IV
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA-2878 (Uranium)
German-Belcher Mine
Gilpin County, Colorado

Dear Mr. King:

On October 9, 1952 the loan application in the name of Uranium Company of America, which had already been approved by your office, was withdrawn and a new application was made in the name of American Mining Company.

On December 3, 1952 we received a letter from Mr. Frank E. Johnson, Acting Administrator of your Washington office, as follows:

> "It will be more expedient to write a new contract than to transfer the present one. This matter is now being referred to the Denver Office of the DMEA where the present contract was written. They have authority to cancel it by mutual agreement, and enter into a new one with the American Mining Company."

Five months have elapsed on the ninth of March, and as yet this matter has not been concluded, although I have consistently pursued your office and the Washington office regarding same so that I could begin operations.

On March 3rd you asked for another map, which I promptly furnished on March 12th, and which I hope is satisfactory. Such map information should have been requested by your office months ago, and not after this length of time.

I respectfully again request that this German-Belcher loan be completed, as after all, all that had to be done was to change the name from Uranium Company of America to American Mining Company.

Very truly yours,

AMERICAN MINING COMPANY

By

George S. Groves, President

GSG/S

File German Belcher

Denver, Colorado
March 14, 1953

Mr. W. H. King, Executive Officer
Field Team, Region IV
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA-2878 (Uranium)
German-Belcher Mine
Gilpin County, Colorado

Dear Mr. King:

On October 9, 1952 the loan application in the name of Uranium Company of America, which had already been approved by your office, was withdrawn and a new application was made in the name of American Mining Company.

On December 3, 1952 we received a letter from Mr. Frank E. Johnson, Acting Administrator of your Washington office, as follows:

> "It will be more expedient to write a new contract than to transfer the present one. This matter is now being referred to the Denver Office of the DMEA where the present contract was written. They have authority to cancel it by mutual agreement, and enter into a new one with the American Mining Company."

Five months have elapsed on the ninth of March, and as yet this matter has not been concluded, although I have consistently pursued your office and the Washington office regarding same so that I could begin operations.

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I respectfully again request that this German-Belcher loan be completed, as after all, all that had to be done was to change the name from Uranium Company of America to American Mining Company.

Very truly yours,

AMERICAN MINING COMPANY

By

George S. Groves, President

GSG/S

3/11/53 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 9 1953

224 New Customhouse
Denver 2, Colorado

March 3, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2878, American Mining Co. (Lead-Uranium)

Enclosed are six copies of a proposed contract between the Government and the American Mining Company covering Docket DMEA 2878. This contract has been revised in accordance with the suggestions made by the Deputy Administrator in a telephone conversation with W.H. King and in a letter dated February 20, 1953, from the Chairman of the Operating Committee.

The original application was for lead and uranium and requested Government participation of 70%, therefore this contract has been prepared on that basis, not on a 90% basis as in the case of the previous contract. Suitable maps are not available. We requested the operator in a letter dated March 3, 1953, to supply satisfactory maps to accompany this contract. You were sent a copy of that letter. As soon as the maps are received we will forward them to your office to be attached to the contract.

This contract is being sent to you for legal approval and finalization. A copy of the lease and an amendment to the lease were sent to your office with the first draft of this contract.

W. H. King
W. H. King

Enclosures

RECEIVED
MAR 12 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

cae
3-9

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 3 1953

224 New Customhouse
Denver 2, Colorado

March 3, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2878, American Mining Co. (Lead-Uranium)

Enclosed are six copies of a proposed contract between the Government and the American Mining Company covering Docket DMEA 2878. This contract has been revised in accordance with the suggestions made by the Deputy Administrator in a telephone conversation with W.H. King and in a letter dated February 20, 1953, from the Chairman of the Operating Committee.

The original application was for lead and uranium and requested Government participation of 70%, therefore this contract has been prepared on that basis, not on a 90% basis as in the case of the previous contract. Suitable maps are not available. We requested the operator in a letter dated March 3, 1953, to supply satisfactory maps to accompany this contract. You were sent a copy of that letter. As soon as the maps are received we will forward them to your office to be attached to the contract.

This contract is being sent to you for legal approval and finalization. A copy of the lease and an amendment to the lease were sent to your office with the first draft of this contract.

W. H. King
W. H. King

Enclosures

3-6-53 file

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

224 New Customhouse
Denver 2, Colorado

March 3, 1953

Mr. George S. Groves
President
Atomic Energy Uranium, Inc.
Suite 839
60 East 42nd Street
New York 17, New York

Dear Mr. Groves:

This will acknowledge receipt of your undated letter received in this office March 2, regarding your application, Docket DMEA 2752 of Atomic Energy Uranium Corporation.

In reference to your application of American Mining Company, Docket DMEA 2878 (formerly 1448X), covering the unwatering of shaft in the German Claim, Gilpin County, Colorado, the map attached to your application does not show the location of the shaft you propose to unwater, nor the location of the underground workings. It will be necessary for you to submit a map with this information promptly so that this contract may be executed.

For your information, the claim number shown on the map for the Ina claim was 735. The Bureau of Land Management records show this claim to be No. 775. It is probable that you will wish to change this when you submit the map as requested.

Your prompt attention to this will be appreciated.

Very truly yours,

W. H. King

W. H. King
Executive Officer
Field Team, Region IV

cc: Atomic Energy Uranium, Inc.
405 Interstate Trust Bldg.,
Denver, Colorado
cc: C. O. Mittendorf

FILE COPY
SURNAME:

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

Ellis
R. Johnson

FEB 27 1953

Mr. George S. Groves, President
American Mining Company
[illegible] Interstate Trust Building
Denver 2, Colorado

Re: Docket No. [illegible]-2878 (Uranium)
German-Belcher Mine
Gilpin County, Colorado

J.C. 3/3/53

Dear Mr. Groves:

This will acknowledge receipt of your letters dated February 16 and 17, 1953 pertaining to the captioned application. This application has been assigned the docket number shown above inasmuch as Contract No. Idm-[illegible]270, Docket No. DM-14[illegible], Uranium Company of America, has been formally rescinded.

It is noted that you are desirous of speeding up the disposition of the subject application. For your information, there has been an unavoidable delay in the handling of this docket because of the interlocking relationship of the companies involved and the necessity of obtaining adequate protection for the Government's interest. The proposed contract has now been returned to the Regional Office of Defense Minerals Exploration Administration at Denver, Colorado for necessary revisions to comply with legal requirements.

With reference to the application Docket No. [illegible]-2752, on the Newable property, you were advised in our letter of February 20, 1953 that this application was being processed by the Denver office of [illegible]. We have just received the Field Team's report on their examination of this property. As you are aware, this examination was delayed because the mine was inaccessible.

I suggest that you again contact the Denver [illegible] office in connection with both of your applications. We are desirous of disposing of both of these cases and will make every effort to do so promptly.

Sincerely yours,

FRANK E. JOHNSON (Bih)
Acting Administrator

FrJohnson/Esschmidt/bih/jem
2/27/53
cc to: Docket
Adm. Reading File
Region IV (2)
Mr. Ellis
Mr. Johnson
Mr. Schmidt

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

FEB 24 1953

not sent

Mr. George S. Groves, President
American Mining Company
405 Interstate Trust Building
Denver 2, Colorado

Re: Docket No. DMEA-2878 (Uranium)
German-Belcher Mine
Gilpin County, Colorado

Dear Mr. Groves:

This will acknowledge receipt of your letters dated February 16 and 17, 1953, pertaining to the above captioned application. This application has been assigned the docket number shown above inasmuch as Contract No. Idm-E270, Docket No. DMA-1448X, Uranium Company of America, has been formally rescinded.

It is noted that you are desirous of speeding up the disposition of subject application. For your information there has been unavoidable delay in handling this docket. However, the proposed contract is now being returned to the Regional Office of DMEA at Denver, Colorado, for further processing under their delegated authority.

With reference to your application, Docket No. DMEA-2752, on the Pewabic property, that, too, is being processed at the Region IV office of DMEA in accordance with our reply to your letter of February 16, 1953. This letter you no doubt have received by now.

I trust this is the information you requested and that both applications will receive earliest consideration.

Sincerely yours,

O O Mitteudorf

Administrator

FILE COPY
SURNAME:

Schmidt
Ellis
Chamberlain
Ackman
Hollywood
Selfridge

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

FEB 20 1953

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket DMA-2876 (Uranium)
American Mining Company
Gilpin County, Colorado

J. C. 2/20/53

Dear Mr. King:

This acknowledges receipt of your letter of January 13, 1953, to Administrator Wittendorf enclosing 6 copies of a proposed exploration contract on the subject application together with a copy of a lease between the Uranium Company of America and the American Mining Company and a copy of an amendment to the mining lease. You will note the new docket number as shown above which takes the place of the old docket number [illegible]-1[illegible], Contract No. [illegible]-2[illegible].

These papers were reviewed by the legal department. It will be noted that the map attached to the contract does not show the location of the shaft or indications of any possible proposed work within the limits of the claims. The comments of the legal department are quoted in part as follows:

> "Reference is made to memorandum dated January 13 from the Executive Officer, Region IV, to which is attached a copy of a proposed contract with American Mining Company, both of which were submitted to this office by the Chief of the Rare and Miscellaneous Metals Division. Mr. King indicates in his memorandum that although execution of the proposed contract would be within his delegated powers, he is sending it here for approval because the operator is controlled by Mr. George A. Groves.
>
> "The proposed contract is written on a short form, and the estimated cost is $19,000 of which the Government will contribute 90 percent or $17,100.

This proposed contract is extraordinary in that it sets forth three separate operations as units of work to which the Government will contribute on a basis of agreed costs, of a different sort than are ordinarily accepted for this purpose. The three units referred to are as follows:

1. [illegible] mine, [illegible] compressor house, [illegible] hoist and pump [illegible], rehabilitate shaft to the 2[illegible] level [illegible] ... [illegible]

2. [illegible] mine, rehabilitate shaft from 2[illegible] level to 6[illegible] level ... [illegible]

3. [illegible] ... [illegible]

[illegible]

It seems to me that operations of this sort, if they are to be adopted as units of work, should be stated with more explicitness and certainty than is here, unless the agreed cost attached to each unit is certainly as lower lower than the actual cost of the unit will necessarily be. For instance, referring to the first unit, I assume that 'hoist and compressor' which be of any variety of sizes and of any variety of [illegible] without any further specification than that. Similarly, referring to the second unit, I would think there might be much difference of opinion as to what it takes to 'rehabilitate shaft.' The third unit, 'a [illegible] and [illegible],' seems to me to be much too indefinite.

The Executive Officer and the Commissioner may not realize that none of these costs can be contributed to by the Government, certainly in this [illegible], until they are completed.

As indicated in [illegible] of Circular 21, all of the work to be performed should be stated in Exhibit 'A' under the title 'Description of the Work.' As it now stands, nothing is said under this title about repairing the hoist and compressor house and installing [illegible] and pump [illegible], which are a part of the first unit of work in the estimate of costs.

In addition to the foregoing basic matters, the following more or less formal defects appear:

Article 2(a) recites that 'Gold Uranium Corporation' holds a mortgage in the amount of $150,000 on the claims leased. The subordination agreement, however, is signed by the 'Gold Uranium Mining Company.' If the first name quoted above is in error, it should be changed on the contract form. On the other hand, if the name on the contract form is correct, a subordination agreement should be executed by the proper mortgagee.

The map gives 735 as the survey number for the Ina Claim, whereas the Owner's Consent to Lien and the contract recite the survey number as 775. This inaccuracy should be reconciled.

Three footnote 1/ references appear in Page 1 of the estimate of costs, but the footnote is omitted. Apparently, it was intended that the footnote recite that the entire work item is a unit of work and that the Government's obligation to contribute to costs will accrue when the work item is completed."

These comments from the legal department together with all copies of the proposed contract, are returned to you for your guidance in finalizing the contract which it has been decided should be executed in your office after taking into consideration the points suggested herewith.

Sincerely yours,

George C. Selfridge (JVB)

Chairman, Operating Committee

Approved:

J. H. Hedges (JVB)

Member, Bureau of Mines

T. P. Thayer (JVB)

Member, Geological Survey

Fl. chmidt/jem
2/10/53
cc to: Adm. Reading File
Docket
Messrs. L. Keiser-3041
A. Butler-3206 C.A
J. Stoted-3210 C.A
Opr. Com., Allis Schmidt
Field Com, Region IV

C
O
P
Y

AMERICAN MINING COMPANY
60 East 42nd Street
New York 17, New York

Denver, Colorado
February 17, 1953

Mr. C. O. Mittendorf
Defense Minerals Administration
Department of the Interior
Between 17th and 18th Streets S.W.
Washington 25, D. C.

Dear Mr. Mittendorf:

Isn't there some way that you, as head of the Defense Minerals Exploration Administration's office, can get behind Mr. Schmidt of your office and Mr. King of the Denver office and get them to finally dispose of the two applications that are now pending, namely,

DMEA-2878 German-Belcher, in the name of American Mining Company. This application was approved in the name of Uranium Company of America, but it was decided that we operate under the name of American Mining Company, and it was only a matter of changing the name, but it seems that it has taken over three months to do this, and the application has not been finally approved.

DMEA-2752 Application was made by Atomic Energy Uranium, Inc., on the Pewabic on October 9, 1952, more than four months ago. While this was for only $25,000, I was informed by the Denver office today that it was sent to Washington for processing, although, if I understand correctly, it should have been attended to right here in Denver without sending it to Washington.

It is extremely discouraging to be held up so long in order to get a decision on these two applications. I am anxious to get going, and I would appreciate it very much if you will communicate with the Denver office and also with Mr. Schmidt and see if you can get them to moving.

Thanking you, I am,

Sincerely yours,

/s/ George S. Groves
George S. Groves, President
American Mining Company

2/19/53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 18 1953

# AMERICAN MINING COMPANY

60 EAST 42ND STREET
NEW YORK 17, N. Y.

DENVER OFFICE:
405 INTERSTATE TRUST BUILDING
DENVER 2, COLORADO
TELEPHONE: KEYSTONE 0589

Denver, Colorado
February 16, 1953

Defense Minerals Exploration Administration
Washington 25, D. C.

2818

Docket No. DMA ~~1448X~~
Contract No. Idm-E270
Uranium Co. of America

For attention: Mr. Schmidt

Gentlemen:

Last Monday when I saw you in Washington you promised me over the telephone that the German-Belcher application made by American Mining Company, which was sent down to Washington on January 14th by the local Denver D.M.E.A.'s office had just come out of the legal department and within one day you would forward it to Denver.

The Denver office informed me today that they have not received this from you. Won't you please look into the matter and see that these papers are forwarded at once, if you have not already done so, to the Denver office?

Very truly yours,

AMERICAN MINING COMPANY

By Geo S Groves

George S. Groves
President

GSG/S

CC: Mr. Mithendorf

MEMO TO THE FILES

February 10, 1953

All material from Docket No. DMEA 1448X under the applicant's name of Uranium Company of America has been transferred to this docket under the name of American Mining Company and assigned Docket No. DMEA 2878.

140

FILE COPY
SURNAME:

Hoffhund
Rubin

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

February 6, 1953

Memorandum

N. S. in R. v R.

BW.

To: The Administrator

From: Chief Counsel

Subject: American Mining Company, Docket No. DMEA-1448 (Uranium)
2878

Reference is made to memorandum dated January 13 from the Executive Officer, Region IV, to you, to which is attached a draft of a proposed contract with American Mining Company, both of which were submitted to this office by the Chief of the Rare and Miscellaneous Metals Division. Mr. King indicates in his memorandum that although execution of the proposed contract would be within his delegated powers, he is sending it here for approval because the Operator is controlled by Mr. George S. Groves.

The proposed contract is written on a short form, and the estimated cost is $19,000, of which the Government will contribute 90 percent or $17,100.

This proposed contract is extraordinary in that it sets forth three separate operations as units of work to which the Government will contribute on a basis of agreed costs, of a different sort than are ordinarily accepted for this purpose. The three units referred to are as follows:

| | | |
|---|---|---|
| 1. | Repair hoist and compressor house, install hoist and pump units, rehabilitate shaft to the 250 foot level .. | $2,000.00 |
| 2. | Dewater mine, rehabilitate shaft from 250 foot level to 600-foot level ... | 3,000.00 |
| 3. | Sampling and Assaying ... | 500.00 |
| | Total Stage I | $5,500.00 |

It seems to me that operations of this sort, if they are to be adopted as units of work, should be stated with more explicitness and certainty than is done here, unless the agreed cost attached to each unit is certainly as low or lower

than the actual cost of the unit will necessarily be. For instance, referring to the first unit, I suppose that "hoist and pump units" might be of any variety of sizes and any variety of costs without any further specification than that. Similarly, referring to the second unit, I would think there might be much difference of opinion as to what it takes to "rehabilitate shaft." The third unit, "Sampling and Assaying," seems to me to be much too indefinite.

The Executive Officer and the Operator may not realize that none of these costs can be contributed to by the Government, set up in this form, until they are completed.

As indicated in Article 4 of DMEA Circular 21, all of the work to be performed should be stated in Exhibit "A" under the title "Description of the Work." As it now stands, nothing is said under this title about repairing the hoist and compressor house and installing hoist and pump units, which is a part of the first unit of work in the estimate of costs.

The largest part of the work to be performed will consist of drifting, crosscutting, or raising. This is all lumped together in the estimate of costs as "450 feet @ $30.00 per foot. No other description of this work is given, but it is stated that: "The location, direction, and length of all drifts, crosscuts, or raises will be determined after part or all of the sampling is completed, and must be acceptable to the Defense Minerals Exploration Administration representative." This seems altogether inadequate to me. I think that the Operator should be expressly required to submit to DMEA suitable plans or drawings for such work upon which DMEA can give its written approval.

In addition to the foregoing basic matters, the following more or less formal defects appear:

Article 2(a) recites that "Gold Uranium Corporation" holds a mortgage in the amount of $150,000 on the claims leased. The Subordination Agreement, however, is signed by the "Gold Uranium Mining Company." If the first name quoted above is in error, it should be changed on the contract form. On the other hand, if the name on the contract form is correct, a Subordination Agreement should be executed by the proper mortgagee.

The map gives 735 as the survey number for the Ina Claim, whereas the Owner's Consent to Lien and the contract recite the survey number as 775. This inaccuracy should be reconciled.

Three footnote 1/ references appear in Stage I of the estimate of costs, but the footnote is omitted. Apparently, it was intended that the footnote recite that the entire work item is a unit of work and that the Government's obligation to contribute to costs will accrue when the work item is completed.

/s/ AEKane
for J. L. Hofflund
Chief Counsel

Attachments

HCRubin/JLHofflund/em
Copy to: Mails and Files
E. W. Ellis
HKC. Rubin
J.L. Hofflund
chron.

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

February 6, 1953

Memorandum

To: The Administrator

From: Chief Counsel

Subject: American Mining Company, Docket No. DMEA-1448 (Uranium)

Reference is made to memorandum dated January 13 from the Executive Officer, Region IV, to you, to which is attached a draft of a proposed contract with American Mining Company, both of which were submitted to this office by the Chief of the Rare and Miscellaneous Metals Division. Mr. King indicates in his memorandum that although execution of the proposed contract would be within his delegated powers, he is sending it here for approval because the Operator is controlled by Mr. George S. Groves.

The proposed contract is written on a short form, and the estimated cost is $19,000, of which the Government will contribute 90 percent or $17,100.

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| | | |
|---|---|---|
| 1. | Repair hoist and compressor house, install hoist and pump units, rehabilitate shaft to the 250 foot level .. | $2,000.00 |
| 2. | Dewater mine, rehabilitate shaft from 250 foot level to 600-foot level ... | 3,000.00 |
| 3. | Sampling and Assaying ... | 500.00 |
| | Total Stage I | $5,500.00 |

It seems to me that operations of this sort, if they are to be adopted as units of work, should be stated with more explicitness and certainty than is done here, unless the agreed cost attached to each unit is certainly as low or lower

than the actual cost of the unit will necessarily be. For instance, referring to the first unit, I suppose that "hoist and pump units" might be of any variety of sizes and any variety of costs without any further specification than that. Similarly, referring to the second unit, I would think there might be much difference of opinion as to what it takes to "rehabilitate shaft." The third unit, "Sampling and Assaying," seems to me to be much too indefinite.

The Executive Officer and the Operator may not realize that none of these costs can be contributed to by the Government, set up in this form, until they are completed.

As indicated in Article 4 of DMEA Circular 21, all of the work to be performed should be stated in Exhibit "A" under the title "Description of the Work." As it now stands, nothing is said under this title about repairing the hoist and compressor house and installing hoist and pump units, which is a part of the first unit of work in the estimate of costs.

The largest part of the work to be performed "will consist of drifting, crosscutting, or raising." This is all lumped together in the estimate of costs as "450 feet @ $30.00 per foot." No other description of this work is given, but it is stated that: "The location, direction, and length of all drifts, crosscuts, or raises will be determined after part or all of the sampling is completed, and must be acceptable to the Defense Minerals Exploration Administration representative." This seems altogether inadequate to me. I think that the Operator should be expressly required to submit to DMEA suitable plans or drawings for such work upon which DMEA can give its written approval.

In addition to the foregoing basic matters, the following more or less formal defects appear:

Article 2(a) recites that "Gold Uranium Corporation" holds a mortgage in the amount of $150,000 on the claims leased. The Subordination Agreement, however, is signed by the "Gold Uranium Mining Company." If the first name quoted above is in error, it should be changed on the contract form. On the other hand, if the name on the contract form is correct, a Subordination Agreement should be executed by the proper mortgagee.

The map gives 735 as the survey number for the Ina Claim, whereas the Owner's Consent to Lien and the contract recite the survey number as 775. This inaccuracy should be reconciled.

Three footnote 1/ references appear in Stage I of the estimate of costs, but the footnote is omitted. Apparently, it was intended that the footnote recite that the entire work item is a unit of work and that the Government's obligation to contribute to costs will accrue when the work item is completed.

for J. L. Hofflund
Chief Counsel

Attachments

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

February 6, 1953

Memorandum

To: The Administrator

From: Chief Counsel

Subject: American Mining Company, Docket No. DMEA-1448 (Uranium)

Reference is made to memorandum dated January 13 from the Executive Officer, Region IV, to you, to which is attached a draft of a proposed contract with American Mining Company, both of which were submitted to this office by the Chief of the Rare and Miscellaneous Metals Division. Mr. King indicates in his memorandum that although execution of the proposed contract would be within his delegated powers, he is sending it here for approval because the Operator is controlled by Mr. George S. Groves.

The proposed contract is written on a short form, and the estimated cost is $19,000, of which the Government will contribute 90 percent or $17,100.

This proposed contract is extraordinary in that it sets forth three separate operations as units of work to which the Government will contribute on a basis of agreed costs, of a different sort than are ordinarily accepted for this purpose. The three units referred to are as follows:

| | | |
|---|---|---|
| 1. | Repair hoist and compressor house, install hoist and pump units, rehabilitate shaft to the 250 foot level .. | $2,000.00 |
| 2. | Dewater mine, rehabilitate shaft from 250 foot level to 600-foot level ... | 3,000.00 |
| 3. | Sampling and Assaying ... | 500.00 |
| | Total Stage I | $5,500.0 |

It seems to me that operations of this sort, if they are to be adopted as units of work, should be stated with more explicitness and certainty than is done here, unless the agreed cost attached to each unit is certainly as low or lower

than the actual cost of the unit will necessarily be. For instance, referring to the first unit, I suppose that "hoist and pump units" might be of any variety of sizes and any variety of costs without any further specification than that. Similarly, referring to the second unit, I would think there might be much difference of opinion as to what it takes to "rehabilitate shaft." The third unit, "Sampling and Assaying," seems to me to be much too indefinite.

The Executive Officer and the Operator may not realize that none of these costs can be contributed to by the Government, set up in this form, until they are completed.

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The largest part of the work to be performed "will consist of drifting, crosscutting, or raising." This is all lumped together in the estimate of costs as "450 feet @ $30.00 per foot." No other description of this work is given, but it is stated that: "The location, direction, and length of all drifts, crosscuts, or raises will be determined after part or all of the sampling is completed, and must be acceptable to the Defense Minerals Exploration Administration representative." This seems altogether inadequate to me. I think that the Operator should be expressly required to submit to DMEA suitable plans or drawings for such work upon which DMEA can give its written approval.

In addition to the foregoing basic matters, the following more or less formal defects appear:

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The map gives 735 as the survey number for the Ina Claim, whereas the Owner's Consent to Lien and the contract recite the survey number as 775. This inaccuracy should be reconciled.

Three footnote 1/ references appear in Stage I of the estimate of costs, but the footnote is omitted. Apparently, it was intended that the footnote recite that the entire work item is a unit of work and that the Government's obligation to contribute to costs will accrue when the work item is completed.

AEkane

for J. L. Hofflund
Chief Counsel

Attachments

2/3/53 jem

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

224 New Customhouse
Denver 2, Colorado

January 30, 1953

Mr. George S. Groves, President
American Mining Company
60 E 42nd Street
New York 17, New York

Re: DMEA 1448X Uranium

Dear Mr. Groves:

Our recommendations regarding a contract covering application DMEA 1448X, American Mining Company, were forwarded to the Washington Office on January 14, 1953.

The final report on the application of the Atomic Energy Uranium Inc. for exploration assistance on the Pewabic Property is being prepared.

Our recommendations on this application will be forwarded to the Washington Office when they have been received.

This is in confirmation of a telephone conversation with Mrs. Scott of your Denver Office on January 29, 1953.

Very truly yours,

W. H. King

W. H. King
Executive Officer, Field Team
Region IV

JFS:es

cc: Mittendorf(2)
Denver Office (AMC)
Contract
Chron.
Traver
Koschmann (2)

2-3-53 gim 700

# AMERICAN MINING COMPANY

60 EAST 42ND STREET
NEW YORK 17, N. Y.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

DENVER OFFICE:
405 INTERSTATE TRUST BUILDING
DENVER 2, COLORADO
TELEPHONE: KEYSTONE 0589

Denver
January 30, 1953

Mr. Frank E. Johnson
Acting Administrator
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Docket DMA-1448X (Uranium)
Contract No. Idm-E270
Uranium Company of America
Gilpin County, Colorado

Dear Mr. Johnson:

On December 3, 1952 you wrote me as per attached copy, stating that the Denver Office had authority to cancel by mutual agreement the exploration loan on the German-Belcher made with Uranium Company of America and to enter into a new agreement with American Mining Company.

This was done, but the Denver office insisted upon sending it back to Washington for final approval.

I am enclosing copy of a telegram sent to Mr. King. Mr. King promptly advised our Denver office that the German application had been sent to the Washington office, where any further enquiry should be made.

I am most anxious to begin developing this property, and inasmuch as you and Mr. Mithendorf have cooperated with me in the past, I would again appreciate your looking up this application and giving it your usual prompt attention.

Thanking you, I am

Sincerely yours,

Geo S. Groves

George S. Groves

SS: Mr. W. H. King, Denver

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

Dec. 3, 1952

Mr. George S. Groves
60 East 42nd Street
New York, Nww York

Re: Docket DMA-1448X (Uranium)
Contract No. Idm-E270
Uranium Company of America
Gilpin County, Colorado

Dear Mr. Groves:

This acknowledges receipt of your telegram of December 2, 1952, inquiring as to the transfer of the subject contract from the Uranium Company of America to the American Mining Company.

It will be more expedient to write a new contract than to transfer the present one. This matter is now being referred to the Denver Office of the DMEA where the present contract was written. They have authority to cancel it by mutual agreement, and enter into a new one with the American Mining Company.

The Owner's Consent to Lien will naturally be required for the new contract.

It is suggested that you contact the Denver Office where they will be pleased to cooperate with you.

Sincerely yours,

/s/ Frank E. Johnson

Acting Administrator

TELEGRAM

AMERICAN MINING COMPANY

New York, N. Y.
January 28, 1953

Mr. W. H. King
Defense Minerals Exploration Administration
New Custom House
Room 224
Denver, Colorado

HAVE HEARD NOTHING FROM YOUR OFFICE REGARDING APPLICATION BY ATOMIC ENERGY URANIUM, INC. FOR LOAN ON PEWABIC PROPERTY. NEITHER HAVE HEARD ANYTHING REGARDING AMERICAN MINING COMPANY'S APPLICATION FOR GERMAN-BELCHER LOAN SINCE LAST SAW YOU DENVER. PLEASE ADVISE DENVER OFFIC E IMMEDIATELY WHY THIS MATTER IS BEING DELAYED.

GEORGE S. GROVES

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

January 30, 1953

Mr. George S. Groves, President
American Mining Company
60 E 42nd Street
New York 17, New York

Re: DMEA ~~1448X~~ 2878

Dear Mr. Groves:

Our recommendations regarding a contract covering application DMEA ~~1448X~~ 2878, American Mining Company, were forwarded to the Washington Office on January 14, 1953.

The final report on the application of the Atomic Energy Uranium Inc. for exploration assistance on the Pewabic Property is being prepared.

Our recommendations on this application will be forwarded to the Washington Office when they have been received.

This is in confirmation of a telephone conversation with Mrs. Scott of your Denver Office on January 29, 1953.

Very truly yours,

W. H. King

W. H. King
Executive Officer, Field Team
Region IV

JFS:es

cc: Mittendorf(2)
Denver Office (AMC)
Contract
Chron.
Traver
Koschmann (2)

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

224 New Customhouse
Denver 2, Colorado

January 13, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 16 1953

Memorandum

To: C. O. Mittendorf, Administrator

From: Executive Officer, Field Team, Region IV

Subject: Docket No. 1448X, American Mining Company (Uranium)

Enclosed are six copies of an exploration project contract between the Government and the American Mining Company, covering application Docket No. DMEA 1448X.

Also enclosed is a copy of a lease between the Uranium Company of America and the American Mining Company, and a copy of an amendment to the mining lease.

The American Mining Company is controlled by George S. Groves. Therefore, we are sending this contract to you for approval and signature even though the amount is within the limitation of authority delegated to this region.

You will note that the lease is dated October 21, 1952, and according to Article (2), work should start within 60 days of the date of the lease. The lease is now in default. However, an extension can probably be obtained. We did not ask Mr. Groves for this extension because we did not know how long it would take to process this contract.

W. H. King
W. H. King

Enclosures

RECEIVED
JAN 19 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 16 1953

224 New Customhouse
Denver 2, Colorado

January 13, 1953

Memorandum

To: C. O. Mittendorf, Administrator

From: Executive Officer, Field Team, Region IV

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W. H. King
W. H. King

Enclosures

# AMENDMENT TO MINING LEASE

THIS AGREEMENT made and entered into at Denver, Colorado this third day of January, A. D., 1953, by and between Uranium Company of America, a Colorado corporation, hereinafter called Lessor and American Mining Company, a Delaware corporation, hereinafter called Lessee, being the same parties who heretofore and on October 21, 1952 entered into a certain Mining Lease on German Lode Mining Claim U. S. Survey No. 494 and other Lode Mining Claims therein described, which said Mining Lease was thereafter recorded in the Office of the County Clerk and Recorder of Gilpin County, Colorado on October 24, 1952, and appears of record in Book 225, Page 333 of said records.

WHEREAS, it has developed through error, mistake and inadvertence the Ina Lode Mining Claim U. S. Survey No. 775, which was supposed to have been included in said description of property leased by the lessor to the lessee, was inadvertently ommited from said description.

NOW, THEREFORE, it is agreed by and between the parties hereto that the said Ina Lode Mining Claim U. S. Survey No. 775 should be included in said Mining Lease and by this Agreement said Ina Lode Mining Claim is included in said Mining Lease, subject to all of the terms and conditions affecting said Lode Mining Claims together with this claim now added.

IT IS FURTHER MUTUALLY UNDERSTOOD AND AGREED that except as herein changed by the addition of the Ina Lode Mining Claim U. S. Survey No. 775 that the said Agreement of Lease hereinabove referred to shall continue in full force and effect as to all properties

PHOTO-COPY
BY PICK
FOR EXTRA COPIES, CALL KE. 2411
JAN 12 1953
PICK PHOTOGRAPH & BLUEPRINT CO
1905 - 17th ST. DENVER, COLO
CERTIFIED ON REQUEST

as originally written.

IN WITNESS WHEREOF the parties have hereunto subscribed their names the day and year first above written.

URANIUM COMPANY OF AMERICA

(SEAL)
Secretary

AMERICAN MINING COMPANY

(SEAL)
President

PHOTO-COPY
BY PICK
FOR EXTRA COPIES, CALL KE. 2874
JAN 12 1953
PHOTOGRAPH & BLUEPRINT CO
1515-17th ST. DENVER, COLO
CERTIFIED ON REQUEST

No. 90-A. MINING LEASE (Long Form) The Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blks, Denver.

**This Agreement of Lease,** Made and entered into this 21st day of October, A. D. 19 52, by and between URANIUM COMPANY OF AMERICA, a Colorado corporation, 405 Interstate Trust Bldg., Denver, Colorado of, hereinafter called the lessor, and AMERICAN MINING COMPANY, a Delaware corporation, of Room 839, 60 E. 42nd Street, New York, N.Y. hereinafter called lessee;

WITNESSETH, That the said lessor for and in consideration of the rents, royalties, covenants and agreements hereinafter expressed to be paid, kept and performed by the said lessee, has leased, let and demised and by these presents does lease, let and demise unto said lessee the following described mining property and premises, situate in the Nevada Mining District, Gilpin County, State of Colorado, to-wit:

German lode mining claim, U. S. Survey No. 494
German Annex lode mining claim, U. S. Survey No. 19564
German No. 2 lode mining claim, U. S. Survey No. 19564
North German lode mining claim, U. S. Survey No. 18936
Belcher lode mining claim, U. S. Survey No. 7076.

Consent is hereby given to assign this lease to another corporation to be organized by the Lessee, and such assignment will release the above named Lessee from all obligations hereunder upon the acceptance hereof by such new Lessee.

TO HAVE AND TO HOLD the above described premises for the purposes of mining, from the 21st day of October, A. D. 19 52, to the 21st day of October, A. D. 19 67, unless sooner forfeited or terminated through the violation of any of the covenants and conditions herein contained, with no power to assign this lease or any part thereof or to sublet the whole or any part of said leased premises without the written consent of the said lessor first had and obtained.

The said lessee in consideration of the premises has covenanted, contracted and agreed and by these presents does covenant, contract and agree to and with the said lessor, its successors ~~executors, administrators~~ and assigns:

(1) To enter upon said leased premises and to work the same in mine fashion in manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, with due regard to the development and preservation of said mine or mining premises, as a workable mining property, and to the special covenants herein contained.

(2) To work and mine said premises as aforesaid, steadily and continuously during the period of this lease and in doing said work to perform at least twenty (20) shifts of mining labor per month each and every month during the life of this lease, starting sixty days from date hereof, ten months out of the year.

(3) To repair all new timbering wherever it may become necessary, and to well and sufficiently timber said mine and mining premises at all points where proper and necessary in accordance with good and safe mining; continuing the timbering in the working shafts now upon said premises with timber of the same dimensions as heretofore used, unless it becomes necessary for safety to use larger timber, in which event timber of sufficient size for safety and permanent mining shall be used.

(4) To allow the lessor.....or.....its.....agent from time to time to enter upon and descend into all parts of said leased premises, for the purpose of inspection, surveys or taking samples therefrom, and to render to said parties proper assistance in making such inspection, surveys or examination.

(5) To occupy and hold as the property of the lessor.....all cross and parallel lodes, spurs and mineral deposits of every kind which may be uncovered, disclosed or discovered within said leased ground by the said lessee.....or any person or persons under or in privity with.....it....., with privilege to said lessee.....to work and mine the same as part and parcel of said premises.

(6) To keep at all times the drifts, shafts, tunnels and other workings thoroughly drained and clear of loose rock and rubbish, unless prevented by extraordinary mining casualty.

(7) To stow no waste underground except with the consent and under the direction of the lessor.....

(8) To do no underhand stoping below the bottom of any main working level or winze and to do no stoping or breaking of ore rock within.....five (5).....feet of any working shaft.

~~(9) Not to adulterate or mix any ores broken or mined without the consent of the lessor, it being understood that all ores mined which are to low grade for present shipment shall remain the property of and be subject to the control and disposition of the lessor.....~~

(10) To make all new working shafts at least four (4) feet by eight (8) feet in the clear; all drifts and tunnels at least three and one-half (3½) feet by six and one-half (6½) feet in the clear, and all winzes and raises at least three and one-half (3½) feet by seven (7) feet in the clear.

(11) It is expressly understood and agreed that the lessor.....reserve.s.....the property and right of property in and to all ores extracted from said premises during the period of this lease, and the said lessee.....covenant...s...and agree..s..to pay and allow the lessor.....as royalty upon all ores mined, shipped or sold from said leased premises in any manner during the life of this lease, as follows, to-wit:

Ten per cent (10%) of the net smelter or ore buyer proceeds, after deducting all transportation and smelting, assaying or treatment charges.

Said royalty to be paid to Mrs. Mabel N. Scott, as trustee, with authority for her to apply this royalty towards any real estate taxes or insurance due by the Lessor on all real estate owned in Colorado including those taxes previously paid by others; and when such taxes and insurance are paid, then in that event the Lessee will pay said royalty to the Lessor

All settlements to be made upon the smelter, mill or sampler net assay values, deducting therefrom only the actual cost of transportation and treament....and assaying.....

In event the U. S. Government will make any loans of any nature or advance any monies from time to time to the Lessee, the Lessor agrees to execute any subordination agreements required by the government for any future loans, and does hereby transfer and assign any pending development loans.

In the event the Lessee violates any terms or conditions herein, before termination by the Lessor, the Lessor agrees to give Lessee thirty (30) days' written notice by registered mail setting forth the violation and giving the Lessee an opportunity to cure or correct such violations.

(12) The lessee.....shall and hereby do.es.assume all responsibility in case of accident to....all..... or any of.....its.....employees in or about said property.

(13) All taxes assessed against said demised premises for ores mined and shipped under this lease shall be paid by the lessor.....and all taxes of every nature Lessor agrees to pay promptly, if royalty monies are available for that purpose.

(14) All bills and expenses incurred by the lessee.....or those in privity with.....it.....shall be promptly paid by the lessee....., and by said prompt payment said lessee.....shall prevent the filing of any and all liens of miners, mechanics or material men, against said demised premises; and, if by reason of the failure of said lessee.....to pay such bills or expenses, any lien or liens shall be filed against said premises the said lessor.....may forthwith pay off and discharge the same, and the said lessee.....hold.s...itself..... bound to pay to said lessor.....all sums so advanced or paid to clear said premises from liens which may be filed as aforesaid, ~~and the said lessor may also [illegible] election [illegible] forfeiture of this lease~~

(15) Said lessee.....further covenant..s.that no person not in privity with the parties hereto shall be allowed to hold possession of said premises or any part thereof under any pretext whatever.

(16) Further, that.....it.....will deliver to said lessor.....quiet and peaceable possession of said demised premises in good order and condition with all drifts, tunnels and other passages thoroughly drained and cleared of loose rock and rubbish and said premises ready for immediate continued working, without demand or further notice, on the.....21st.....day of.....October....., A. D. 19.67., at noon, or at any time previous thereto, upon demand for forfeiture, and it is mutually understood that all machinery and tools which may be placed upon said premises by the said lessee.....may be removed therefrom within ten days after the termination of this lease; provided, however, that no such tools or machinery shall be so removed while the said lessee.....may be in any manner indebted to the said lessor..... under any obligation incurred under this lease.

(17) Upon the violation of any covenant or condition herein contained, this lease shall, at the option of said lessor....., expire and terminate, and the said premises with the appurtenances and all buildings and other improvements shall become forfeited to the lessor....., and the said lessor..... or.....its..... agent may thereupon, after demand in writing for possession, enter upon said premises and dispossess all persons occupying the same, with or without force, and with or without process of law; or at the option of the lessor.....the said lessee.....and all persons found occupying said premises or any part thereof may be proceeded against as guilty of unlawful detainer.

Time is of the essence of this agreement, and each and every clause of this indenture and all the covenants and conditions contained herein, expressed or implied, shall extend to the successors, heirs, executors, administrators and lawful assigns of all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names the day ~~and~~ year first above written.

URANIUM COMPANY OF AMERICA.....[SEAL]
By
.....[SEAL]
Secretary
.....[SEAL]

American Mining Company
By .....[SEAL]
.....[SEAL]
President
.....[SEAL]

38636

# MINING LEASE

FROM

URANIUM COMPANY of AMERICA

TO

AMERICAN MINING COMPANY

STATE OF Colorado
County of Gilpin } ss.

I hereby certify that this instrument was filed for record in my office, at 2:00 o'clock P M., on the 24 day of October, A. D. 1952, and is duly recorded in book 227, page 333

Marie Garwood
Recorder.

By
Deputy.

Fees, $2:00 Pd

7-47

2/2/53 jlm

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

# WESTERN UNION

W. P. MARSHALL, PRESIDENT

FX-1201

| SYMBOLS |
| --- |
| DL=Day Letter |
| NL=Night Letter |
| LT=Int'l Letter Telegram |
| VLT=Int'l Victory Ltr. |

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

AA645 KA559

K DVA744 NL PD=DENVER COLO 31=

FRANK E JOHNSON=

ACTING ADMINISTRATOR DEFENSE MINERALS EXPLORATION ADMINISTRATION WASHDC=

HAVE BEEN ADVISED BY W H KING YOUR DENVER OFFICE OUR APPLICATION 1448X REGARDING GERMAN LOAN WAS FORWARDED YOUR OFFICE JANUARY14 PLEASE REFER TO MY LETTER TO YOU YESTERDAY REGARDING THIS APPLICATION AND PLEASE ADVISE THE PRESENT STATUS THANK YOU=

AMERICAN MINING COMPANY GEORGE S GROVES PRESIDENT=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

1448

FILE COPY
SURNAME:
700

Schmidt
Ellis

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

Jas

DEC 3 1952

Mr. George [illegible] Grover
[illegible] West [illegible] Street
New York, New York

Re: Docket [illegible]-1445 (Uranium,
Contract No. [illegible]-27[illegible]
Uranium Company of America
Gilpin County, Colorado

Dear Mr. Grover:

[illegible] 1952, [illegible] from the Uranium Company of America in the [illegible] County.

[illegible]

[illegible]

[illegible]

[illegible]

(signed) FRANK E. JOHNSON

ACTING Administrator

(fw)
12, 3, 52

L. Schmidt/jem
12/2/52
cc to: Adm. Hearing File
Docket
Messrs. C. [illegible] Johnson-3621
[illegible] Winkel-4234 GCA
Ellis Schmidt
Field Team, Region IV (2) w/cc of telegram

THRILLING SANTAGRAMS FROM THE NORTH POLE SIGNED Santa Claus ESPECIALLY FOR YOUNGSTERS Beautiful Blank
MESSAGE SUGGESTIONS AT WESTERN UNION OFFICES

# WESTERN UNION

W. P. MARSHALL, PRESIDENT

FX-1201

12-2-52 jem

| SYMBOLS |
|---|
| DL=Day Letter |
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The filing time shown in the date line is ... day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 3 1952

.NA666 LONG NL PD=NEW YORK NY 1=

C O MITTENDORF=

DEPT OF INTERIOR DEFENSE MINERAL EXPLORATION ADMINISTRATION WASHDC==

HAVE HEARD NOTHING FURTHER FROM MR SCHMIDT REGARDING LOAN THAT WAS APPROVED IN DENVER FOR THE GERMAN THAT WAS ASSIGNED TO AMERICAN MINING COMPANY AND WE FILED PAPERS TO HAVE NAME CHANGED YOUR OFFICE DENVER FORWARDED THIS TO WASHINGTON MR SCHMIDT PROMISED ME WHEN I LAST SAW YOU TWO WEEKS AGO THAT HE WOULD LOCATE THIS APPLICATION WITHIN TWO OR THREE DAYS AND ADVISE ME HAVE HEARD NOTHING

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

SERVICE

...s in-
...able
... or pre-
...e address.

# WESTERN UNION

W. P. MARSHALL, PRESIDENT

2/17666

HX-1201 M

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| LT=Int'l Letter Telegram |
| VLT=Int'l Victory Ltr. |

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

FROM HIM AM ANXIOUS TO GET STARTED I WOULD APPRECIATE YOU ADVISING ME WHAT HAS HAPPENED TO THIS APPLICATION THANK YOU=

GEORGE S GROVES 60 EAST 42 STREET NEW YORK NY=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

FILE COPY
SURNAME:

140

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

November ~~19~~ 24, 1952

Memorandum

To: Ernest W. Ellis

From: Chief Counsel

Subject: Uranium Co. of America - Docket No. DMEA-1448

Pursuant to an informal request from Mr. Schmidt, we have reviewed the docket in connection with the assignment of the above-described contract to the American Mining Company, without the written consent of the Government required under Article 16 of the contract (old form).

In brief review, the contract is dated February 25, 1952. Attached to the contract is a subordination agreement of a mortgagee. The Operator represented in the contract that it owned the property. The Operator was required to begin work within 90 days and complete the project within a period of 10 months. In an amendment dated June 18, 1952, the starting date was changed to 150 days. In a letter dated August 1, 1952, the starting date was extended by the Executive Officer another 30 days. In a letter dated October 21, 1952, the American Mining Company informed the Executive Officer that it had obtained a 15 year lease on the property which is the subject of the exploration contract and requested that it be substituted as the Operator under the above-described contract; it also requested an extension of the starting time from October 25 to November 25, 1952.

In these circumstances:

The Government need not recognize the assignment of the contract to which it did not consent in writing as provided in the contract. As the Operator has leased the land and divested itself of the right to possession, the Government may consider the contract breached, and rescind it; or, the Government may require the original Operator to perform under the contract.

If it is administratively determined to permit an assignment of the contract, a new assignment, prepared by the Government, must be executed by the parties and approved in writing by the Government; a new Mortgagee's subordination agreement must be obtained; an Owner's Consent to Lien must

Omen cuneus 6

from a fund

FILE COPY
SURNAME

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

Schmidt
Fitzgerald
Hollund
Gilbert
Johnson

DEC 4 1952

Mr. [illegible] H. King
Executive Officer, Region IV
D[illegible] Field Team
224 New Customhouse Building
Denver 2, Colorado

Re: Docket [illegible]-14481 (Uranium)
Contract No. Idm-[illegible]270
Uranium Company of America
Gilpin County, Colorado

Dear Mr. King:

In answer to your letter of October [illegible], 1952, concerning the rewriting of the subject contract, this office is in accord with your recommendations that this contract should be rewritten on form [illegible]-2 [illegible], and made with the American Mining Company, instead of transferring the present contract to that company, from the Uranium Company of America. The present contract should be cancelled by mutual agreement.

In view of the fact that this original contract was made in your office, it is recommended that you make the new contract along the lines you suggest. It will be necessary for the operator to have an owner's consent to lien. If he is unable to provide this, the only acceptable guarantee would be a bond by some bonding company listed as qualified by the Treasury covering all the obligations of the operator under the contract.

For your guidance a memorandum is enclosed from the legal department.

Sincerely yours,

S.H.
12-4-52

George C. Selfridge (JHB)
ACTING Chairman, Operating Committee

Enclosure
[illegible]: J. H. Hedges (JHB)
Member, Bureau of Mines
A. R. Kinkel, Jr. (JHB)
Member, Geological Survey

F:Schmidt/jem 12/1/52
cc to: Adm. Reading File
Docket
H.D.Keiser-Rm.1347
R.P.Butler-Rm.3206 G.A.
Ellis Schmidt - Legal Div.
Opr. Committee
Field Team, Region IV

be obtained; and a copy of the lease must be furnished to the Government. However, if it is administratively determined to permit the American Mining Company to perform the work, none of which has been done, it would be preferable to execute a new long form contract in addition to obtaining the papers mentioned in the previous sentence.

If the Government wishes to terminate the contract under the provisions of the contract, it may do so under the provisions of Article 17 for the additional reason that the Operator has failed to carry out operations pursuant to the contract i. e., an additional extension of time is required in order to proceed under it without the Operator being in default.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

HCRubin/ema/11-19-52
cc: Mails & Files
H. C. Rubin
J. L. Hofflund
Chron.

11/28/52 gla

# AMERICAN MINING COMPANY

~~115 CHRISTOPHER STREET~~

~~MONTCLAIR, N.J.~~

DENVER OFFICE:
405 INTERSTATE TRUST BUILDING
DENVER 2, COLORADO
TELEPHONE: KEYSTONE 0583

DMA-1448 X

November 26, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 2 1952

Mr. Schmidt
Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Mr. Schmidt:

You promised me on November 19th that you would look up our application to have the loan application in the name of Uranium Company of America changed to that of American Mining Company, (This refers to the German-Belcher group of claims in Gilpin County, Colorado.) and advise me within two or three days. I have however heard nothing.

I would appreciate hearing from you.

Yours very truly,

Geo. S. Groves

George S. Groves, President
American Mining Company

Gist to Schmidt

Bring in [illegible] of

King — referring to his letter

We concur — & include reply

of Oklahoma [illegible].

Frank

Let's discuss

OK by me to cancel

& consider new as

suggest. Fred Team likes idea.

UNITED STATES 140
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

November 24, 1952

Memorandum

To: Ernest W. Ellis

From: Chief Counsel

Subject: Uranium Co. of America - Docket No. DMEA-1448

Pursuant to an informal request from Mr. Schmidt, we have reviewed the docket in connection with the assignment of the above-described contract to the American Mining Company, without the written consent of the Government required under Article 16 of the contract (old form).

In brief review, the contract is dated February 25, 1952. Attached to the contract is a subordination agreement of a mortgagee. The Operator represented in the contract that it owned the property. The Operator was required to begin work within 90 days and complete the project within a period of 10 months. In an amendment dated June 18, 1952, the starting date was changed to 150 days. In a letter dated August 1, 1952, the starting date was extended by the Executive Officer another 30 days. In a letter dated October 21, 1952, the American Mining Company informed the Executive Officer that it had obtained a 15 year lease on the property which is the subject of the exploration contract and requested that it be substituted as the Operator under the above-described contract; it also requested an extension of the starting time from October 25 to November 25, 1952.

In these circumstances:

The Government need not recognize the assignment of the contract to which it did not consent in writing as provided in the contract. As the Operator has leased the land and divested itself of the right to possession, the Government may consider the contract breached, and rescind it; or, the Government may require the original Operator to perform under the contract.

If it is administratively determined to permit an assignment of the contract, a new assignment, prepared by the Government, must be executed by the parties and approved in writing by the Government; a new Mortgagee's subordination agreement must be obtained; an Owner's Consent to Lien must

be obtained; and a copy of the lease must be furnished to the Government. However, if it is administratively determined to permit the American Mining Company to perform the work, none of which has been done, it would be preferable to execute a new long form contract in addition to obtaining the papers mentioned in the previous sentence.

If the Government wishes to terminate the contract under the provisions of the contract, it may do so under the provisions of Article 17 for the additional reason that the Operator has failed to carry out operations pursuant to the contract i. e., an additional extension of time is required in order to proceed under it without the Operator being in default.

J. L. Hofflund
Chief Counsel

C
O
P
Y

140

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

November 24, 1952

Memorandum

To: Ernest Wm. Ellis

From: Chief Counsel

Subject: Uranium Co. of America - Docket No. DMEA-1448

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furnished to the Government. However, if it is administratively determined to permit the American Mining Company to perform the work, none of which has been done, it would be preferable to execute a new long form contract in addition to obtaining the papers mentioned in the previous sentence.

If the Government wishes to terminate the contract under the provisions of the contract, it may do so under the provisions of Article 17 for the additional reason that the Operator has failed to carry out operations pursuant to the contract i. e., an additional extension of time is required in order to proceed under it without the Operator being in default.

/s/ J. L. Hofflund
J. L. Hofflund
Chief Counsel

Confidential

DMA 1448 X

Uranium Co of America Contract E 270 German Mine Mr. Groves 10/31/52

Notes for file by Schmidt

Oct 21 Groves requests that we transfer contract from Uranium Co of Americaa to American Mining Co.

Oct 24 W.H.King wrote Mittendorf suggesting how this might be done

Oct 27 King wrote again, thinks it better to cancel present contract and rewrite it to the new party.

This present contract E 270 was written in Denver, as the amount is $25,000.00

This matter is more complicated than appears on the surface.

First read report of the Securities Exchange Commission (confidential) in file of Jorey Mining Corp DMA 1446 X to see character of man we are dealing with.

In Contract E 270 Art 2 (a)" The property is included as security on a $150,000 mortgage to Gold Uranium Corporation." This property appears to be hypothecated, and unless the mortgage is paid or the interest payments made, this property can be foreclosed ???

Please note that we have a financial statement of the Gold Uranium Corp in conncection with another matter ( Jorey Min'g Corp DMA 1446 X ) and there is an item of "investment" shown as one of the assets amounting to $150,000, which probably includes this group of claims though they are not listed.

Before making a new contract for this German Mine, or transferring the contract already made by Denver- I suggest that we reexamine our position in this matter in the light of present information.

Note, mortgage is to Gold Uranium Corporation for which this property is sedurity while the Mortgagee Subordination Agreement is signed Gold Uranium Mining Company. With the multitude of companies this man has incorporated this might well be another company instead of a typographical error.

Is this Mortgagee's Subordination Agreement acceptible to us??

Lease on German Mine

The contract E 270 dated Feb 25,1952 is on the German Mine which is security for mortgage to Gold Uranium Corp. On Oct 21,1952 Groves wrote King that Quote " We have this day taken a fifteen year lease on the German Mine " signed American Mining Company. Now he wishes to have the contract transferred to the American Mining Company

Oct.25,52 letter from Groves to John Shaw of the Denver office see Post script Quote " I forgot to mention to you that in our 15 year lease with the Uranium Company of America, they assign to us their rights, etc, in and to the approved $25,000.00 exploration loan.."

These contracts cannot be assigned to others without the permission of the Government. If the assignment has been made, what is the status? Is it null and void, is the contract cancellable? or does the responsibility rest with the contracting party as though nothing had happened?

Policy

This is now a legal question. It is clear that we are dealing with a man that cannot be trusted. We have been put on notice by both the Denver office and also the SEC , We have demanded a bond from him for the Jorey case and are staying with that position and giving him until Dec. 1 to furnish the bond or the case ~~is~~ will be closed. In this matter of the German Mine could we take the position that we ask for an abstract of title on the grounds that this is an exceptional case.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

224 New Customhouse
Denver 2, Colorado

October 29, 1952

DMA-1446X

Memorandum

To: C. O. Mittendorf

From: Executive Officer, Field Team, Region IV

Subject: Dun & Bradstreet Report on American Mining Company, Inc.

In accordance with our recent telephone conversation, there are enclosed herewith two copies of a report by Dun & Bradstreet on the American Mining Company, Inc.

W. H. King
W. H. King

Enclosures (2)

Pewabic Group Lessee

COPY OF LETTER

Dun & Bradstreet, Inc.
The Mercantile Agency
1821 17th St., Denver

New York City, 17 N.Y.
60 E. 42nd Street

AMERICAN MINING CO. INC.

SN 1 Feb. 20, 1948
Delaware State records of May 9, 1947 show that this corporation was formed with an authorized capital of 21 shares of preferred stock, par value $1,000, each and 1,000 shares of common stock, par value 10¢ each.
2-20-48 (132)

G. Carmen Ridland, Pres.
George S. Groves, Vice Pres.
Louise B. (Miss) Reily, Sec. and Treas.
DIRECTORS: THE OFFICERS AND CHRISTINE O. BURTON AND C. HAMMOND BURTON.
CD 504 1 January 28, 1948.
This corporation is stated to have been incorporated under Delaware laws on May 9th, 1947, and search of the records is currently underway to ascertain full corporate details.

George S. Groves is 52, married, and born in Virginia. In 1925 he started in a small loan business, in association with his brother, Wallace at Mt. Ranier, Md. He made substantial headway and up to 1930, built a chain of small loan corporations. Upon resigning in Baltimore, Md., he was associated with the Personal Industrial Bankers (Maryland Corp.) which subsequently gained control of National Industrial Services, Inc. of which he then became the President. About that time, George Groves acquired control of National Cash Credit Association, the principle subsidiary of which was Community Finance Corporation, both of Philadelphia, Pa. Up to March 29, 1940, he was president and director of the following corporations: Preson Industrial Bankers Inc. (Delaware Corporation) was chartered in March, 1933, that concern has subsidiaries, namely, Citizens Budget Management Bureau, Inc., People's Personal Bankers, Inc., Mt. Ranier, Md., Public Small Loan Co., Inc., and Standard Loan Co., Inc. Of these subsidiaries, all but the I. B. Management Bureau, Inc. which operates as a non-profit management concern operate small loan offices. In March, 1940, George S. Groves disposed of his interest to the People's Industrial Bank, Inc. and resigned his position as president and director of the several other banking companies.

According to published notices, George S. Groves, described as a brother of Wallace Groves and either others, individuals and companies, were indited on Dec. 1, 1938, on mail fraud, On Dec. 9, 1938, George S. Groves, pleaded not guilty, and bail was set at $10,000. On Dec. 9, 1938, an order was issued, granting leave to George S. Groves to depart jurisdiction of the Court from time as may be requested by the business. With reference to this action, Groves stated on March 8, 1933, that he was not an officer or director of any of the companies in connection with which the mail fraud was alleged, and stated that he was not aware of the action being taken against him until the indictment was filed.

In connection with the indictment for the mail fraud against George S. Groves, and a number of others, on Dec. 1, 1938, the case came to trial in February, 1941, and on Feb. 21, 1941, he was found guilty and sentenced on that date, to a term of eight months in the penitentiary and fined $22,000.

# COPY OF LETTER

[illegible] of the corporations in which Greves was associated, were also fined [illegible] each. On May 8, 1941 he was put on bail at $50,000, bail pending appeal which came up for hearing on May 12, 1941. On August 5, 1941, the United States Circuit Court of Appeals reversed the conviction of Greves, found guilty in [illegible], 1941. A new trial was ordered for George S. Greves and he was out on [illegible] bail, the case was later dismissed, Nov. 19, 1942.

[illegible] Richard is an engineer and geologist by profession, he received [illegible] degree from Princeton University in 1939, and has been an active geologist since his graduation. He is stated to be in his early thirties, married and native [illegible].

[illegible] Reilly has been closely associated with the activities of Greves for the past 15 years as an employee.

[illegible] C. Burton and C. Hamond Burton are man and wife, residing in Baltimore, Md. C. Burton is a physician and has an active practice in that city. [illegible] Burton is the sister of Greves.

Interviewed on Jan. 22, 1948, Louise Reily, secretary and treasurer, stated that the corporation was formed to carry on the various phases in the mining industry. She stated that the corporation is presently acquiring some claims of property in Colorado, but full operations has as yet been not. She declined to submit any financial information in the absence of the vice president, George S. Greves.

At the caption address, shares office quarters with others on the 9th floor of this fifty-six story office structure maintained in good repair. Fire escape, no fires.

N.Q.

[illegible] (007)

10/30/52 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1952

224 New Customhouse
Denver 2, Colorado

October 27, 1952

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMA 1448X, Contract Idm-E270, Uranium Company of America

Enclosed are two copies of a letter dated October 25, 1952, from George S. Groves regarding Contract Idm-E270. Mr. Groves' letter which requested transferring the contract from the Uranium Company of America to the American Mining Company was sent you on October 24, 1952.

We believe that it would be better to cancel the present contract and rewrite it on Form MF-200 (Revised February 1952).

W. H. King

W. H. King

Enclosures

COPY

AMERICAN MINING COMPANY
Incorporated
60 East 42nd Street
New York 17, N. Y.

Written at:
405 Interstate Trust Building
Denver 2, Colorado
(Phone KEystone 0583)

October 25, 1952

Mr. John Shaw
Room 224 New Customhouse
Denver 2, Colorado

Dear Mr. Shaw:

Not having heard from you regarding the approval of the German exploration loan application to be transferred to the name of American Mining Company from that of Uranium Company of America, and regarding a 30-day extension since the time for beginning work expires today,- please let me know the name of the party in Washington who is handling this matter, if by Monday you have not heard. Mrs. Scott (my secretary) will telephone you Monday, and she will write me and I will have it Wednesday morning, as I am going to be in Washington on Thursday of next week.

However, if you hear anything before Thursday, please telephone Mrs. Scott and she will telephone me at my New York office, and this will save me a trip to Washington office.

Also, if you have any news on the Pewabic application which we filed in the name of Atomic Energy Uranium, Inc., please telephone Mrs. Scott and she will advise me by telephone.

I expect to return to Denver on October 31st, and be in Las Vegas, Nevada from the 1st to the 6th or 7th of November.

Thanking you for your attention, I am

Very truly yours,

/s/ Geo. S. Groves

George S. Groves

P.S. I forgot to mention to you that in our 15-year lease with the Uranium Company of America, they assign to us their rights, etc., in and to the approved $25,000 exploration loan.

10/28/52 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1952

224 New Customhouse
Denver 2, Colorado

October 24, 1952

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, Field Team, Region IV

Subject: Docket No. DMA 1448X, Contract Idm-E270, Uranium Company of America

Enclosed are two copies of a letter from George S. Groves, President, American Mining Company, to the Executive Officer, Field Team, Region IV, regarding transferring contract Idm-E270 from the Uranium Company of America to the American Mining Company.

We are writing Mr. Groves requesting a copy of his lease.

The present contract contains a Mortgagee Subordination Agreement signed by the Gold Uranium Mining Company. Would this Mortgagee Subordination Agreement be valid in the event the contract were assigned to the American Mining Company? The contract is prepared on Form MF-200-revised June, 1951, which provides for Subordination Agreements. Would Form MF-203, Owner's Consent to Lien, be suitable for use with this contract?

It appears to us that it would be simpler to request a letter from Uranium Company of America renouncing all rights under this contract and authorizing us to prepare a new contract with the American Mining Company. We could then obtain copies of the lease, the necessary Owner's Consent to Lien, and Mortgagee Subordination Agreements.

Please give us your recommendations regarding the handling of this matter.

W. H. King

W. H. King

AMERICAN MINING COMPANY
60 East 42nd Street (Room 839)
145 CHRISTOPHER STREET
New York, N. Y.

DENVER OFFICE:
405 INTERSTATE TRUST BUILDING
DENVER 2, COLORADO
TELEPHONE: KEYSTONE 0583

October 21, 1952.

Mr. W. H. King, Executive Officer,
Field Team, Region IV,
Defense Minerals Administration,
224 New Customhouse,
Denver 2, Colorado.

DMA Docket 1148X
Contract: IGr-2370

Attention: Mr. John Shaw

Dear Mr. King:

We have this day taken a fifteen-year lease on the German mine.

The lessor applied for and obtained a contract, referred to above, to explore the German property.

May we please have amendments to the contract as follows:

1. Substitute the lessees name for the owners name as party to the contract with the government; i.e., substitute American Mining Company for Uranium Company of America.

2. Please extend the time of beginning work at the property from October 25th to November 25th, 1952.

We are anxious to begin work as soon as we receive the above substitution.

Yours very truly,

AMERICAN MINING COMPANY

George S. Groves, President

GSG:ab

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

224 New Customhouse
Denver 2, Colorado

August 1, 1952

Dr. G. C. Ridland
Uranium Company of America, Inc.
405 Interstate Trust Building
Denver 2, Colorado

Re: DMA Docket No. - 1448X
Contract Idm-E-270

Dear Doctor Ridland:

We will grant you another thirty-day extension of the starting time under Contract Idm-E270 as requested by Mabel N. Scott, Assistant Secretary, in her letter, dated July 25, 1952.

Very truly yours,

W. H. King

W. H. King
Executive Officer
DMEA Field Team, Region IV

cc: Actg Admin DMEA
Traver

URANIUM COMPANY OF AMERICA
INCORPORATED
405 INTERSTATE TRUST BUILDING
DENVER 2, COLORADO

KEYSTONE 0583

WASHINGTON, D. C. OFFICE
209 MILLS BUILDING
TELEPHONE: NATIONAL 5588

Mining Division
Date Rec'd.
JUL 28 1952
BUREAU OF MINES
Denver, Colorado

July 25, 1952.

Mr. J. H. East, Jr.,
Executive Officer,
DMA Field Team, Region IV,
224 New Customhouse,
Denver 2, Colorado.

DMA Docket No. 1448X
Contract Idm - E-270

Dear Mr. East:

In Amendment No. 1, dated June 18, 1952, to the above contract, you kindly extended for sixty days the time within which work could be commenced at the German mine, under the contract.

We regret that we are not yet ready to commence work, for the reason that the financial program which we have undertaken is still not completed.

Therefore, we would appreciate your granting us another thirty-day extension.

Yours very truly,

URANIUM COMPANY OF AMERICA

By: Mabel N. Scott

Mabel N. Scott, Assistant Secretary.

MNS:AB

STANDARD FORM NO. 64

# Office Memorandum • UNITED STATES GOVERNMENT

TO : Ernest Wm. Ellis, DMEA Member, Uranium Commodity Committee

DATE: June 25, 1952

FROM : Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

SUBJECT: Final Report, DM(E)A Docket 1448-X, Uranium Company of America, Applicant: German Uranium Mine, Gilpin Co., Colo.

I concur with the recommendation made in the Field Team report on the German Uranium Mine that Government assistance for exploration be granted in proportion to a total cost of $25,000.

Arthur P. Butler, Jr.

Arthur P. Butler, Jr.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 26 1951

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

224 New Customhouse
Denver 2, Colorado

June 10, 1952

Memorandum

To: Acting Administrator, Defense Minerals Exploration Administration - Attention: Code 210

From: Field Team, Region IV

Subject: Final Report, DMA Docket 1448X, (Uranium) Uranium Company of America, German Uranium Mine, Gilpin County, Colorado

Enclosed are four copies of the final report on DMA-1448X.

The contract has been signed and is in effect.

W. H. King

W. H. King

A. H. Koschmann

A. H. Koschmann

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
LIBRARY
JUN 16 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

WASHINGTON 25, D. C.

June 10, 1952

Memorandum

To: Acting Administrator, Defense Minerals Exploration Administration - Attention: Code 210

From: Field Team, Region IV

Subject: Final Report, DMA Docket 1448X, (Uranium) Uranium Company of America, German Uranium Mine, Gilpin County, Colorado

Enclosed are four copies of the final report on DMA-1448X.

The contract has been signed and is in effect.

W. H. King

W. H. King

A. H. Koschmann

A. H. Koschmann

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration
Denver
JUN 16 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

# DMA-1148X, Uranium Company of America, German Mine

## Gilpin County, Colorado

## Uranium


Ogden Tweto, Geologist
U. S. Geological Survey

F. D. Everett, Mining Engineer
Bureau of Mines



DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 16 1952


October 15, 1951

# URANIUM COMPANY OF AMERICA
# GERMAN MINE
# GILPIN COUNTY, COLORADO

## Summary, Conclusions, and Recommendations

By Ogden Tweto
Geologist
U. S. Geological Survey

and

F. D. Everett
Mining Engineer
Bureau of Mines

URANIUM COMPANY OF AMERICA
GERMAN MINE
GILPIN COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Ogden Tweto and F. D. Everett

The German, or German-Belcher, mine of the Uranium Company of America is on Quartz Hill, in the Central City district, Gilpin County, Colo. It is primarily a gold-silver mine but has produced pitchblende commercially from small veins, pockets, and lenses of high-grade pitchblende encountered in the mining of precious metal ore. The Quartz Hill area has been the only pitchblende-producing district of any consequence in the United States. Pitchblende is on the list of most critical materials, and expanded production is obviously desired. The Quartz Hill area is the most logical place to seek expansion, and the German mine, one of the three major sources of pitchblende in the district in the past, is one of the most promising mines in which to do exploratory work. The known reserve of pitchblende ore in the old workings is too low grade to be considered ore so long as the nearest Atomic Energy Commission buying depot for pitchblende is at Salt Lake City, but the property contains considerable unexplored ground, and the chances for finding pitchblende with further exploration seem good.

The Uranium Company of America has requested a loan of $25,000.00 for the purpose of unwatering the mine, examining and sampling the workings, drifting 850 feet in localities to be chosen after a complete examination is made, and 500 feet of diamond drilling.

This is a logical program but the estimate by the applicant appears low and the amount requested probably will be adequate for about 400 feet of drifting and no diamond drilling.

It is recommended that an exploration loan of $25,000.00 be granted to do this work, Government participation to be 90 percent or $22,500.00.

URANIUM COMPANY OF AMERICA
GERMAN MINE
GILPIN COUNTY, COLORADO

# Engineering Report

By F. E. Everett
Mining Engineer
Bureau of Mines

URANIUM COMPANY OF AMERICA
GERMAN MINE
GILPIN COUNTY, COLORADO

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URANIUM COMPANY OF AMERICA
GERMAN MINE
GILPIN COUNTY, COLORADO

ENGINEERING REPORT

By

F. E. Everett

## INTRODUCTION

The Uranium Company of America applied for an exploration loan of $25,000.00 for the German mine on Quartz Hill, in the Central City district, Gilpin County, Colo. (Defense Minerals Administration Docket 1448X). Uranium is the principal objective of the project but gold, silver, lead, and zinc may be found in commercial quantities. The Government participation is for 90 percent or $22,500.00.

The proposed exploration project was for unwatering the workings from the German shaft, mapping and sampling, 850 feet of drifting, and 500 feet of diamond drilling. The Bureau of Mines estimates that, in addition to the dewatering and examination of the property, only about 400 feet of drifting and no diamond drilling can be done for $25,000.00.

## ACKNOWLEDGMENTS

Acknowledgment is made to Dale L. Roberts, mining engineer, Bureau of Mines, who worked on this report prior to the effective date of his resignation.

## LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The German mine is on the south slope of Quartz Hill, 2 miles by road southwest of Central City, Gilpin County, Colo. (fig. 1). A fair graded road ½ mile long joins the state secondary road between Central

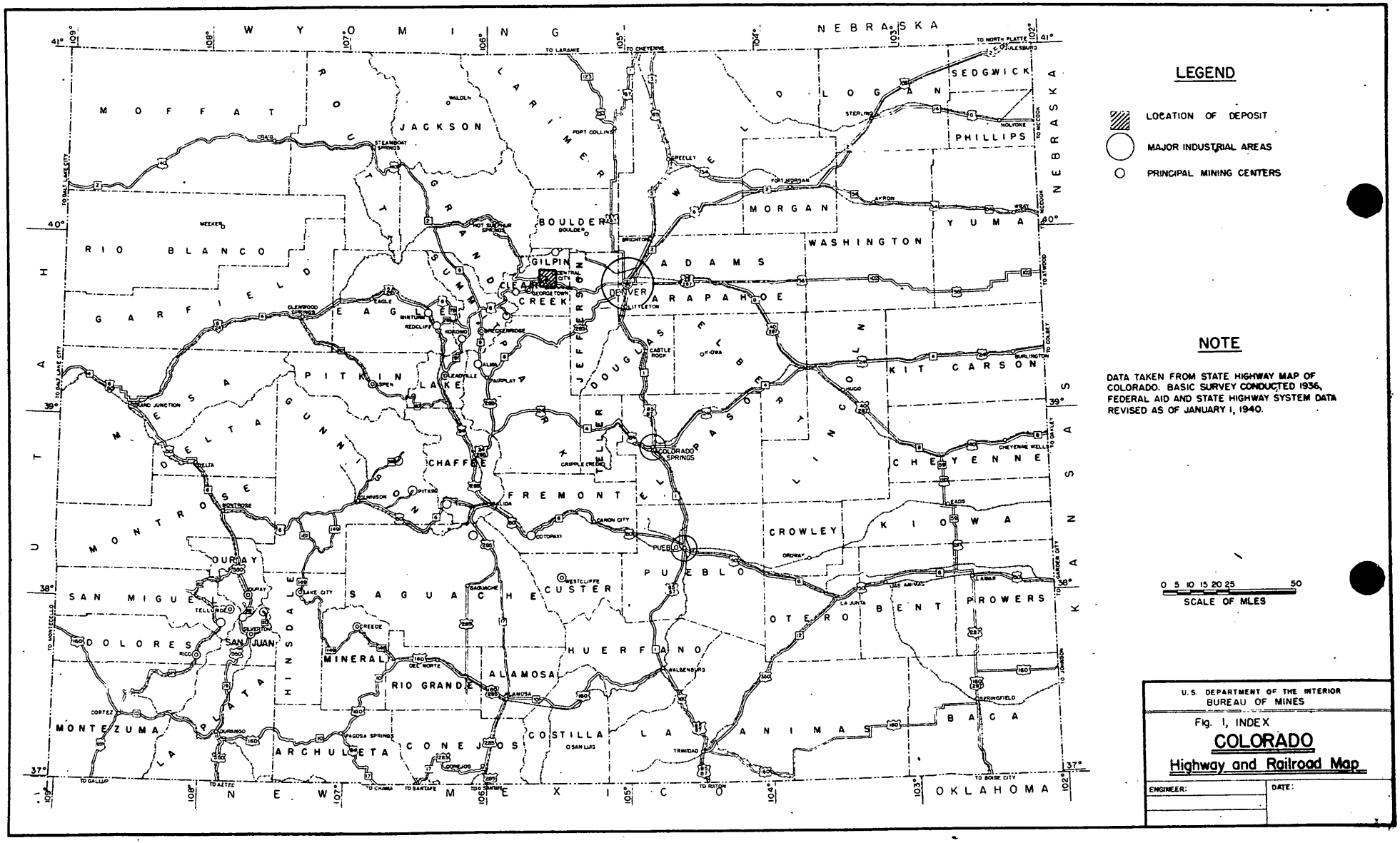


Fig. 1-LOCATION MAP, GERMAN MINE, URANIUM CO. OF AMERICA, GILPIN COUNTY, COLORADO

City and Idaho Springs. A paved road extends from Central City to Rollinsville, Golden, and Denver. Rollinsville, on the main line of the Denver and Rio Grande Western Railroad, is 17 miles to the north, while Golden, the nearest shipping point on the Chicago, Burlington and Quincy or Colorado and Southern Railroad, is 32 miles to the east.

The property is on a side slope near the crest of Quartz Hill. The area contains well rounded hills in an otherwise rugged mountain range. The hill slopes are covered with old mine shafts and dumps. The altitude at the mine is about 9,000 feet above sea level.

The climate is mild and will permit all year operations. The winters, while cold, are reasonably dry and snowfall is relatively light.

## HISTORY AND PRODUCTION

The Central City Mining District is the oldest in Colorado, extending back to 1858 when gold was discovered. Production of gold was high until 1915, but, by 1920, mining had all but ceased and most of the mines have been idle for many years.

Quartz Hill is noted for gold and silver production but a few mines including the German have yielded small quantities of pitchblende ore; actually, a small group of mines on Quartz Hill have accounted for most of the pitchblende production of the United States. Pitchblende was hand sorted as a by-product from gold ores.

Production records are not complete for the pitchblende mined in this area, probably because the mineral was of secondary importance at that time. Between 1909 and 1913 the German-Belcher mine, now called the German mine, produced 16,160 pounds of ore in shipments containing uranium ranging from 2.6 percent $U_3O_8$ in one of 5 tons and 70 percent $U_3O_8$ in one of 240 pounds. The total uranium production

for the four-year period was 1,622 pounds of $U_3O_8$. The average $U_3O_8$ content of the pitchblende shipments averaged about 10 percent.

OWNERSHIP AND EXTENT

The Uranium Company of America was organized in 1950 to take over the properties of the Gold Uranium Corporation including the German mine, Argo tunnel, and Argo mill. The Gold Uranium Corporation obtained the German mine from the American Gold Uranium Company who, in turn, was assigned the property by the American Mining Company, in 1949. The property known as the German consists of six patented claims, German, survey 694; North German, survey 18936; German Annex, survey 19564; German No. 2, survey 19564; and the Belshar, survey 7076. These claims are near the summit of Quartz Hill, Gilpin County, Colo., secs. 14 and 15, T. 3 S., R. 73 W., 6th P. M.

DESCRIPTION OF THE DEPOSIT

As the mine is inaccessible, the description of the deposits was taken from various reports.

Rocks in the area are gneiss or schist of the pre-Cambrian Idaho Springs formation. On Quartz Hill, two north-northwesterly bostonite dikes have intruded the area where uranium has been found.

The pitchblende occurs in small veinlets and pockets with the more prominent pyritic veins of the area. The German vein, striking N. 75° E. and dipping from vertical to 75° for an average of 80°, is mainly a quartz or siliceous filling mineralized with pyrite and minor amounts of pitchblende, lead, zinc, and gold. The ore shoots are mostly in gneiss and tend to become barren in the schist.

As most of the pitchblende has been mined in search for gold ore, little knowledge exists of the distribution in the different veins. Pitchblende is easily recognizable and can be readily hand sorted.

The veins vary in width from a few inches up to 2 or 3 feet. The hardness of the wall rock or the width of the vein should not offer any particular mining problem.

ORE RESERVES

There are no measured ore reserves. The loan application is based on the past production of uranium. The report by G. C. Ridland, which accompanied the application, indicated two blocks of probable ore. Maps of the property were submitted with the application.

PRESENT STATUS

Exploration and Development

The status of the German mine will be based on the report by Ridland because of the inaccessibility of the workings.

The mine is developed through two shafts, the German and Belcher. The Belcher shaft is caved near the surface but the German shaft was dewatered to the 250-foot level and repaired in 1948. The shaft is 600 feet deep with levels at 130, 200, 250, 400, and 500 feet. The 130-foot level was driven 418 feet along the vein on both sides of the shaft. The 200-foot level has 250 feet of drifting in an easterly direction. The 250-foot level was driven in both directions from the shaft a total of 720 feet. The extent of the workings on the 400- and 500-foot levels is not known.

## Mining and Milling Equipment

There is no mining or milling equipment on the property. The present facilities are a headframe and a combined hoist-compressor building.

## PROJECT PROPOSALS, WITH COSTS

### Exploration and Development

The company proposes to dewater and rehabilitate the German shaft, examine and sample workings, drive 650 feet of drift which would be planned after the examination, and diamond drill 500 feet to explore for new veins. The cost of the project was estimated at $25,000.00.

The cost estimates appear low and, in order to stay within the $25,000.00, the proposal should be altered to allow for about 400 feet of drifting and the diamond drilling should be eliminated.

The applicant estimated that the drifting, excluding supervision, would cost $20.00 a foot. A charge of $30.00 a foot appears more likely, considering the material must be hoisted.

### Equipment and Facilities

All equipment will be rented. The hoist and compressor house can be repaired for $250.00. The applicant estimated equipment rental rates at $25.00 per month for a pump and $150.00 per month for a compressor with drilling accessories. These estimates appear to be low.

Equipment rental rates estimated by the Bureau engineer are as follows:

| | Rental per month |
|---|---|
| Hoist with electric motor | $100.00 |
| Compressor with electric motor for 2 headings, 270 to 370 c.f.m. | 250.00 |
| Drills, drifter type, 2 at $70.00 each | 140.00 |
| Pump for dewatering workings | 130.00 |
| Pump for maintaining water level after workings have been dewatered | 25.00 |
| Three buckets and two track dollies | 60.00 |

The varying inclination of the shaft would not permit the use of a mucking machine as hoisting must be done with a bucket riding on skids.

## Transportation

No roads will have to be constructed and their maintenance cost should be low.

The company proposed purchasing a used ½-ton pickup truck for $1,000.00. As the company indicated they could furnish $7,500.00 for their portion of a 30-70 percent participation loan, whereby they will only be required to supply $2,500.00 for a 10-90 percent participation loan, it is suggested they purchase the truck from their funds. The total amount of the loan will not need to be changed.

## Manpower

Labor, although not plentiful, can probably be obtained from Central City. The prevailing wage in the district varies somewhat but can probably be obtained for $1.40 per hour for miners, muckers, and hoistmen.

A foreman probably can be hired for $1.75 per hour.

The part time services of Dr. G. C. Ridland, for geologist and engineer-manager, are available for $300.00 a month.

## Power

A power line of the Public Service Company of Colorado crosses the property and, according to an official of that company, can be connected to the equipment at the shaft for $500.00. Power rates are about $0.033 per kilowatt-hour. A billing charge of $250.00, which is refundable, is also made at the start of service.

## Water

Water for mining is available from the German shaft. If necessary, water can be hauled from Central City.

## Mine Unwatering

According to G. C. Ridland, who supervised unwatering of the shaft to the 250-foot level in 1948, the permanent water level is just above the first level or about 120 feet from the surface. The dewatering operation in 1948 consisted of hoisting the water in a bailer. All water was bailed out to just below the 250-foot level in one month.

The workings below the 250-foot level are not believed to be extensive and, therefore, dewatering should not be too much of a problem.

The loan application allowed $25.00 a month for pump rental. This amount is considered low. A pump, such as a Byron Jackson, sinker, No. 2TLH, 2-inch size, 30 horsepower, 3,600 r.p.m., capacity 100 gallons per minute at 480-foot head, total negative suction head 20 feet, weight 700 pounds, and costing $850.00, would be applicable. According to the Colorado Associated Equipment Distributors, the

monthly rental is about 15 percent of the purchase price or $130.00 a month.

## Recapitulation of Project Costs

A comparison of the proposals and costs as estimated by the applicant and the Bureau of Mines engineer is itemized below:

### Cost estimate by the applicant

**First month**

| | |
|---|---|
| Purchase truck, dewater mine, and rehabilitate shaft and compressor house | $3,000.00 |

**Second month**

| | |
|---|---|
| Examination, rehabilitation, sampling, assaying, etc. | 3,000.00 |

**Third month**

| | |
|---|---|
| Development begins, 2 headings will average 160 feet a month, costing about $20.00 a foot, plus supervision | 3,500.00 |
| Diamond drill 100 feet at $5.00 a foot | 500.00 |
| Fourth to sixth month are the same as for the third month. | 12,000.00 |
| Seventh month is the same as the fourth except for a reduced program. | 3,000.00 |
| Total | $25,000.00 |

### Cost estimate by Bureau of Mines engineer

**First month**

Repair building, install hoist and pump units, rehabilitate shaft to water level.

| | | |
|---|---|---|
| labor, 2 men | $470.00 | |
| supplies and compensation | 300.00 | |
| foreman | 300.00 | |
| electrical installation | 500.00 | |
| hoist rental | 100.00 | |
| geologist-manager | 300.00 | |
| Total | | $1,970.00 |

**Second month**

Dewater mine, 3 shifts

| | | |
|---|---|---|
| labor, 3 men, 30 days with 9 days overtime | $1,463.00 | |
| foreman and overtime | 365.00 | |
| hoist rental | 100.00 | |
| pump rental | 130.00 | |
| power, 16,560 kw-hrs. at $0.033 each | 550.00 | |
| 3-inch pipe, 550 feet at $0.63 a foot | 410.00 | |
| timber, supplies, and workmen's compensation | 200.00 | |
| Total | | $3,218.00 |

**Third month**

Examination, sampling, assaying, and some shaft and drift rehabilitation

| | | |
|---|---|---|
| labor, 3 men | $706.00 | |
| foreman | 300.00 | |
| supplies | 400.00 | |
| hoist rental | 100.00 | |
| pump rental | 25.00 | |
| assaying | | |
| 200 $U_3O_8$ determinations | 600.00 | |
| 200 Au, Ag, Pb, and Zn | 900.00 | |
| geologist-manager | 300.00 | |
| Total | | 3,331.00 |

**Fourth month**

Drifting in 2 headings

| | | |
|---|---|---|
| hoist rental | $ 100.00 | |
| pump rental | 25.00 | |
| compressor | 250.00 | |
| compressor installation | 200.00 | |
| foreman | 300.00 | |
| geologist-manager | 300.00 | |
| drifting with 4 men and hoistman, labor, timber, and supplies, 100 feet at $30.00 a foot | 3,000.00 | |
| Total | | 4,175.00 |

Fifth month

Drifting continues

| | | |
|---|---|---|
| hoist rental | $100.00 | |
| pump rental | 25.00 | |
| compressor | 250.00 | |
| foreman | 300.00 | |
| geologist-manager | 300.00 | |
| drifting 100 feet at $30.00 a foot | 3,000.00 | |
| Total | | $3,975.00 |

Sixth and seventh month

| | |
|---|---|
| Same as fifth month | 7,950.00 |

Eighth month

| | |
|---|---|
| Reduced operation or dismantling | 381.00 |
| Total | $25,000.00 |

The $25,000.00 applied for will only allow about 100 feet of drifting and no diamond drilling. If the results of the examination are favorable, the company should be allowed to do as much drifting, in approved places, as the remaining portion of the loan will allow.

PRODUCTION PLAN

Little can be said about the production plan as the project is purely exploratory. Any pitchblende ore produced as the result of the work will be shipped to markets designated by the Atomic Energy Commission.

Gold, silver, lead, or zinc ore will be milled in available facilities at Idaho Springs.

Problems of production after exploration will have to be determined later.

## SUMMARY: COST OF PROJECT

The total cost of the exploration project proposed by the applicant and the Defense Minerals Administration examining team is $25,000.00. The project costs as approved will allow less drifting than requested and no diamond drilling.

### Operating Costs

It is not practical to estimate the cost of operations until the outcome of exploration is known.

### Indicated Profit or Loss

No positive evaluation of the property can be made until after the exploratory investigation is completed.

Uranium is in critical demand and every known domestic source is being investigated.

## PROPOSED FINANCING

Uranium projects are financed by the Government paying 90 percent and the applicant 10 percent of approved costs. For the German mine, participation by the Government would amount to $22,500.00 and by the Uranium Company of America, $2,500.00

## CONCLUSIONS

In view of the critical need for uranium, the reported occurrences in the German mine should be investigated.

The costs estimated by the applicant are believed low and estimates by the Bureau of Mines engineer indicate that the work accomplished for $25,000.00 will allow for dewatering of the 600-foot shaft, rehabilitation of the shaft and some of the workings, examining and sampling the underground workings, about 400 feet of drifting instead of 850 feet as estimated by the applicant, and no diamond

drilling. After the workings are dewatered and carefully examined, drifting should be allowed with the remaining portion of the allotted funds, as approved by representatives of the U. S. Geological Survey and the Atomic Energy Commission.

The company can purchase the pickup truck entirely from company funds.

The project is estimated to require 8 months for completion.

RECOMMENDATIONS

The German mine is recommended for a $25,000.00 uranium project consisting of dewatering the shaft, examining the workings, and drifting with the remaining portion of the allotted funds. The drifting work should be approved by representatives of the Federal Agencies concerned probably the Geological Survey and Atomic Energy Commission.

Mining Division
Region IV

October 24, 1951

Memorandum

To: DMA Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMA Docket 1440-E, Uranium Company of America, applicant, Gaymon Uranium Mine, Gilpin County, Colorado

The application of the subject docket was for an exploration loan of $25,000.

The Gaymon Mine is primarily a gold-silver mine, but it has produced pitchblende commercially from small veins, pockets and lenses of pitchblende encountered in mining precious metal ore.

The proposed work of the applicant was to unwater the mine, rehabilitate the shaft, examine and sample the workings, drive 850 feet of drifts and 500 feet of diamond drilling.

The examining team finds that the requested loan is insufficient for the entire program. They recommend that a loan of $24,000 be granted on a reduced program of only 400 feet of drifting after dewatering and rehabilitation.

We concur with their recommendation of approval, and as the proposed exploration project is within the prerogative of the Executive Officer, Region IV, a contract will be processed.

Paul T. Allgaier

Paul T. Allgaier

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 16 1952

Reviewed by
DMEA OPERATING COMMITTEE
6-20-52
(Date)

Mining Division
Date Rec'd.

OCT 18 1951

BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20
Denver Federal Center
October 18, 1951

Memorandum

To: Chief, Mining Division, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA-1448X, German Mine, Uranium Company of America, Gilpin County, Colorado

Please find enclosed the original and nine copies of Summary, Conclusions, and Recommendations by Ogden Tweto and F. D. Everett and the identical number of copies of Everett's engineering report on the captioned docket.

The applicant proposed a project to unwater the mine through the German shaft, rehabilitate the shaft, examine and sample the mine workings, and drive 850 feet of drifts where [illegible] indicated by the sampling. They also propose 500 feet of diamond drilling to explore for new veins.

Their estimate: for the work were considered as too low by the examining engineer and he submits an alternate project to unwater the mine, examine and sample the workings, and drive 400 feet of drift. This is considered as about all that can be accomplished under the $25,000.00 loan and the diamond drilling is eliminated. The drifting should be directed by representatives of the U. S. Geological Survey and the Atomic Energy Commission.

I am in accordance with Everett's recommendations.

A copy of the applicant's MF-103 form, and Washington Review furnished by your office are also enclosed. The brochure is being returned to A. H. Koschmann.

W. M. Traver Jr.
W. M. Traver, Jr.

enclosures

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

200 New Customhouse
Denver 2, Colorado

October 23, 1951

Memorandum

To: DMA Field Team, Region IV

From: A. H. Koschmann

Subject: DMA Docket 1448X, Terman Mine, Gilpin County, Colorado, Uranium Company of America, applicant

Attached are 9 copies of the geological report by Ogden Tweto covering subject docket.

The mine is now under water, and the best information concerning it is embodied in the report and maps, by Midland, that accompany the application. The mine is primarily a gold-silver mine, and the pitchblende production has come chiefly from small veins, pockets, and lenses of high-grade pitchblende encountered in the mining of precious metal ore between 1870 and 1910. The mine is credited with a production of 18160 lbs. of ore from which 1622 lbs. of $U_3O_8$ were extracted. Because of its past production record and the critical nature of $U_3O_8$ in the Nation's economy, this mine is worthy of further exploration for uranium-bearing ore. Mr. Tweto, therefore, recommends that an exploration loan in the amount of $25,000, as requested, be granted the applicant to unwater the mine, map and sample it, followed by exploring the most promising areas by drifting.

I concur with this recommendation.

It should be noted that the applicant, because the mine is flooded and could not be mapped and sampled, has not presented a definite plan of exploration. Exploration is to be based on sampling after the mine is unwatered. This creates a problem with respect to the repayment provisions of DMA exploration loans. Either the applicant should approximate in advance where the drifting is to be done or the applicant should pledge the entire area of the present mine, plus ore taken from extension of veins east and west of the present workings, to the repayment royalty.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Attachments (9)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

# DMA-1448X, Uranium Company of America, German Mine

## Gilpin County, Colorado

## Uranium

Ogden Tweto, Geologist
U. S. Geological Survey

F. D. Everett, Mining Engineer
Bureau of Mines

October 15, 1951

# URANIUM COMPANY OF AMERICA
# GERMAN MINE
# GILPIN COUNTY, COLORADO

## Summary, Conclusions, and Recommendations

By Ogden Tweto
Geologist
U. S. Geological Survey

and

F. D. Everett
Mining Engineer
Bureau of Mines

URANIUM COMPANY OF AMERICA
GERMAN MINE
GILPIN COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Ogden Tweto and F. D. Everett

The German, or German-Belcher, mine of the Uranium Company of America is on Quartz Hill, in the Central City district, Gilpin County, Colo. It is primarily a gold-silver mine but has produced pitchblende commercially from small veins, pockets, and lenses of high-grade pitchblende encountered in the mining of precious metal ore. The Quartz Hill area has been the only pitchblende-producing district of any consequence in the United States. Pitchblende is on the list of most critical materials, and expanded production is obviously desired. The Quartz Hill area is the most logical place to seek expansion, and the German mine, one of the three major sources of pitchblende in the district in the past, is one of the most promising mines in which to do exploratory work. The known reserve of pitchblende ore in the old workings is too low grade to be considered ore so long as the nearest Atomic Energy Commission buying depot for pitchblende is at Salt Lake City, but the property contains considerable unexplored ground, and the chances for finding pitchblende with further exploration seem good.

The Uranium Company of America has requested a loan of $25,000.00 for the purpose of unwatering the mine, examining and sampling the workings, drifting 850 feet in localities to be chosen after a complete examination is made, and 500 feet of diamond drilling.

This is a logical program but the estimate by the applicant appears low and the amount requested probably will be adequate for about 400 feet of drifting and no diamond drilling.

It is recommended that an exploration loan of $25,000.00 be granted to do this work, Government participation to be 90 percent or $22,500.00.

# GERMAN MINE

GILPIN COUNTY, COLORADO

URANIUM COMPANY OF AMERICA, APPLICANT

DMA DOCKET 1448X

Geologic Report

By Ogden Tweto
U. S. Geological Survey
Denver, Colorado

GERMAN MINE
GILPIN COUNTY, COLORADO
URANIUM COMPANY OF AMERICA, APPLICANT

## INTRODUCTION

The Uranium Company of America owns a group of claims (see map accompanying application) that includes the German Mine (also known as Belcher, or German-Belcher), on Quartz Hill, in the Central City district, Gilpin County, Colorado. The company has applied for an Exploration Loan of $25,000 (Government participation: 50% for lead and zinc, 90% for uranium, average 70%, or $17,500) for the purpose of reopening the mine, studying and sampling the workings, and drifting 850 feet at whatever sites seem best after a thorough examination is made.

The mine is now under water, and the best concrete information concerning it is embodied in the report and maps by Ridland, which accompany the application. The mine is one of the three principal pitchblende-producing mines in the Quartz Hill area, and the same principles apply to it as to the Calhoun-Wood mines, DMA Docket 1811X.

The Quartz Hill area has been the only pitchblende-producing district of any consequence in the United States. The commercial production has come from a small group of mines, among which the German mine of the applicant is one of the most important. The mines are primarily gold-silver mines, and the pitchblende production has come largely from small veins, pockets, and lenses of high-grade pitchblende encountered in the mining of precious metal ore. The pitchblende output was made principally between 1870 and 1915, when the mines were worked for gold and silver.

Except for a few brief periods of operation in one mine or another, the mines of Quartz Hill have been closed for 25 to 50 years.

Only fragmentary production records for pitchblende are available. Published reports give the following for the German-Belcher:

| Year | Lbs. ore | % $U_3O_8$ | Lbs. $U_3O_8$ |
|---|---|---|---|
| 1909 | 1600 | 30 | 480 |
| 1910 | 1600 | 30 | 480 |
| 1911 | 500 | 30 | 150 |
| 1915 | 240 | 70 | 168 |
| | 220 | 20 | 44 |
| | 2000 | 2 | 40 |
| | 10000 | 2.6 | 260 |
| | 16160 | | 1622 |

## GEOLOGY

The mines of Quartz Hill are chiefly in gneiss, called granite gneiss by Bastin and Hill, and in biotite schist. These rocks are cut by small bodies of pre-Cambrian granite and by dikes of Tertiary bostonite and monzonite. The veins occupy fault fissures that trend east-northeast and dip steeply. Bastin recognized two stages of mineralization: an early pyritic stage, with which the pitchblende is associated, and a later base-metal stage. The veins, which are a few inches to 2 or 3 feet wide, consist chiefly of veinlets of pyrite and fine-grained quartz

in sheared, silicified and pyritized country rock. The wallrocks are hard, sericitized and partly silicified gneiss and soft, altered schist. The ore shoots are mostly in gneiss; in schist the veins tend to weaken and become barren.

The pitchblende occurs chiefly in veinlets and pockets which seem to be erratically distributed within the pyritic veins. It seems to be an accepted principle in the district that pitchblende is most abundant where the gold values are poor, but Bastin cites examples showing just the opposite, so perhaps generalization as to the gold-uranium ratios is not warranted. As most of the pitchblende has been mined as a chance by-product, there is little knowledge of the distribution of pitchblende in most of the veins. Most of the uranium ore produced in the past is relatively high grade, ranging from 1 to 80 per cent $U_3O_8$. Examination of all mine workings accessible during the last 2 or 3 years by the Trace Elements Unit of the Geological Survey, and of the dumps and surface workings, has shown that pitchblende is not widely disseminated in the veins; most of it occurs in definite bodies, such as veinlets, and as such is recognisable and can be sorted. The pitchblende in the few small spots now visible in the veins is sooty, but most of the pitchblende ore was hard and lustrous.

## CONCLUSIONS

Uranium is highly critical, as shown by its position in the small group of minerals for which the Government offers 90 per cent participation in loans. Expanded production is obviously desired, and, for pitchblende ores, the Quartz Hill area is the most logical place to

seek expansion because of the record of past production from there. This production has been largely a chance by-product of mining for precious metals, and little attempt has been made to mine pitchblende alone. It is likely, therefore, that pitchblende production could be expanded considerably beyond the production rates of past operations if it were the chief objective of exploration and mining.

For the immediate future, at least, profitable operation on pitchblende ore would necessarily depend on high-grade material similar to that produced in the past. Facilities for milling low-grade pitchblende ore do not exist in the district, and at the present price of uranium, freight to Salt Lake City, the nearest A.E.C. buying point for pitchblende ore, would be prohibitive for ore running less than 0.25 per cent $U_3O_8$. There is a good possibility that workable bodies of precious- or base-metal ore would be found in the course of exploration and development for uranium. Such ore would help defray costs of operation, but if it should contain low-grade uranium ore also, a metallurgical problem of separating uranium from the precious- or base-metal ores would arise.

## RECOMMENDATIONS

The German mine has produced uranium ore in the past and is worthy of further exploration for such ore. As shown by Ridland's report accompanying the application, there is a modest reserve of uranium-bearing ore in two blocks averaging 0.10 and 0.17 per cent $U_3O_8$ in the upper 5 levels. Although these blocks would probably be of more value for the gold, silver, lead, and zinc contained in them, they do prove the presence of pitchblende. They are at the edges of old stopes, and

any concentrations of pitchblende present at the exposed faces would have been mined during previous operations.

The applicant's plan of unwatering the mine, examining it closely, and then exploring the most promising areas by drifting is a logical procedure for a property such as this. The lack of a definite or stipulated target, however, creates a problem with respect to the repayment provisions of DMA exploration loans. Perhaps the applicant is willing to pledge the entire area of the present mine, plus portions of the veins one or two hundred feet east and west of the present workings, to the repayment royalty. Otherwise, there is little alternative but to specify in advance where the drifting is to be done.

Attention is also called to the extent of Government participation as considered in the application. The applicant expects to produce both uranium and lead-zinc ores, and has therefore averaged the 50% participation for lead-zinc with the 90% participation for uranium and thus obtains 70% participation for the Government's part. I suggest 90% participation by the Government, as the work is designed primarily for uranium, with lead and zinc, and probably precious metals, as welcome by-products. The repayment royalty would apply to these by-products as well as to uranium.

As shown in the accompanying engineering report, the applicant's cost estimate is probably too low to accomplish all the proposed exploratory work. With $25,000 only about 400 feet of drifting, and no diamond drilling, can be done. It is recommended that an Exploration Loan in the amount of $25,000 as requested, (Government participation 90% or $22,500), be granted the applicant to unwater the mine, map and sample it, followed by exploring the most promising areas by drifting.

URANIUM COMPANY OF AMERICA
GERMAN MINE
GILPIN COUNTY, COLORADO

Engineering Report

By F. D. Everett
Mining Engineer
Bureau of Mines

URANIUM COMPANY OF AMERICA
GERMAN MINE
GILPIN COUNTY, COLORADO

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URANIUM COMPANY OF AMERICA
GERMAN MINE
GILPIN COUNTY, COLORADO

# ENGINEERING REPORT

By

F. D. Everett

## INTRODUCTION

The Uranium Company of America applied for an exploration loan of $25,000.00 for the German mine on Quartz Hill, in the Central City district, Gilpin County, Colo. (Defense Minerals Administration Docket 1448X). Uranium is the principal objective of the project but gold, silver, lead, and zinc may be found in commercial quantities. The Government participation is for 90 percent or $22,500.00.

The proposed exploration project was for unwatering the workings from the German shaft, mapping and sampling, 850 feet of drifting, and 500 feet of diamond drilling. The Bureau of Mines estimates that, in addition to the dewatering and examination of the property, only about 400 feet of drifting and no diamond drilling can be done for $25,000.00.

## ACKNOWLEDGMENTS

Acknowledgment is made to Dale L. Roberts, mining engineer, Bureau of Mines, who worked on this report prior to the effective date of his resignation.

## LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The German mine is on the south slope of Quartz Hill, 2 miles by road southwest of Central City, Gilpin County, Colo. (fig. 1). A fair graded road ½ mile long joins the state secondary road between Central

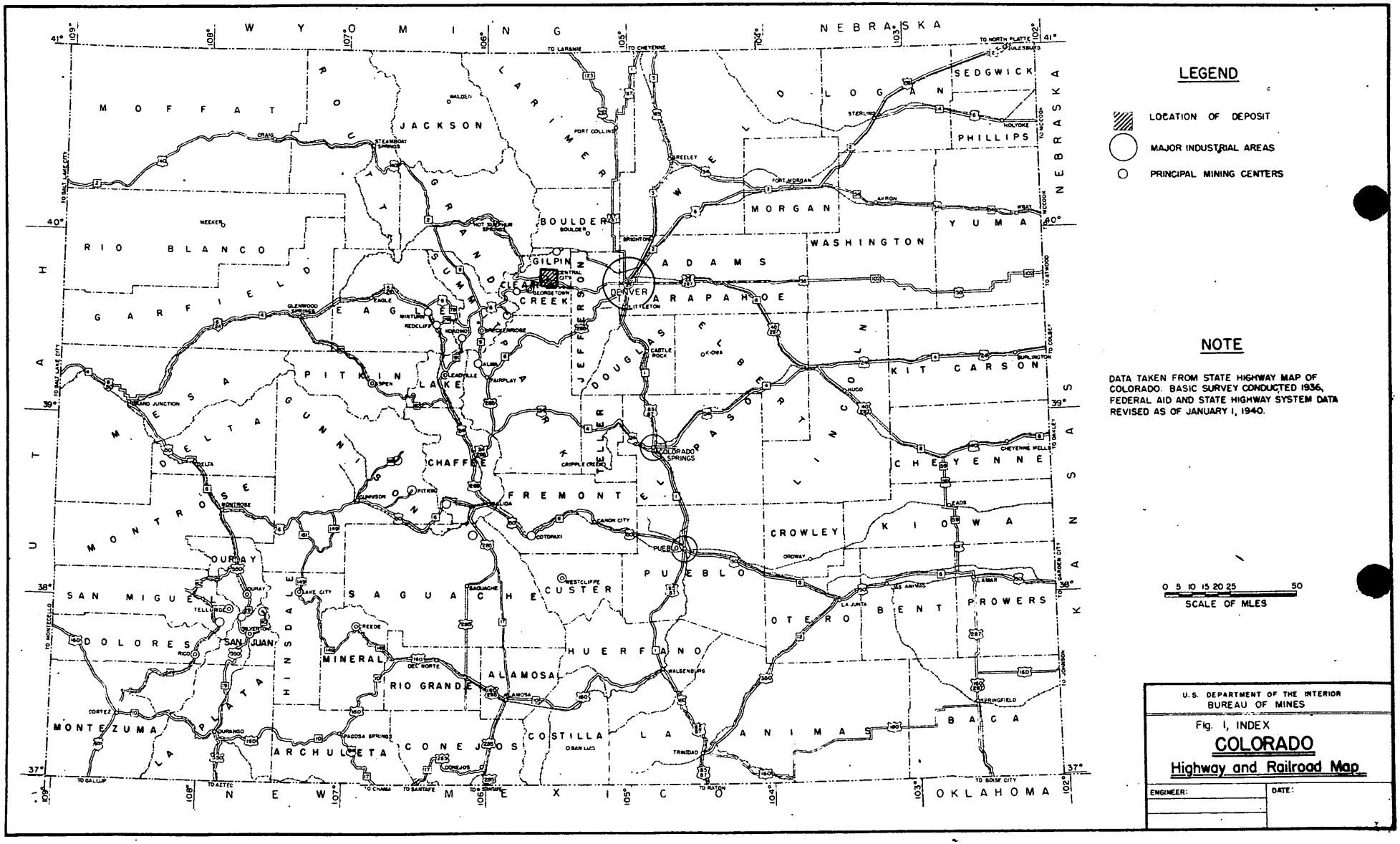


Fig. 1-LOCATION MAP, GERMAN MINE, URANIUM CO. OF AMERICA, GILPIN COUNTY, COLORADO

City and Idaho Springs. A paved road extends from Central City to Rollinsville, Golden, and Denver. Rollinsville, on the main line of the Denver and Rio Grande Western Railroad, is 17 miles to the north, while Golden, the nearest shipping point on the Chicago, Burlington and Quincy or Colorado and Southern Railroad, is 32 miles to the east.

The property is on a side slope near the crest of Quartz Hill. The area contains well rounded hills in an otherwise rugged mountain range. The hill slopes are covered with old mine shafts and dumps. The altitude at the mine is about 9,000 feet above sea level.

The climate is mild and will permit all year operations. The winters, while cold, are reasonably dry and snowfall is relatively light.

## HISTORY AND PRODUCTION

The Central City Mining District is the oldest in Colorado, extending back to 1858 when gold was discovered. Production of gold was high until 1915, but, by 1920, mining had all but ceased and most of the mines have been idle for many years.

Quartz Hill is noted for gold and silver production but a few mines including the German have yielded small quantities of pitchblende ore; actually, a small group of mines on Quartz Hill have accounted for most of the pitchblende production of the United States. Pitchblende was hand sorted as a by-product from gold ores.

Production records are not complete for the pitchblende mined in this area, probably because the mineral was of secondary importance at that time. Between 1909 and 1913 the German-Belcher mine, now called the German mine, produced 16,160 pounds of ore in shipments containing uranium ranging from 2.6 percent $U_3O_8$ in one of 5 tons and 70 percent $U_3O_8$ in one of 240 pounds. The total uranium production

for the four-year period was 1,622 pounds of $U_3O_8$. The average $U_3O_8$ content of the pitchblende shipments averaged about 10 percent.

OWNERSHIP AND EXTENT

The Uranium Company of America was organized in 1950 to take over the properties of the Gold Uranium Corporation including the German mine, Argo tunnel, and Argo mill. The Gold Uranium Corporation obtained the German mine from the American Gold Uranium Company who, in turn, was assigned the property by the American Mining Company, in 1949. The property known as the German consists of six patented claims, German, survey 694; North German, survey 18936; German Annex, survey 19564; German No. 2, survey 19564; and the Belcher, survey 7076. These claims are near the summit of Quartz Hill, Gilpin County, Colo., secs. 14 and 15, T. 3 S., R. 73 W., 6th P. M.

DESCRIPTION OF THE DEPOSIT

As the mine is inaccessible, the description of the deposits was taken from various reports.

Rocks in the area are gneiss or schist of the pre-Cambrian Idaho Springs formation. On Quartz Hill, two north-northwesterly bostonite dikes have intruded the area where uranium has been found.

The pitchblende occurs in small veinlets and pockets with the more prominent pyritic veins of the area. The German vein, striking N. 75° E. and dipping from vertical to 75° for an average of 80°, is mainly a quartz or siliceous filling mineralized with pyrite and minor amounts of pitchblende, lead, zinc, and gold. The ore shoots are mostly in gneiss and tend to become barren in the schist.

As most of the pitchblende has been mined in search for gold ore, little knowledge exists of the distribution in the different veins. Pitchblende is easily recognizable and can be readily hand sorted.

The veins vary in width from a few inches up to 2 or 3 feet. The hardness of the wall rock or the width of the vein should not offer any particular mining problem.

## ORE RESERVES

There are no measured ore reserves. The loan application is based on the past production of uranium. The report by G. C. Ridland, which accompanied the application, indicated two blocks of probable ore. Maps of the property were submitted with the application.

## PRESENT STATUS

### Exploration and Development

The status of the German mine will be based on the report by Ridland because of the inaccessibility of the workings.

The mine is developed through two shafts, the German and Belcher. The Belcher shaft is caved near the surface but the German shaft was dewatered to the 250-foot level and repaired in 1948. The shaft is 600 feet deep with levels at 130, 200, 250, 400, and 500 feet. The 130-foot level was driven 418 feet along the vein on both sides of the shaft. The 200-foot level has 250 feet of drifting in an easterly direction. The 250-foot level was driven in both directions from the shaft a total of 720 feet. The extent of the workings on the 400- and 500-foot levels is not known.

## Mining and Milling Equipment

There is no mining or milling equipment on the property. The present facilities are a headframe and a combined hoist-compressor building.

## PROJECT PROPOSALS, WITH COSTS

### Exploration and Development

The company proposes to dewater and rehabilitate the German shaft, examine and sample workings, drive 850 feet of drift which would be planned after the examination, and diamond drill 500 feet to explore for new veins. The cost of the project was estimated at $25,000.00.

The cost estimates appear low and, in order to stay within the $25,000.00, the proposal should be altered to allow for about 400 feet of drifting and the diamond drilling should be eliminated.

The applicant estimated that the drifting, excluding supervision, would cost $20.00 a foot. A charge of $30.00 a foot appears more likely, considering the material must be hoisted.

### Equipment and Facilities

All equipment will be rented. The hoist and compressor house can be repaired for $250.00. The applicant estimated equipment rental rates at $25.00 per month for a pump and $150.00 per month for a compressor with drilling accessories. These estimates appear to be low.

Equipment rental rates estimated by the Bureau engineer are as follows:

| | Rental per month |
|---|---|
| Hoist with electric motor | $100.00 |
| Compressor with electric motor for 2 headings, 270 to 370 c.f.m. | 250.00 |
| Drills, drifter type, 2 at $70.00 each | 140.00 |
| Pump for dewatering workings | 130.00 |
| Pump for maintaining water level after workings have been dewatered | 25.00 |
| Three buckets and two track dollies | 60.00 |

The varying inclination of the shaft would not permit the use of a mucking machine as hoisting must be done with a bucket riding on skids.

## Transportation

No roads will have to be constructed and their maintenance cost should be low.

The company proposed purchasing a used ½-ton pickup truck for $1,000.00. As the company indicated they could furnish $7,500.00 for their portion of a 30-70 percent participation loan, whereby they will only be required to supply $2,500.00 for a 10-90 percent participation loan, it is suggested they purchase the truck from their funds. The total amount of the loan will not need to be changed.

## Manpower

Labor, although not plentiful, can probably be obtained from Central City. The prevailing wage in the district varies somewhat but can probably be obtained for $1.40 per hour for miners, muckers, and hoistmen.

A foreman probably can be hired for $1.75 per hour.

The part time services of Dr. G. C. Ridland, for geologist and engineer-manager, are available for $300.00 a month.

## Power

A power line of the Public Service Company of Colorado crosses the property and, according to an official of that company, can be connected to the equipment at the shaft for $500.00. Power rates are about $0.033 per kilowatt-hour. A billing charge of $250.00, which is refundable, is also made at the start of service.

## Water

Water for mining is available from the German shaft. If necessary, water can be hauled from Central City.

## Mine Unwatering

According to G. C. Ridland, who supervised unwatering of the shaft to the 250-foot level in 1948, the permanent water level is just above the first level or about 120 feet from the surface. The dewatering operation in 1948 consisted of hoisting the water in a bailer. All water was bailed out to just below the 250-foot level in one month.

The workings below the 250-foot level are not believed to be extensive and, therefore, dewatering should not be too much of a problem.

The lease application allowed $25.00 a month for pump rental. This amount is considered low. A pump, such as a Byron Jackson, sinker, No. 2TLH, 2-inch size, 30 horsepower, 3,600 r.p.m., capacity 100 gallons per minute at 480-foot head, total negative suction head 20 feet, weight 700 pounds, and costing $850.00, would be applicable. According to the Colorado Associated Equipment Distributors, the

monthly rental is about 15 percent of the purchase price or $130.00 a month.

## Recapitulation of Project Costs

A comparison of the proposals and costs as estimated by the applicant and the Bureau of Mines engineer is itemized below:

### Cost estimate by the applicant

**First month**

| | |
|---|---|
| Purchase truck, dewater mine, and rehabilitate shaft and compressor house | $3,000.00 |

**Second month**

| | |
|---|---|
| Examination, rehabilitation, sampling, assaying, etc. | 3,000.00 |

**Third month**

| | |
|---|---|
| Development begins, 2 headings will average 160 feet a month, costing about $20.00 a foot, plus supervision | 3,500.00 |
| Diamond drill 100 feet at $5.00 a foot | 500.00 |
| Fourth to sixth month are the same as for the third month. | 12,000.00 |
| Seventh month is the same as the fourth except for a reduced program. | 3,000.00 |
| Total | $25,000.00 |

### Cost estimate by Bureau of Mines engineer

**First month**

Repair building, install hoist, and pump units, rehabilitate shaft to water level.

| | | |
|---|---|---|
| labor, 2 men | $470.00 | |
| supplies and compensation | 300.00 | |
| foreman | 300.00 | |
| electrical installation | 500.00 | |
| hoist rental | 100.00 | |
| geologist-manager | 300.00 | |
| Total | | $1,970.00 |

**Second month**

Dewater mine, 3 shifts

| | | |
|---|---|---|
| labor, 3 men, 30 days with 9 days overtime | $1,463.00 | |
| foreman and overtime | 365.00 | |
| hoist rental | 100.00 | |
| pump rental | 130.00 | |
| power, 16,560 kw-hrs. at $0.033 each | 550.00 | |
| 3-inch pipe, 650 feet at $0.63 a foot | 410.00 | |
| timber, supplies, and workmen's compensation | 200.00 | |
| Total | | $3,218.00 |

**Third month**

Examination, sampling, assaying, and some shaft and drift rehabilitation

| | | |
|---|---|---|
| labor, 3 men | $706.00 | |
| foreman | 300.00 | |
| supplies | 400.00 | |
| hoist rental | 100.00 | |
| pump rental | 25.00 | |
| assaying | | |
| 200 $U_3O_8$ determinations | 600.00 | |
| 200 Au, Ag, Pb, and Zn | 900.00 | |
| geologist-manager | 300.00 | |
| Total | | 3,331.00 |

**Fourth month**

Drifting in 2 headings

| | | |
|---|---|---|
| hoist rental | $ 100.00 | |
| pump rental | 25.00 | |
| compressor | 250.00 | |
| compressor installation | 200.00 | |
| foreman | 300.00 | |
| geologist-manager | 300.00 | |
| drifting with 4 men and hoistman, labor, timber, and supplies, 100 feet at $30.00 a foot | 3,000.00 | |
| Total | | 4,175.00 |

Fifth month

Drifting continues

| | | |
|---|---|---|
| hoist rental | $100.00 | |
| pump rental | 25.00 | |
| compressor | 250.00 | |
| foreman | 300.00 | |
| geologist-manager | 300.00 | |
| drifting 100 feet at $30.00 a foot | 3,000.00 | |
| Total | | $3,975.00 |

Sixth and seventh month

| | |
|---|---|
| Same as fifth month | 7,950.00 |

Eighth month

| | |
|---|---|
| Reduced operation or dismantling | 381.00 |
| Total | $25,000.00 |

The $25,000.00 applied for will only allow about 400 feet of drifting and no diamond drilling. If the results of the examination are favorable, the company should be allowed to do as much drifting, in approved places, as the remaining portion of the loan will allow.

## PRODUCTION PLAN

Little can be said about the production plan as the project is purely exploratory. Any pitchblende ore produced as the result of the work will be shipped to markets designated by the Atomic Energy Commission.

Gold, silver, lead, or zinc ore will be milled in available facilities at Idaho Springs.

Problems of production after exploration will have to be determined later.

## SUMMARY: COST OF PROJECT

The total cost of the exploration project proposed by the applicant and the Defense Minerals Administration examining team is $25,000.00. The project costs as approved will allow less drifting than requested and no diamond drilling.

### Operating Costs

It is not practical to estimate the cost of operations until the outcome of exploration is known.

### Indicated Profit or Loss

No positive evaluation of the property can be made until after the exploratory investigation is completed.

Uranium is in critical demand and every known domestic source is being investigated.

## PROPOSED FINANCING

Uranium projects are financed by the Government paying 90 percent and the applicant 10 percent of approved costs. For the German mine, participation by the Government would amount to $22,500.00 and by the Uranium Company of America, $2,500.00

## CONCLUSIONS

In view of the critical need for uranium, the reported occurrences in the German mine should be investigated.

The costs estimated by the applicant are believed low and estimates by the Bureau of Mines engineer indicate that the work accomplished for $25,000.00 will allow for dewatering of the 600-foot shaft, rehabilitation of the shaft and some of the workings, examining and sampling the underground workings, about 400 feet of drifting instead of 850 feet as estimated by the applicant, and no diamond

drilling. After the workings are dewatered and carefully examined, drifting should be allowed with the remaining portion of the allotted funds, as approved by representatives of the U. S. Geological Survey and the Atomic Energy Commission.

The company can purchase the pickup truck entirely from company funds.

The project is estimated to require 8 months for completion.

RECOMMENDATIONS

The German mine is recommended for a $25,000.00 uranium project consisting of dewatering the shaft, examining the workings, and drifting with the remaining portion of the allotted funds. The drifting work should be approved by representatives of the Federal Agencies concerned probably the Geological Survey and Atomic Energy Commission.

Mining Division
Region IV

October 24, 1951

Memorandum

To: DMA Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMA Docket 1448-X, Uranium Company of America, applicant, German Uranium Mine, Gilpin County, Colorado

The application of the subject docket was for an exploration loan of $25,000.

The German Mine is primarily a gold-silver mine, but it has produced pitchblende commercially from small veins, pockets and lenses of pitchblende encountered in mining precious metal ore.

The proposed work of the applicant was to unwater the mine, rehabilitate the shaft, examine and sample the workings, drive 850 feet of drifts and 500 feet of diamond drilling.

The examining team finds that the requested loan is insufficient for the entire program. They recommend that a loan of $25,000 be granted on a reduced program of only 400 feet of drifting after dewatering and rehabilitation.

We concur with their recommendation of approval, and as the proposed exploration project is within the prerogative of the Executive Officer, Region IV, a contract will be processed.

Paul T. Allsman

Paul T. Allsman

Reviewed by
DMEA OPERATING COMMITTEE
6-20-52
(date)

Mining Division
Date Rec'd.

OCT 18 1951

BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20
Denver Federal Center
October 18, 1951

Memorandum

To: Chief, Mining Division, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA-1448X, German Mine, Uranium Company of America, Gilpin County, Colorado

Please find enclosed the original and nine copies of Summary, Conclusions, and Recommendations by Ogden Tweto and F. D. Everett and the identical number of copies of Everett's engineering report on the captioned docket.

The applicant proposed a project to unwater the mine through the German shaft, rehabilitate the shaft, examine and sample the mine workings, and drive 850 feet of drifts where [illegible] indicated by the sampling. They also propose 500 feet of diamond drilling to explore for new veins.

Their estimates for the work were considered as too low by the examining engineer and he submits an alternate project to unwater the mine, examine and sample the workings, and drive 400 feet of drift. This is considered as about all that can be accomplished under the $25,000.00 loan and the diamond drilling is eliminated. The drifting should be directed by representatives of the U. S. Geological Survey and the Atomic Energy Commission.

I am in accordance with Everett's recommendations.

A copy of the applicant's MF-103 form, and Washington Review furnished by your office are also enclosed. The brochure is being returned to A. H. Koschmann.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

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

200 New Customhouse
Denver 2, Colorado

October 23, 1951

Memorandum

To: DMA Field Team, Region IV

From: A. H. Koschmann

Subject: DMA Docket 1448X, German Mine, Gilpin County, Colorado, Uranium Company of America, applicant

Attached are 9 copies of the geological report by Ogden Tweto covering subject docket.

The mine is now under water, and the best information concerning it is embodied in the report and maps, by Ridland, that accompany the application. The mine is primarily a gold-silver mine, and the pitchblende production has come chiefly from small veins, pockets, and lenses of high-grade pitchblende encountered in the mining of precious metal ore between 1870 and 1915. The mine is credited with a production of 16160 lbs. of ore from which 1622 lbs. of $U_3O_8$ were extracted. Because of its past production record and the critical nature of $U_3O_8$ in the Nation's economy, this mine is worthy of further exploration for uranium-bearing ore. Mr. Tweto, therefore, recommends that an exploration loan in the amount of $25,000, as requested, be granted the applicant to unwater the mine, map and sample it, followed by exploring the most promising areas by drifting.

I concur with this recommendation.

It should be noted that the applicant, because the mine is flooded and could not be mapped and sampled, has not presented a definite plan of exploration. Exploration is to be based on sampling after the mine is unwatered. This creates a problem with respect to the repayment provisions of DMA exploration loans. Either the applicant should approximate in advance where the drifting is to be done or the applicant should pledge the entire area of the present mine, plus ore taken from extension of veins east and west of the present workings, to the repayment royalty.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Attachments (9)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

# DMA-1448X, Uranium Company of America, German Mine

## Gilpin County, Colorado

## Uranium

Ogden Tweto, Geologist
U. S. Geological Survey

F. D. Everett, Mining Engineer
Bureau of Mines

October 15, 1951

# URANIUM COMPANY OF AMERICA
# GERMAN MINE
# GILPIN COUNTY, COLORADO

## Summary, Conclusions, and Recommendations

By Ogden Tweto
Geologist
U. S. Geological Survey

and

F. D. Everett
Mining Engineer
Bureau of Mines

URANIUM COMPANY OF AMERICA
GERMAN MINE
GILPIN COUNTY, COLORADO

## SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Ogden Tweto and F. D. Everett

The German, or German-Belcher, mine of the Uranium Company of America is on Quartz Hill, in the Central City district, Gilpin County, Colo. It is primarily a gold-silver mine but has produced pitchblende commercially from small veins, pockets, and lenses of high-grade pitchblende encountered in the mining of precious metal ore. The Quartz Hill area has been the only pitchblende-producing district of any consequence in the United States. Pitchblende is on the list of most critical materials, and expanded production is obviously desired. The Quartz Hill area is the most logical place to seek expansion, and the German mine, one of the three major sources of pitchblende in the district in the past, is one of the most promising mines in which to do exploratory work. The known reserve of pitchblende ore in the old workings is too low grade to be considered ore so long as the nearest Atomic Energy Commission buying depot for pitchblende is at Salt Lake City, but the property contains considerable unexplored ground, and the chances for finding pitchblende with further exploration seem good.

The Uranium Company of America has requested a loan of $25,000.00 for the purpose of unwatering the mine, examining and sampling the workings, drifting 850 feet in localities to be chosen after a complete examination is made, and 500 feet of diamond drilling.

This is a logical program but the estimate by the applicant appears low and the amount requested probably will be adequate for about 400 feet of drifting and no diamond drilling.

It is recommended that an exploration loan of $25,000.00 be granted to do this work, Government participation to be 90 percent or $22,500.00.

# GERMAN MINE

GILPIN COUNTY, COLORADO

URANIUM COMPANY OF AMERICA, APPLICANT

DMA DOCKET 1448X

Geologic Report

By Ogden Tweto
U. S. Geological Survey
Denver, Colorado

GERMAN MINE
GILPIN COUNTY, COLORADO
URANIUM COMPANY OF AMERICA, APPLICANT

## INTRODUCTION

The Uranium Company of America owns a group of claims (see map accompanying application) that includes the German Mine (also known as Belcher, or German-Belcher), on Quartz Hill, in the Central City district, Gilpin County, Colorado. The company has applied for an Exploration Loan of $25,000 (Government participation: 50% for lead and zinc, 90% for uranium, average 70%, or $17,500) for the purpose of reopening the mine, studying and sampling the workings, and drifting 850 feet at whatever sites seem best after a thorough examination is made.

The mine is now under water, and the best concrete information concerning it is embodied in the report and maps by Ridland, which accompany the application. The mine is one of the three principal pitchblende-producing mines in the Quartz Hill area, and the same principles apply to it as to the Calhoun-Wood mines, DMA Docket 1311X.

The Quartz Hill area has been the only pitchblende-producing district of any consequence in the United States. The commercial production has come from a small group of mines, among which the German mine of the applicant is one of the most important. The mines are primarily gold-silver mines, and the pitchblende production has come largely from small veins, pockets, and lenses of high-grade pitchblende encountered in the mining of precious metal ore. The pitchblende output was made principally between 1870 and 1915, when the mines were worked for gold and silver.

Except for a few brief periods of operation in one mine or another, the mines of Quartz Hill have been closed for 25 to 50 years.

Only fragmentary production records for pitchblende are available. Published reports give the following for the German-Belcher:

| Year | Lbs. ore | $\%U_3O_8$ | Lbs. $U_3O_8$ |
|---|---|---|---|
| 1909 | 1600 | 30 | 480 |
| 1910 | 1600 | 30 | 480 |
| 1911 | 500 | 30 | 150 |
| 1913 | 240 | 70 | 168 |
| | 220 | 20 | 44 |
| | 2000 | 2 | 40 |
| | 10000 | 2.6 | 260 |
| | 16160 | | 1622 |

## GEOLOGY

The mines of Quartz Hill are chiefly in gneiss, called granite gneiss by Bastin and Hill, and in biotite schist. These rocks are cut by small bodies of pre-Cambrian granite and by dikes of Tertiary bostonite and monzonite. The veins occupy fault fissures that trend east-northeast and dip steeply. Bastin recognized two stages of mineralization: an early pyritic stage, with which the pitchblende is associated, and a later base-metal stage. The veins, which are a few inches to 2 or 3 feet wide, consist chiefly of veinlets of pyrite and fine-grained quartz

in sheared, silicified and pyritized country rock. The wallrocks are hard, sericitized and partly silicified gneiss and soft, altered schist. The ore shoots are mostly in gneiss; in schist the veins tend to weaken and become barren.

The pitchblende occurs chiefly in veinlets and pockets which seem to be erratically distributed within the pyritic veins. It seems to be an accepted principle in the district that pitchblende is most abundant where the gold values are poor, but Bastin cites examples showing just the opposite, so perhaps generalization as to the gold-uranium ratios is not warranted. As most of the pitchblende has been mined as a chance by-product, there is little knowledge of the distribution of pitchblende in most of the veins. Most of the uranium ore produced in the past is relatively high grade, ranging from 1 to 80 per cent $U_3O_8$. Examination of all mine workings accessible during the last 2 or 3 years by the Trace Elements Unit of the Geological Survey, and of the dumps and surface workings, has shown that pitchblende is not widely disseminated in the veins; most of it occurs in definite bodies, such as veinlets, and as such is recognizable and can be sorted. The pitchblende in the few small spots now visible in the veins is sooty, but most of the pitchblende ore was hard and lustrous.

## CONCLUSIONS

Uranium is highly critical, as shown by its position in the small group of minerals for which the Government offers 90 per cent participation in loans. Expanded production is obviously desired, and, for pitchblende ores, the Quartz Hill area is the most logical place to

seek expansion because of the record of past production from there. This production has been largely a chance by-product of mining for precious metals, and little attempt has been made to mine pitchblende alone. It is likely, therefore, that pitchblende production could be expanded considerably beyond the production rates of past operations if it were the chief objective of exploration and mining.

For the immediate future, at least, profitable operation on pitchblende ore would necessarily depend on high-grade material similar to that produced in the past. Facilities for milling low-grade pitchblende ore do not exist in the district, and at the present price of uranium, freight to Salt Lake City, the nearest A.E.C. buying point for pitchblende ore, would be prohibitive for ore running less than 0.25 per cent $U_3O_8$. There is a good possibility that workable bodies of precious- or base-metal ore would be found in the course of exploration and development for uranium. Such ore would help defray costs of operation, but if it should contain low-grade uranium ore also, a metallurgical problem of separating uranium from the precious- or base-metal ores would arise.

## RECOMMENDATIONS

The German mine has produced uranium ore in the past and is worthy of further exploration for such ore. As shown by Ridland's report accompanying the application, there is a modest reserve of uranium-bearing ore in two blocks averaging 0.10 and 0.17 per cent $U_3O_8$ in the upper 3 levels. Although these blocks would probably be of more value for the gold, silver, lead, and zinc contained in them, they do prove the presence of pitchblende. They are at the edges of old stopes, and

any concentrations of pitchblende present at the exposed faces would have been mined during previous operations.

The applicant's plan of unwatering the mine, examining it closely, and then exploring the most promising areas by drifting is a logical procedure for a property such as this. The lack of a definite or stipulated target, however, creates a problem with respect to the repayment provisions of DMA exploration loans. Perhaps the applicant is willing to pledge the entire area of the present mine, plus portions of the veins one or two hundred feet east and west of the present workings, to the repayment royalty. Otherwise, there is little alternative but to specify in advance where the drifting is to be done.

Attention is also called to the extent of Government participation as considered in the application. The applicant expects to produce both uranium and lead-zinc ores, and has therefore averaged the 50% participation for lead-zinc with the 90% participation for uranium and thus obtains 70% participation for the Government's part. I suggest 90% participation by the Government, as the work is designed primarily for uranium, with lead and zinc, and probably precious metals, as welcome by-products. The repayment royalty would apply to these by-products as well as to uranium.

As shown in the accompanying engineering report, the applicant's cost estimate is probably too low to accomplish all the proposed exploratory work. With $25,000 only about 400 feet of drifting, and no diamond drilling, can be done. It is recommended that an Exploration Loan in the amount of $25,000 as requested, (Government participation 90% or $22,500), be granted the applicant to unwater the mine, map and sample it, followed by exploring the most promising areas by drifting.

# URANIUM COMPANY OF AMERICA
# GERMAN MINE
# GILPIN COUNTY, COLORADO

Engineering Report

By F. D. Everett
Mining Engineer
Bureau of Mines

URANIUM COMPANY OF AMERICA
GERMAN MINE
GILPIN COUNTY, COLORADO

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URANIUM COMPANY OF AMERICA
GERMAN MINE
GILPIN COUNTY, COLORADO

# ENGINEERING REPORT

By

F. D. Everett

## INTRODUCTION

The Uranium Company of America applied for an exploration loan of $25,000.00 for the German mine on Quartz Hill, in the Central City district, Gilpin County, Colo. (Defense Minerals Administration Docket 1448X). Uranium is the principal objective of the project but gold, silver, lead, and zinc may be found in commercial quantities. The Government participation is for 90 percent or $22,500.00.

The proposed exploration project was for unwatering the workings from the German shaft, mapping and sampling, 850 feet of drifting, and 500 feet of diamond drilling. The Bureau of Mines estimates that, in addition to the dewatering and examination of the property, only about 400 feet of drifting and no diamond drilling can be done for $25,000.00.

## ACKNOWLEDGMENTS

Acknowledgment is made to Dale L. Roberts, mining engineer, Bureau of Mines, who worked on this report prior to the effective date of his resignation.

## LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The German mine is on the south slope of Quartz Hill, 2 miles by road southwest of Central City, Gilpin County, Colo. (fig. 1). A fair graded road ½ mile long joins the state secondary road between Central

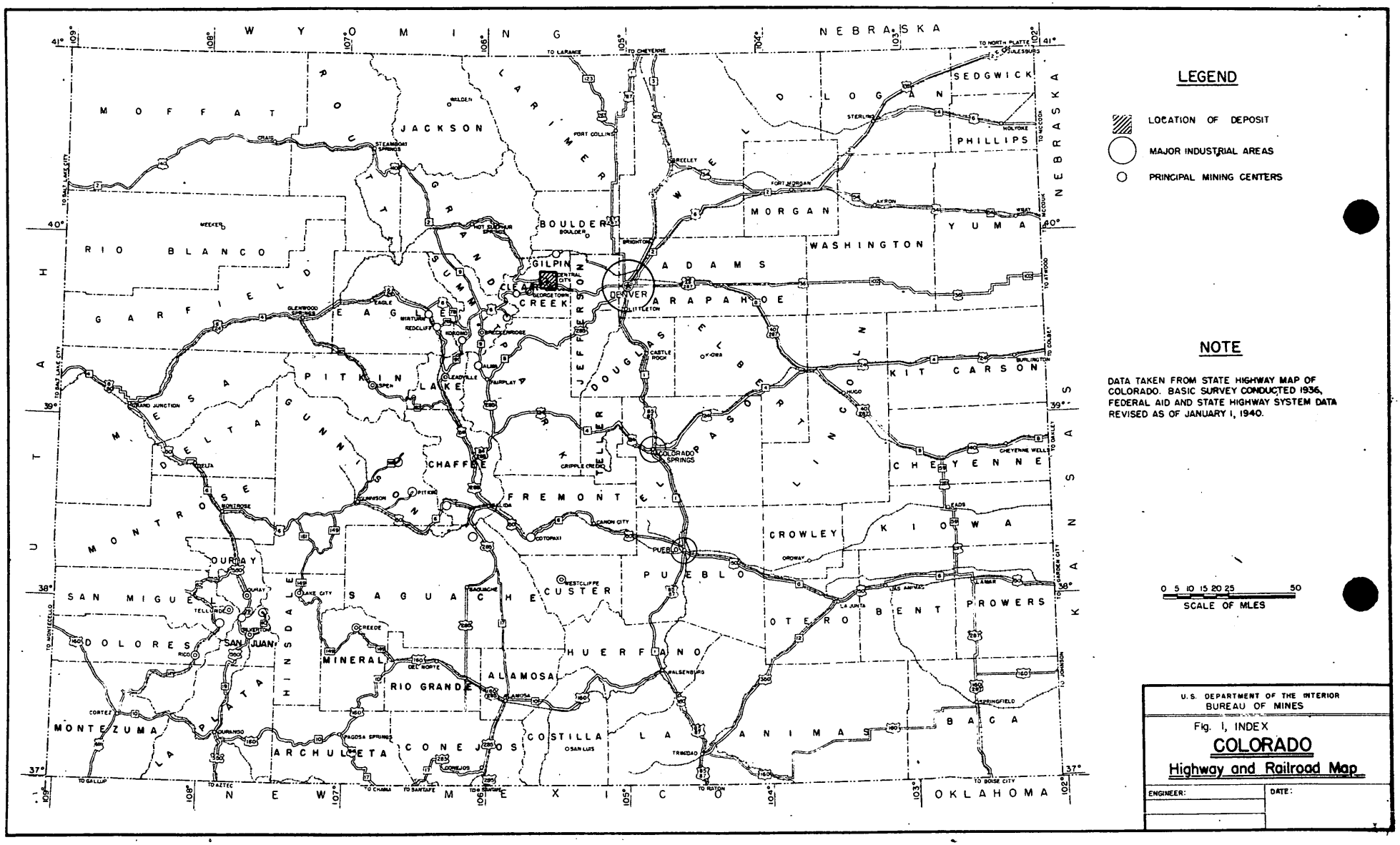


Fig. 1-LOCATION MAP, GERMAN MINE, URANIUM CO. OF AMERICA, GILPIN COUNTY, COLORADO

City and Idaho Springs. A paved road extends from Central City to Rollinsville, Golden, and Denver. Rollinsville, on the main line of the Denver and Rio Grande Western Railroad, is 17 miles to the north, while Golden, the nearest shipping point on the Chicago, Burlington and Quincy or Colorado and Southern Railroad, is 32 miles to the east.

The property is on a side slope near the crest of Quartz Hill. The area contains well rounded hills in an otherwise rugged mountain range. The hill slopes are covered with old mine shafts and dumps. The altitude at the mine is about 9,000 feet above sea level.

The climate is mild and will permit all year operations. The winters, while cold, are reasonably dry and snowfall is relatively light.

## HISTORY AND PRODUCTION

The Central City Mining District is the oldest in Colorado, extending back to 1858 when gold was discovered. Production of gold was high until 1915, but, by 1920, mining had all but ceased and most of the mines have been idle for many years.

Quartz Hill is noted for gold and silver production but a few mines including the German have yielded small quantities of pitchblende ore; actually, a small group of mines on Quartz Hill have accounted for most of the pitchblende production of the United States. Pitchblende was hand sorted as a by-product from gold ores.

Production records are not complete for the pitchblende mined in this area, probably because the mineral was of secondary importance at that time. Between 1909 and 1913 the German-Belcher mine, now called the German mine, produced 16,160 pounds of ore in shipments containing uranium ranging from 2.6 percent $U_3O_8$ in one of 5 tons and 70 percent $U_3O_8$ in one of 240 pounds. The total uranium production

for the four-year period was 1,622 pounds of $U_3O_8$. The average $U_3O_8$ content of the pitchblende shipments averaged about 10 percent.

## OWNERSHIP AND EXTENT

The Uranium Company of America was organized in 1950 to take over the properties of the Gold Uranium Corporation including the German mine, Argo tunnel, and Argo mill. The Gold Uranium Corporation obtained the German mine from the American Gold Uranium Company who, in turn, was assigned the property by the American Mining Company, in 1949. The property known as the German consists of six patented claims, German, survey 694; North German, survey 18936; German Annex, survey 19564; German No. 2, survey 19564; and the Belcher, survey 7076. These claims are near the summit of Quartz Hill, Gilpin County, Colo., secs. 14 and 15, T. 3 S., R. 73 W., 6th P. M.

## DESCRIPTION OF THE DEPOSIT

As the mine is inaccessible, the description of the deposits was taken from various reports.

Rocks in the area are gneiss or schist of the pre-Cambrian Idaho Springs formation. On Quartz Hill, two north-northwesterly bostonite dikes have intruded the area where uranium has been found.

The pitchblende occurs in small veinlets and pockets with the more prominent pyritic veins of the area. The German vein, striking N. 75° E. and dipping from vertical to 75° for an average of 80°, is mainly a quartz or siliceous filling mineralized with pyrite and minor amounts of pitchblende, lead, zinc, and gold. The ore shoots are mostly in gneiss and tend to become barren in the schist.

As most of the pitchblende has been mined in search for gold ore, little knowledge exists of the distribution in the different veins. Pitchblende is easily recognizable and can be readily hand sorted.

The veins vary in width from a few inches up to 2 or 3 feet. The hardness of the wall rock or the width of the vein should not offer any particular mining problem.

## ORE RESERVES

There are no measured ore reserves. The loan application is based on the past production of uranium. The report by G. C. Ridland, which accompanied the application, indicated two blocks of probable ore. Maps of the property were submitted with the application.

## PRESENT STATUS

### Exploration and Development

The status of the German mine will be based on the report by Ridland because of the inaccessibility of the workings.

The mine is developed through two shafts, the German and Belcher, The Belcher shaft is caved near the surface but the German shaft was dewatered to the 250-foot level and repaired in 1948. The shaft is 600 feet deep with levels at 130, 200, 250, 400, and 500 feet. The 130-foot level was driven 418 feet along the vein on both sides of the shaft. The 200-foot level has 250 feet of drifting in an easterly direction. The 250-foot level was driven in both directions from the shaft a total of 720 feet. The extent of the workings on the 400- and 500-foot levels is not known.

## Mining and Milling Equipment

There is no mining or milling equipment on the property. The present facilities are a headframe and a combined hoist-compressor building.

## PROJECT PROPOSALS, WITH COSTS

### Exploration and Development

The company proposes to dewater and rehabilitate the German shaft, examine and sample workings, drive 850 feet of drift which would be planned after the examination, and diamond drill 500 feet to explore for new veins. The cost of the project was estimated at $25,000.00.

The cost estimates appear low and, in order to stay within the $25,000.00, the proposal should be altered to allow for about 400 feet of drifting and the diamond drilling should be eliminated.

The applicant estimated that the drifting, excluding supervision, would cost $20.00 a foot. A charge of $30.00 a foot appears more likely, considering the material must be hoisted.

### Equipment and Facilities

All equipment will be rented. The hoist and compressor house can be repaired for $250.00. The applicant estimated equipment rental rates at $25.00 per month for a pump and $150.00 per month for a compressor with drilling accessories. These estimates appear to be low.

Equipment rental rates estimated by the Bureau engineer are as follows:

| | Rental per month |
|---|---|
| Hoist with electric motor | $100.00 |
| Compressor with electric motor for 2 headings, 270 to 370 c.f.m. | 250.00 |
| Drills, drifter type, 2 at $70.00 each | 140.00 |
| Pump for dewatering workings | 130.00 |
| Pump for maintaining water level after workings have been dewatered | 25.00 |
| Three buckets and two track dollies | 60.00 |

The varying inclination of the shaft would not permit the use of a mucking machine as hoisting must be done with a bucket riding on skids.

## Transportation

No roads will have to be constructed and their maintenance cost should be low.

The company proposed purchasing a used ½-ton pickup truck for $1,000.00. As the company indicated they could furnish $7,500.00 for their portion of a 30-70 percent participation loan, whereby they will only be required to supply $2,500.00 for a 10-90 percent participation loan, it is suggested they purchase the truck from their funds. The total amount of the loan will not need to be changed.

## Manpower

Labor, although not plentiful, can probably be obtained from Central City. The prevailing wage in the district varies somewhat but can probably be obtained for $1.40 per hour for miners, muckers, and hoistmen.

A foreman probably can be hired for $1.75 per hour.

The part time services of Dr. G. C. Ridland, for geologist and engineer-manager, are available for $300.00 a month.

## Power

A power line of the Public Service Company of Colorado crosses the property and, according to an official of that company, can be connected to the equipment at the shaft for $500.00. Power rates are about $0.033 per kilowatt-hour. A billing charge of $250.00, which is refundable, is also made at the start of service.

## Water

Water for mining is available from the German shaft. If necessary, water can be hauled from Central City.

## Mine Unwatering

According to G. C. Ridland, who supervised unwatering of the shaft to the 250-foot level in 1948, the permanent water level is just above the first level or about 120 feet from the surface. The dewatering operation in 1948 consisted of hoisting the water in a bailer. All water was bailed out to just below the 250-foot level in one month.

The workings below the 250-foot level are not believed to be extensive and, therefore, dewatering should not be too much of a problem.

The loan application allowed $25.00 a month for pump rental. This amount is considered low. A pump, such as a Byron Jackson, sinker, No. 2TLH, 2-inch size, 30 horsepower, 3,600 r.p.m., capacity 100 gallons per minute at 480-foot head, total negative suction head 20 feet, weight 700 pounds, and costing $850.00, would be applicable. According to the Colorado Associated Equipment Distributors, the

monthly rental is about 15 percent of the purchase price or $130.00 a month.

## Recapitulation of Project Costs

A comparison of the proposals and costs as estimated by the applicant and the Bureau of Mines engineer is itemized below:

### Cost estimate by the applicant

**First month**

| | |
|---|---|
| Purchase truck, dewater mine, and rehabilitate shaft and compressor house | $3,000.00 |

**Second month**

| | |
|---|---|
| Examination, rehabilitation, sampling, assaying, etc. | 3,000.00 |

**Third month**

| | |
|---|---|
| Development begins, 2 headings will average 160 feet a month, costing about $20.00 a foot, plus supervision | 3,500.00 |
| Diamond drill 100 feet at $5.00 a foot | 500.00 |
| Fourth to sixth month are the same as for the third month. | 12,000.00 |
| Seventh month is the same as the fourth except for a reduced program. | 3,000.00 |
| Total | $25,000.00 |

### Cost estimate by Bureau of Mines engineer

**First month**

Repair building, install hoist, and pump units, rehabilitate shaft to water level.

| | | |
|---|---|---|
| labor, 2 men | $470.00 | |
| supplies and compensation | 300.00 | |
| foreman | 300.00 | |
| electrical installation | 500.00 | |
| hoist rental | 100.00 | |
| geologist-manager | 300.00 | |
| Total | | $1,970.00 |

Second month

Dewater mine, 3 shifts

| | | |
|---|---|---|
| labor, 3 men, 30 days with 9 days overtime | $1,463.00 | |
| foreman and overtime | 365.00 | |
| hoist rental | 100.00 | |
| pump rental | 130.00 | |
| power, 16,560 kw-hrs. at $0.033 each | 550.00 | |
| 3-inch pipe, 650 feet at $0.63 a foot | 410.00 | |
| timber, supplies, and workmen's compensation | 200.00 | |
| Total | | $3,218.00 |

Third month

Examination, sampling, assaying, and some shaft and drift rehabilitation

| | | |
|---|---|---|
| labor, 3 men | $706.00 | |
| foreman | 300.00 | |
| supplies | 400.00 | |
| hoist rental | 100.00 | |
| pump rental | 25.00 | |
| assaying | | |
| 200 $U_3O_8$ determinations | 600.00 | |
| 200 Au, Ag, Pb, and Zn | 900.00 | |
| geologist-manager | 300.00 | |
| Total | | 3,331.00 |

Fourth month

Drifting in 2 headings

| | | |
|---|---|---|
| hoist rental | $ 100.00 | |
| pump rental | 25.00 | |
| compressor | 250.00 | |
| compressor installation | 200.00 | |
| foreman | 300.00 | |
| geologist-manager | 300.00 | |
| drifting with 4 men and hoistman, labor, timber, and supplies, 100 feet at $30.00 a foot | 3,000.00 | |
| Total | | 4,175.00 |

Fifth month

Drifting continues

| | | |
|---|---|---|
| hoist rental | $100.00 | |
| pump rental | 25.00 | |
| compressor | 250.00 | |
| foreman | 300.00 | |
| geologist-manager | 300.00 | |
| drifting 100 feet at $30.00 a foot | 3,000.00 | |
| Total | | $3,975.00 |

Sixth and seventh month

| | |
|---|---|
| Same as fifth month | 7,950.00 |

Eighth month

| | |
|---|---|
| Reduced operation or dismantling | 381.00 |
| Total | $25,000.00 |

The $25,000.00 applied for will only allow about 400 feet of drifting and no diamond drilling. If the results of the examination are favorable, the company should be allowed to do as much drifting, in approved places, as the remaining portion of the loan will allow.

## PRODUCTION PLAN

Little can be said about the production plan as the project is purely exploratory. Any pitchblende ore produced as the result of the work will be shipped to markets designated by the Atomic Energy Commission.

Gold, silver, lead, or zinc ore will be milled in available facilities at Idaho Springs.

Problems of production after exploration will have to be determined later.

## SUMMARY: COST OF PROJECT

The total cost of the exploration project proposed by the applicant and the Defense Minerals Administration examining team is $25,000.00. The project costs as approved will allow less drifting than requested and no diamond drilling.

### Operating Costs

It is not practical to estimate the cost of operations until the outcome of exploration is known.

### Indicated Profit or Loss

No positive evaluation of the property can be made until after the exploratory investigation is completed.

Uranium is in critical demand and every known domestic source is being investigated.

## PROPOSED FINANCING

Uranium projects are financed by the Government paying 90 percent and the applicant 10 percent of approved costs. For the German mine, participation by the Government would amount to $22,500.00 and by the Uranium Company of America, $2,500.00

## CONCLUSIONS

In view of the critical need for uranium, the reported occurrences in the German mine should be investigated.

The costs estimated by the applicant are believed low and estimates by the Bureau of Mines engineer indicate that the work accomplished for $25,000.00 will allow for dewatering of the 600-foot shaft, rehabilitation of the shaft and some of the workings, examining and sampling the underground workings, about 400 feet of drifting instead of 850 feet as estimated by the applicant, and no diamond

drilling. After the workings are dewatered and carefully examined, drifting should be allowed with the remaining portion of the allotted funds, as approved by representatives of the U. S. Geological Survey and the Atomic Energy Commission.

The company can purchase the pickup truck entirely from company funds.

The project is estimated to require 8 months for completion.

RECOMMENDATIONS

The German mine is recommended for a $25,000.00 uranium project consisting of dewatering the shaft, examining the workings, and drifting with the remaining portion of the allotted funds. The drifting work should be approved by representatives of the Federal Agencies concerned probably the Geological Survey and Atomic Energy Commission.

FILE COPY
SURNAME:

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

FEJohnson
Hayes
Hefner

MAR 1 1952

Mr. J. H. East, Jr.
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Dear Mr. East:

Re: Docket DMEA-1448X,
Uranium, Contract Idm-E270
Uranium Company of America

This will acknowledge receipt of letter dated February 25, 1952, enclosing the original and five copies of a contract completed with the subject company under delegation of authority for Region IV.

The contract has been assigned number Idm-E270. There are enclosed two copies of the contract, one for your file and one copy for transmittal to the operator. The copy for the Fiscal Officer, Region IV, was delivered to the Finance Office, Bureau of Mines, Washington, D. C., and will reach the field finance office soon.

Sincerely yours,

(signed) FRANK E. JOHNSON

(HB)

Frank E. Johnson
Chairman, Operating Committee

Enclosures (2)

FEJohnson/hb

Copy to: Adm. Reading File
✓Docket
Operating Committee
Mr. Chambers
Mr. Ellis
Mr. F. E. Johnson

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 3 - 1952

224 New Customhouse
Denver 2, Colorado

February 25, 1952

REGISTERED MAIL

Memorandum

To: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Field Team, Region IV

Subject: Contract, Uranium Company of America, Docket 1448X

Enclosed are the original and five copies of the above contract. All copies have been signed by J. H. East, Jr., Regional Director, Region IV, Bureau of Mines, and by Richard Downing, Secretary and Treasurer, Uranium Company of America. The corporate seal has been affixed on all copies.

Kindly assign a contract number and return three copies to this office so that we may have one copy for our files, deliver one copy to the operator and one copy to the Fiscal Officer, Region IV.

W. H. King
W. H. King, for J. H. East, Jr.

A. H. Koschmann
A. H. Koschmann

Enclosures

JHS:ld

cc: Docket, chron.
Koschmann
Traver

100
FILE COPY
SURNAME:

Ellis
F. Johnson

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

DEC 14 1951

Mr. J. H. East, Jr.
Executive Officer, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-1448X (Uranium)
Uranium Corporation of America
German Mine

Dear Mr. East:

This will acknowledge receipt of your memorandum of December 5, appertaining to the above captioned docket.

We find that the two applications of the Uranium Corporation of America had been filed together. We understood that DMA-915 had been changed to DMA-1563 which was not so. Actually DMA-1563 (German Mine) was changed to DMA-1448X and DMA-915 (Pozo Mine) remains a direct zinc loan application as originally submitted. Docket DMA-1563 (now DMA-1448X) was sent to the Field Team and Docket DMA-915 appears to have remained in Washington with the Lead-Zinc Branch of the Defense Materials Procurement Agency.

We trust this will clarify the situation for you.

Sincerely yours,

(signed) FRANK E. JOHNSON (for)
Acting Administrator,
Defense Minerals Exploration
Administration.

EWEllis/hmj
12-11-51
cc to: Adm. Reading File
Mails and Files Br.
Messrs. Mittendorf
Ellis
Docket.

J.H.
12-14

Mail & Files Branch

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

224 New Customhouse
Denver 2, Colorado

December 5, 1951

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division
Defense Minerals Administration

From: Executive Officer, DMA Field Team, Region IV

Subject: DMA Docket ~~1563~~ 1449, Pozo Mine, Uranium Corporation of America

The local representative of the Uranium Corporation of America inquired a month ago about the status of the application of the Pozo Mine which was given DMA Docket No. 915. We did not have any information on this application. On December 4, 1951, he told us that a representative of the Uranium Corporation of America has visited the Washington Office of the Defense Minerals Administration and Mr. Gordon told him that Docket 915 had been reassigned number 1563, and that the brochure had been sent to this office from Washington on July 26, 1951.

We do not have any record of having received this brochure. Kindly send us a duplicate so that we may process this application.

P. T. Allsman, for
J. H. East, Jr.

JFS:ld

cc: DMA docket, chron.
Koschmann

Mr. J. H. Rast, Jr.
Executive Officer, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-1448X (Uranium)
Uranium Corporation of America
German Mine

Dear Mr. Rast:

This will acknowledge receipt of your memorandum of December 5, appertaining to the above captioned docket.

We find that the two applications of the Uranium Corporation of America had been filed together. We understood that DMA-915 had been changed to DMA-1563 which was not so. Actually DMA-1563 (German Mine) was changed to DMA-1448X and DMA-915 (Rozo Mine) remains a direct zinc loan application as originally submitted. Docket DMA-1563 (now DMA-1448X) was sent to the Field Team and Docket DMA-915 appears to have remained in Washington with the Lead-Zinc Branch of the Defense Materials Procurement Agency.

We trust this will clarify the situation for you.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Administrator,
Defense Minerals Exploration
Administration.

KWEllis/hmj
12-11-51
cc to: Adm. Reading File
Mails and Files Br.
Messrs. Mittendorf
Ellis
Docket.

OFFICE OF THE ADMINISTRATOR

Mittendorf File

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

December 5, 1951

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division
Defense Minerals Administration

From: Executive Officer, DMA Field Team, Region IV

Subject: DMA Docket ~~1563~~ 1448X, Pozo Mine, Uranium Corporation of America

The local representative of the Uranium Corporation of America inquired a month ago about the status of the application of the Pozo Mine which was given DMA Docket No. 915. We did not have any information on this application. On December 4, 1951, he told us that a representative of the Uranium Corporation of America has visited the Washington Office of the Defense Minerals Administration and Mr. Gordon told him that Docket 915 had been reassigned number 1563, and that the brochure had been sent to this office from Washington on July 26, 1951.

We do not have any record of having received this brochure. Kindly send us a duplicate so that we may process this application.

P. T. Allsman, for
J. H. East, Jr.

915 [illegible]

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 10 1951

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

224 New Customhouse
Denver 2, Colorado

October 24, 1951

DEPARTMENT OF THE INTERIOR
RECEIVED
NOV 27 1951
Defense Minerals Administration,
Production Expansion Division.

Memorandum LEAD-ZINC

To: Executive Secretary, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: DMA Docket 1448X, Final Report, Uranium Company of America, applicant, German Uranium Mine, Gilpin County, Colorado

The subject report has been approved by us and an exploration loan of $25,000 is being processed.

Your copies of the report and the brochure are being held here until the execution of the exploration project contract.

J. H. East, Jr.

A. H. Koschmann

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

AUG 0 1951

Mr. J. H. East, Jr.
224 NewCustomhouse Building
Denver, Colorado

Dear Sir:

We attach "Review of Application for Exploration Assistance" on:

Docket No. ~~1563~~ 1448X

Commodity Uranium

Applicant Mr. Richard Downing (German Mine)

Please expedite the consideration of this application with particular reference to the points noted in the attached "Review."

Very truly yours,

Tom Lyon, Chairman
Coordinating Committee

For Bureau of Mines

For Geological Survey

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. ~~DMA 1563X~~ 1448X

Commodity Uranium

Total Amount 25,000.00

Govt. Participation 17,500.00

1. Name and Address of Applicant Uranium Company of America

405 Interstate Trust Bldg., Denver 2, Colorado.

2. Location of Property

Gilpin County, Colorado

(German Mine)

3. Mineral or metal Uranium Is it listed in Section 9 of MO-5? Yes

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project? See Item 16
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated?
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached?

Does the lease have sufficient time to run to cover a future

productive period?

*question numbers are those of MF-103

7. Are subordination agreements necessary?_____

a) MF-201?_____

b) MF-202_____

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower_____

b) Equipment and supplies_____
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)*_____

d) Water (question 13)*_____

e) Power (question 13)*_____

Is a field check needed on any of these points?_____

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)*_____

_____

Is a field check needed on this point?_____

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described?_____

If not, are there sufficient data given so that you can describe the project?_____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work?_____

_____

c) Is the proposed work "exploration" under the definition of Section 8, MO-5?_____

If not, what part of it is?_____

_____

_____

_____

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed?_____

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data?_____ If so, attach a draft.

e) Are the cost estimates reasonable?_____

f) Should more information be requested from applicant?_____

g) Is a field examination necessary to complete Exhibit A?_____

11. Exhibit B (question 23-d)*

a) Is it applicable?_____

b) If so, are sufficient data furnished?_____ If so, attach a draft.

c) Is a field check needed?_____

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable?_____

b) Sufficient data?_____ If so, attach a draft.

c) Are rents and charges reasonable?_____

d) Is a field check needed?_____ _____

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data?_____

b) Is the schedule adequate for the work proposed?_____

c) Is the schedule excessive for the work proposed?_____

d) Are the proposed wages and salaries reasonable?_____

e) Is a field check needed?_____

14. Exhibit E (question 23-c)*

a) Is it applicable?_____

b) Sufficient data?_____

c) Reasonable?_____

d) Field check needed?_____

15. In your judgment, can the proposed work be done in the proposed time?_____

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation. ***(See below).**

17. ~~If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question?~~_____

*** Property lies within area under study by the Atomic Energy Commission for regional exploration work. Recommend that the application be held in abeyance pending outcome of plans by AEC.**

Reviewed by:_____

H. W. Keyser U.S.G.S.

G. O. Hastie AEC

Date 6-27-51



97692

FILE COPY
SURNAME:

Bourret
Mayfield
Lyon

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

AIR MAIL

July 26, 1951

A.E.C.

Mr. Richard Downing, Sec. Treasurer
Uranium Company of America
405 Interstate Trust Building
Denver 2, Colorado

Re: Uranium-German Mine
DMA docket ~~1563x~~ 1448X

Dear Mr. Downing:

Reference is made to our letter of July 9, 1951 advising that action on your application was withheld pending the outcome of a current investigation over in the Central City area.

I am pleased to advise that we are this day forwarding your application and supporting data to Mr. J. H. East, Jr., DMA Executive Officer, Field Team IV, 224 New Customhouse Building, Denver, Colorado for field examination and DMA recommendation.

Mr. East will contact you direct in the event further information is required at this time.

Yours very truly,

SIGNED By
Tom Lyon, Director 8/7
Supply Division

WBourret/mh
cc: Adm. read. File
Reports and Records
Lyon
Field Team IV
Hosted-Keiser, USGS
Bourret
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

OFFICE OF
REGIONAL DIRECTOR

REGION IV

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

July 17, 1951

Mr. M. N. Scott, Assistant Secretary
Uranium Company of America
405 Interstate Trust Building
Denver 2, Colorado

Dear Mr. Scott:

Reference is made to your letter of July 10, 1951. Four copies of the MF-103, Application for Exploration Loan, on the German Mine were sent to Landon Strobel, Executive Secretary, Defense Minerals Administration, Washington, D. C., on May 31, 1951.

Yours very truly,

J. H. East, Jr.
Executive Officer
DMA Field Team, Region IV

JHE:ld

cc: Landon Strobel
DMA

FILE COPY
SURNAME:

Bourret

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

July 9, 1951

Mr. Richard Downing, Sec. Treasurer
Uranium Company of America
405 Interstate Trust Building
Denver 2, Colorado

Re: Uranium-German Mine
DMA docket ~~1563~~ 1448

Dear Mr. Downing:

Your application of May 28, 1951 for an exploration project in the amount of $25,000 has been received by the Minor and Rare Metals Branch, Supply Division.

Your proposal has been carefully reviewed by both the DMA and the Atomic Energy Commission. As you perhaps may already know, the USGS (U. S. Geological Survey) and the Atomic Energy Commission are presently undertaking a joint study of the Colorado Front Range, including the Central City area. When this study is completed we believe it may then be possible to consider your application with a view to fitting your program into an overall project for an orderly development of the area. However, you will appreciate that this involves no commitment of the DMA to take any definite action.

Because your proposed exploration may result in a duplication of effort and expense unless a well coordinated program is first worked out for the systematic exploration, I regret to advise that we cannot take action at this time. Therefore, your application must be held in abeyance and we will advise you just as soon as possible. However, I trust you will appreciate that it may be many months before the final recommendations will be made known.

Yours very truly,

Tom Lyon

Tom Lyon, Director
Supply Division

WBourret/mh
cc: Adm. Read. File
Reports and Records
Lyon
Field Team III
Hosted and Keiser, AEC
Bourret
Files

FILE COPY
SURNAME:

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

Gene
Brokaw
~~Herres~~
Hill

June 22, 1951

**Memorandum**

**To:** Trace Elements Planning and Coordination Office - U.S.G.S.

**From:** Lead-Zinc Branch, D. M. A.

**Subject:** Applications for loans submitted by the Uranium Company of America, 405 Trust Building, Denver 2, Colorado

Attached herewith and DMA 1563 for your consideration are ~~two~~ three applications, DMA-915 ~~and~~ DMA-1448, submitted by the Uranium Corporation of America, 405 Trust Building, Denver 2, Colorado.

Otto Herres

Otto Herres, Chief
Lead-Zinc Branch

**Attachment**

EJLyons:emp
G 6/22/51
Copies to: Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. H. Mote
L. F. Strobel
Directors r. file 4214 GSA
Br. r. file 4214 GSA
Files

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

# APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. dma 1448X ~~1564~~

Date received 6-4-51

Participation

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 4 - 1951
LANDON F. STROBEL
Executive Secretary

Uranium Company of America
405 Interstate Trust Building
Denver 2, Colorado
GERMAN MINE

Name and address of applicant

Date May 28, 1951

FILL IN THIS BLOCK

Date of application

Estimated cost $25,000.00

Mineral or metal Zinc, lead, uranium

Percentage of Government participation ~~lead and zinc~~ 50% for lead and zinc; 90% for uranium; Average: 70%

Location of mine Near Central City, Gilpin County, Colorado.

Date of filing MF-100

DMA Docket Number, if available

## INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

See answers to questions, attached.

## THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

## THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:

(*a*) If mine is in production, furnish the following information:

| | *Tons per day* | *Grade or analysis* | *Cost per ton* | *Net value per ton* |
|---|---|---|---|---|
| (1) Mining | | | | |
| (2) Milling | | | | |
| (3) Shipped or sold | | | | |

*18. Ore or mineral reserves: (If property is or has been operating.)

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

## THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

## THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

## CERTIFICATION

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

URANIUM COMPANY OF AMERICA
(Name of company)

By [signature]
(Signature of authorized official)

May 28, 1951
(Date)

Secretary - Treasurer
(Title)

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

URANIUM COMPANY OF AMERICA
405 Interstate Trust Building
DENVER 2, COLORADO

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

# APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. dma 14488 ~~15638~~

Date received 6-4-51

Participation

Uranium Company of America
405 Interstate Trust Building
Denver 2, Colorado
GERMAN MINE

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 4 - 1951
LANDON F. STROBEL
Executive Secretary

Name and address of applicant

Date May 28, 1951

FILL IN THIS BLOCK

Date of application

Estimated cost $25,000.00

Mineral or metal Zinc, lead, uranium

Percentage of Government participation 50% for lead and zinc; 90% for uranium; Average: 70%

Location of mine Near Central City, Gilpin County, Colorado.

Date of filing MF-100

DMA Docket Number, if available

## INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

See answers to questions, attached.

## THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

## THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

| | *Tons per day* | *Grade or analysis* | *Cost per ton* | *Net value per ton* |
|---|---|---|---|---|
| (1) Mining | | | | |
| (2) Milling | | | | |
| (3) Shipped or sold | | | | |

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

## THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

## THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

## CERTIFICATION

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

URANIUM COMPANY OF AMERICA
(Name of company)

By [signature]
(Signature of authorized official)

May 28, 1951
(Date)

Secretary - Treasurer
(Title)

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

URANIUM COMPANY OF AMERICA
405 Interstate Trust Building
DENVER 2, COLORADO

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

APPLICATION FOR AID FOR AN

EXPLORATION PROJECT PURSUANT TO

MINERAL ORDER 5, UNDER

DEFENSE PRODUCTION ACT OF 1950

Uranium Company of America
405 Interstate Trust Building
Denver, Colorado

Date May 28, 1951

---

GERMAN MINE

THE APPLICANT

1. Corporation.

2. Does not apply

3. Major J. T. Kingsley, President and Director, Owns 333,430 sh Com.stock
209 Mills Building, Washington, 6 D. C.

Mr. Charles M. Moon, Director, Owns 333,340 sh. Com. Stock
516 Ingraham Building, Miami 32, Florida

Mr. Richard Downing, Director, Secretary-Treasurer, Owns 200 sh Com.Stock
Equitable Building, Denver 2, Colorado

Mr. John S. Routh, Director, Owns 100 sh. Com. Stock
420 Lexington Avenue, New York 17, N. Y.

Col. A. L. Monroe, Director, Owns 100 sh Com. stock
C/o Carolina Power & Light Company
Raliegh, North Carolina

Gold Uranium Corporation, Stockholder, Owns 333,330 sh Com. Stock
Room 839 1,000,000 " Pfd. Stock (all)
60 East 42nd Street
New York 17, N. Y.

4. (a) The applicant corporation was organized in July, 1950 to take over the mining properties, Argo tunnel and Argo mill of the Gold Uranium Corporation.

It has engaged in the study of the mining records of its mining properties. It has not conducted an operation as of this date.

(b) The operation will be directed by Major J. T. Kingsley (biography attached) and will be managed by Dr. G. C. Ridland (biography also attached). Dr. Ridland will secure the services of an experienced mine foreman to superintend the operation. He has several qualified men from which to choose for the position.

5. Applicant owns the property.

6. All the applicant's property, including the German property, is included as security on a $150,000 mortgage to Gold Uranium Corporation

7. Does not apply.

8. Financial and profit and loss statements attached.

9. $7,500. This is sufficient to pay applicant's 30% share of the cost of the project as detailed in question 23.

## THE PROPERTY

10. (a) The property is the German mine consisting of:

(1) The 600-foot-deep, 2-compartment, inclined prospect shaft equipped with ladders and skids for bucket.

(2) The 130-foot level goes out on the German vein in each direction from the German shaft for a total of 418 feet.

(3) The 200-foot level drifts, 250 feet long.

(4) The 250-foot level, 720 feet long.

(5) Levels are also established at 400 and 500 feet, but their lengths are not known.

The mine is now closed and flooded. The shaft was dewatered and rehabilitated to the 250 level and new skids and ladders were installed in 1948. It is expected to be in good repair, at least to the 250 level.

(b) Legal description:

| Lode Mining Claim | U. S. Survey Number |
|---|---|
| German | 494 |
| North German | 18936 |
| German Annex | 19564 |
| German No. 2 | 19564 |
| Belcher | 7076 |

located in the Nevada Mining District, Gilpin County, Colorado, Sec. 14 and 15, T. 3 S., R. 73 W., 6th P.M., Colorado.

Note: (a) and (b) are the same property.

11. Present name: German Mine
Former name: German-Belcher Mine.

12. The mine is 1¼ miles southwest of Central City, Colorado.

A fair gravel road 2,200 feet long connects the German shaft site with State Highway 119. State Highway 119 is a graded gravel road joining Central City and Idaho Springs. The distance from the point where the German side road joins the highway to Central City is 1.5 miles, and, from the same point, to Idaho Springs is 4.5 miles. Both Central City and Idaho Springs are connected by pavement to Golden, Colorado, the nearest railroad shipping point. The distance from the German to Golden is approximately 30 miles. The distance from the German to Denver, the main supply center, is 37 miles. All roads are kept in excellent condition at all times throughout the year.

13. Water Supply:

Water for all contemplated mining purposes is available from the German shaft. Additional water supply is available at Central City and can be hauled or pumped to the property, if necessary for a much larger program than is now anticipated.

Power:

The Public Service Company of Colorado has an electric power line running across the property. It can be connected in 24 hours notice. Power consumption is not expected to be as much as 7,000 K.W.H. per month. This amount of power would cost $232.00. Hence, the rate is approximately $0.0332 per K.W.H.

14. Equipment:

Head frame and a shelter house for hoist and compressor are on the property and in good shape. There is no other equipment. Compressor, drills, hoist and pump can be rented reasonably in Idaho Springs or Denver.

15. The ore can be shipped from the German shaft to any one of three custom mills in Idaho Springs by truck. Haulage contractors are available in Idaho Springs, Denver and Boulder. High-grade ore can be trucked directly to the American Smelting and Refining Company smelter at Leadville, Colorado. Lead concentrates from a milling operation can be shipped the same way to the same smelter. Zinc concentrates can be trucked to the American Smelting and Refining Company zinc smelter at Amarillo, Texas, or they can be trucked to Golden and shipped by rail to Amarillo.

16. History:

(a) Nothing is known of the history of the German mine other than, at the time it was examined by representatives of the U. S. Geological Survey in 1916, it was under active development and attention then was being given to the uranium ores (U.S.G.S. Prof. Paper 94, page 240).

Assays of smelting ore shipped in 1909 are as follows:

| Ore | Gold | Silver | Copper | Lead |
|---|---|---|---|---|
| Net tons | Oz./t. | Oz./t. | % | % |
| 3.122 | 2.09 | 7.44 | | |
| 1.596 | 2.86 | 9.60 | | |
| 1.305 | .46 | 6.90 | | 9.70 |
| 3.337 | .31 | 4.00 | | |
| 1.286 | 3.40 | 9.00 | 0.50 | |
| 2.413 | 5.99 | 13.64 | .95 | |
| 3.580 | 2.00 | 12.00 | 1.80 | |
| 6.205 | 1.30 | 2.30 | | |
| .907 | 4.00 | 21.60 | 1.90 | |
| 1.443 | 3.46 | 11.30 | 1.50 | |
| 3.270 | .76 | 2.00 | | |

The above ore was sold solely for its precious-metal content; the uranium and zinc content was not determined (U.S.G.S. Prof. Paper 94, Pg. 242).

The total production of pitchblende ore from the German from the fall of 1911 to January 1, 1913, has been 240 pounds of high-grade ore containing more than 70% $U_3O_8$, 220 pounds of ore containing 20% $U_3O_8$, 5 tons of ore carrying 2.6% $U_3O_8$ (U.S.Bureau of Mines Bull. 70, Pg. 45, 1913).

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The American Mining Company rehabilitated the shaft to the 250 level in the winter of 1947-8 and examined the upper three levels.

Reasons for the suspension of operations in 1918 are not known.

(b) The German mine is located 3,000 feet from the first gold strike in Colorado which was made at Russell Gulch in 1858. The district is the oldest in Colorado. Production developed rapidly after the original discovery and expanded to a peak in 1871, then remained at a high rate until the early 1900's, then slackened until, in 1923, it nearly ceased. Mineral production from the district from 1859 to 1923 is estimated at $98,411,325, of which 85% was from lode gold operations.

The California mine, 1,200 feet north of the German, was one of the most productive of the district. By 1880, the shaft had reached 800 feet in depth and the mine had yielded over $2,150,000. By 1894, when the shaft had reached 2,200 feet deep, the mine was the deepest in the world. Total production is given as in excess of $8,000,000.

The Kent County mine, located between the California and the German Belcher and adjacent to the German's north side, produced between $500,000 and $800,000.

Pitchblende has been produced from several properties lying in the immediate vicinity of the German. These include the Mitchell, Alps, Kirk, Pyrenees (possibly the western extension of the Kirk vein), Wood, Calhoun, Bezant, Topeka, Federal, Pewabic and Iron. The Atomic Energy Commission lists the following uranium production from neighboring properties:

| Property | Ore - lbs. | Ave. % $U_3O_8$ | $U_3O_8$ lbs. |
|---|---|---|---|
| Kirk | 356,000 | 8.6 | 30,490 |
| Wood | 103,600 | 29.1 | 30,175 |
| Wood and Kirk | 129,160 | 22.3 | 28,756 |
| Calhoun | 240 | 37.5 | 90 |

(c) Geological Report 28R, titled "Three Upper Levels - German-Belcher Property, Gilpin County, Colorado", by Dr. G. C. Ridland, is attached.

17. The German mine is not in production.

18. Ore or Mineral Reserves:

(a) The ore, containing values in zinc, lead, silver, gold and uranium, occurs as a fissure-vein filling and replacement of wall rock adjacent to a fissure known as the German vein. It strikes N 75° E and dips 80° S and cuts pre-Cambrian schist, associated pegmatite, and granite gneiss. It varies from a few inches to 12 feet in width, and is heavily mineralized with pyrite. Copper and zinc sulphide minerals and pitchblende occur in shoots.

A detailed geological report is attached.

(b) The report, attached, contains a map showing assays and location and size of estimated ore reserves.

(c) Attached report gives the following estimated tonnage and grade* of probable ore reserves:

| Block | Tonnage | Ave. Width (inches) | Average Grade | | | |
|---|---|---|---|---|---|---|
| | | | Gold (oz/t) | Silver (oz/t) | Zinc % | $U_3O_8$ % |
| A | 1,200 | 21.2 | 0.13 | 0.78 | | 0.10 |
| B | 230 | 17.3 | 0.32 | 1.23 | 5.00 | 0.17 |
| C | 2,525 | 20.0 | 0.28 | 1.58 | 2.63 | |

*Lead, one of the main constituents of the ores, was not reported in the assays because of its low value at the time of the examination. Zinc was determined in only two of the three blocks and was omitted from assays of the first block for the same reason lead was omitted throughout.

19. No conditions or special circumstances have been omitted, so far as is known, from the foregoing.

## THE EXPLORATION

20. Exploration is to be conducted for ores containing zinc, lead and uranium.



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21. 1. Dewater German shaft.

2. Thorough examination and sampling of all ore exposures. Geiger-Mueller counter and scintillometer examination of the radioactivity of the underground workings.

3. Development work totaling approximately 850 feet in the form of drifts, to be planned after the examination (paragraph 2) has been completed.

The 130 and 250 levels can both be extended along the German vein to the boundaries of the property or to a point where the German vein ceases to exist. However, the examination of the lower levels may disclose more likely development headings. From examination of the upper three levels, the one that appears to be the most encouraging is the 130 level drift to the east. The second and third most promising projects are the east and west headings on the 250 level.

4. Series of short diamond drill holes totaling approximately 500 feet to test the adjacent country rock for parallel ore-bearing structures.

Length of time for project, 7 months.

22. Please see geological report, attached, and assay map. Exploration to date has opened at least two ore blocks that are believed to be commercial; the one at the east end of the 130 level, and one below the 250 level. Farther lateral extension of the levels will enter similar, favorable ground on a strong, persistent, ore-bearing structure. The possibilities of developing similar or better ore are believed excellent.

## THE REQUIREMENTS AND COSTS

23. (a) Labor:

2 miners ) Contracted at $8 per foot of advance
2 muckers ) of 5 x 7 foot drift.
1 hoistman $1.25 per hr.

(b) Supervision:

1 Foreman $1.70 per hr.
1 Geological engineer-manager $300 per mo. (part time).

(c) Shaft rehabilitation, mainly below 250 level, $750

Hoist and compressor house $250

(d) Cost of installation of pump, and hoist, $400

Cost of compressed air and water lines, $100.

(e) 1/2-ton Pick-up truck, used, $1,000

(f) Hoist, $100 per mo.

Portable compressor, $150 per mo., including drill machines

Pump, $25 per mo.

(g) None

(h) Powder, Steel, Bits, Fuse, Caps, Rail, Ties, Spikes, Pipe, Timber — Estimated to cost $10 per foot of heading advance

(i) Cost of power approximately $0.033 per K.W.H. for size of operation proposed

Cost of diamond drilling to be contracted at approximately $5.00 per foot.

24. 1st Month Purchase truck, dewater mine and rehabilitate shaft and compressor house, $3,000

2nd month Examination, rehabilitation, sampling, assaying, etc., $3,000

| | | | |
|---|---|---|---|
| 3rd Month | Development begins and continues with 2 headings averaging an estimated 160 feet per month at $20 per foot plus supervision, | $3,500 | |
| | 100 feet of diamond drilling at $5 per foot, | 500 | |
| | | | $4,000 |
| 4th Month | The same, | | $4,000 |
| 5th Month | The same | | $4,000 |
| 6th Month | The same | | $4,000 |
| 7th Month | The same - reduce program | | $3,000 |
| | | | $25,000 |

# B I O G R A P H Y

KINGSLEY, JOSEPH THEODORE, President, Norfolk Southern Ry. Co.
Office Terminal Station Building,
Norfolk 10, Virginia, and
Mills Building, Washington 6,D.C.

Born: Baltimore Md., May 28, 1889. Son of Joseph and Meta Elizabeth (Vietsch) Kingsley. Married: May Amos Tumlin, 1912. Children: Joseph T., Jr.; Meta (Kingsley) Humphrey, Mary Lee. Education: Baltimore City Coll. Entered Railroad Service: Oct. 1903, as warehouseman, P. R. R., serving as telegrapher, extra brakeman and trainman, until Apr. 1912; subsequently, 1912-13, Asst. in Gen. Frt. Agent's office W. M.; 1913-17, with N.Y.C. World War I: 1917-20; in Aug. 1917 Commd. Capt., U. S. Army; promoted to Major Traf. & Transp. Sec., in charge of traf. and transp., Niagara, N. Y.; then to office of chief of embarkation, Hoboken, N. J.; overseas, Paris and St. Nazaire, France for purpose of establishing traf. and transp. setup in charge of rail and dock facilities and operations; ordered to London, Eng., for purpose of establishing and maintaining transp. offices throughout British Empire, handling all phases of transp. in which U. S. Army was interested; established offices in nine localities in British Isles, including Dublin, Ireland; returned to U. S., assigned as Asst. Chief of Transp., Washington, D. C.; retired with rank of Major. Returned to N.Y.C. 1920-26, as spec. asst. to financial group acquiring coal properties on Evansville & Indiana, acting as exec. gen. agent for system at Terre Haute, Ind., having charge of coal mining productive territory; 1926-47, located in Washington, D. C., as representative serving R. Rs. World War II; Active assignment in office of Procurement Service and Army Specialty Corps in Adj. Gen's. office for purpose of selecting transp. personnel for Commn., as transp. experts in U.S. Army; May 1947---, pres., Norfolk So. Ry. Co., Mem. Natil. Frt. Traf. Assn.; Traf. Clubs of New York, Chicago, Washington, D. C., Philadelphia, Wilmington, Norfolk-Portsmouth, Cleveland, Pittsburgh and Traf. Club of New England; Assn. of I. C. C. Practitioners; Associated Traf. Clubs of Am.; Norfolk Assn. of Commerce. Protestant. Clubs and Fraternities; Grand Lodge, A.F.& A.M. of Md.; Grand Commandery, K.T., of Dist of Columbia; Shrine, Disabled Emergency Officers of the World Wars; Cavalier Yacht Country; Sphinx of Raliegh, Inc., Princess Anne Country; Army-Navy Country (Arlington, Va.); Army & Navy (Washington, D. C.)
Home address: 901- 88th St., Surfside, Miami Beach 41, Fla. and 412 N. Cherry St., Falls Church, Virginia.

ALSO HOLDS FOLLOWING POSITIONS:
President, Domestic and Foreign Commerce Corp., Washington, D. C.
President, The Virginian Export and Import Corporation, Wash., D. C.
President, Mayfair Homes, Inc., Denver, Colorado
President, Uranium Company of America, Denver, Colorado
President, Norfolk Southern Bus Corp., Norfolk, Virginia.

Dr. G. C. Ridland graduated from the University of British Columbia in mining engineering and received his Ph.D. degree in mining geology from Princeton University in June, 1939, and was employed directly by Bear Exploration and Radium, Ltd., at Yellowknife, N.W.T. as resident geologist. During the 15 months of employment he was in charge of the operation while the general manager was absent most of the time in Toronto. The company employed a crew of 15 to 20 men at its Giant Yellowknife mining property and sank a 150-foot prospect shaft, drove 500 feet of tunnels, and did considerable surface trenching. The company also had a crew of 30-40 men at its silver-pitchblende mine at Contact Lake, Port Radium, N.W.T. and Dr. Ridland also directed exploration at this property.

From October, 1940 to August, 1943, Dr. Ridland was employed in the research laboratory of the Johns-Manville Corporation at Manville, N. J., and from September, 1943 to December, 1945, was in charge of an extensive uranium exploration and development program for the Canadian Radium and Uranium Corporation in northern Canada, the Colorado Plateau and throughout the western United States. He supervised a 20,000-foot diamond drilling program conducted during the summers of 1944 and 1945 at Great Bear Lake, Canada, and the rehabilitation and examination of an old mine in 1945 near Goodsprings, Nevada.

In 1947-8 he was in charge of the rehabilitation and examination of two mines and a transportation tunnel near Central City, Colorado for the American Mining Company.

From June, 1948 to November, 1949, he was the chief engineer and consultant for the Consolidated Caribou Silver Mines, Inc., Boulder, Colorado. He was in charge of mine mapping, sampling, examination and the planning of the diamond drilling and development work. During this period he prepared a Securities and Exchange registration statement pertaining to a public offering of the company's securities. Following this, and up to the present, he has been engaged in consulting work in the western United States and the Yellowknife District, northern Canada.

URANIUM COMPANY OF AMERICA
BALANCE SHEET
May 25, 1951

## ASSETS

| | | |
|---|---|---|
| **Current Assets** | | |
| Cash | $ 128.62 | |
| Accounts Receivable - Edgar G. M., Inc. | 11.00 | $ 139.63 |
| **Fixed and other Assets** | | |
| Plant used in business: | | |
| Land & patented mining claims | $289,000.00 | |
| Buildings | 58,323.00 | |
| Machinery | 77,577.00 | |
| Equipment - Geiger counter | 85.00 | 424,985.00 |
| Argo Tunnel | | 1,250,000.00 |
| Investments in affiliated companies - Edgar Gold Mines, Inc. | | 10,000.00 |
| Water Rights and Franchises | | 1.00 |
| Deferred Charges: | | |
| Organization and Pre-Operation Expense | $ 8,281.54 | |
| Interest Expense (on current notes) | 332.82 | |
| Taxes Expense | 15.00 | |
| R.F.C. Loan Application Fees | 1,209.33 | 9,838.69 |
| Ore Reserves | | 1,160,740.00 |
| **Total Assets** | | $2,855,704.32 |

## LIABILITIES

| | | |
|---|---|---|
| **Current Liabilities** | | |
| Notes Payable | $8,500.00 | |
| Accrued Interest on same | 332.82 | |
| Accounts Payable - Current bills | 230.00 | $ 9,062.82 |
| **Fixed and Other Liabilities** | | |
| Mortgage Debts | | 150,000.00 |
| Debentures | | 1,000,000.00 |
| **Net Worth** | | |
| Common Stock | $ 1,000.50 | |
| Preferred Stock* | 10,000.00 | |
| Surplus | 1,685,641.00 | 1,696,641.50 |
| **Total Liabilities and Net Worth** | | $2,855,704.32 |

*1,000,000 preferred shares at 1¢ par value, callable at $1 per share

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DENVER, COLORADO

URANIUM COMPANY OF AMERICA

PROFIT AND LOSS STATEMENT

MAY 25, 1951

RECEIPTS - None

EXPENDITURES

Organization and Pre-Operation Expense:

| | | |
|---|---|---|
| Engineers' Services, and Office Expenses: | | |
| Professional Fees and Expenses | $5,976.97 | |
| Drafting, Blue-prints, etc. | 300.14 | |
| Legal Expense (no attorney's fees included) | 109.26 | |
| Secretarial Expense, etc. | 1,029.56 | |
| Stationery, Postage, etc. | 487.28 | |
| Telephone & Telegraph Expense | 72.19 | $7,975.40 |
| Plant Expense | | |
| Equipment Maintenance | $ 17.50 | |
| Watchman Expense | 288.64 | 306.14 |
| Total Organization and Pre-Operation Expense | | $8,281.54 |
| Interest on Notes Payable | | 332.82 |
| Taxes paid (no accrued taxes set up) | | 15.00 |
| Reconstruction Finance Corporation - Loan Application Expense | | 1,209.33 |
| Total Expenditures | | $9,838.69 |

Note.- The above expenditures are entered on the Balance Sheet as Deferred Charges

URANIUM COMPANY OF AMERICA
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DENVER 2, COLORADO

G. Carman Ridland
Geological Engineer

Denver, Colorado
Geological Report 28R
March 1, 1948

# THREE UPPER LEVELS - GERMAN-BELCHER PROPERTY, GILPIN COUNTY, COLORADO

## Summary

The German shaft of the German-Belcher property, located 1½ miles southwest of Central City, Gilpin County, Colorado, was dewatered to the 3rd level and thoroughly examined and sampled. The German vein, within which the shaft and workings of the mine lie, was found to be a strong shear zone striking N 75° E and dipping, on the average, 80° S. It cuts through the two pre-Cambrian formations, the Idaho Springs schist and associated pegmatite, and the granite gneiss. It varies from inches to 12 feet in width but averages slightly under 2 feet. The ore is mainly vein quartz heavily mineralized with pyrite and, in places, copper and zinc sulphides and pitchblende.

The average gold-silver-zinc values are higher on the 2nd level than the 1st, and higher on the 3rd than on the 2nd, leading to the expectation of better values with further depth. The uranium values are highest on the 1st level although pitchblende was found on the 2nd and 3rd levels, indicating that depth may not be expected to be a limiting factor with regard to the occurrence of pitchblende.

Probable reserves of commercial ore, as indicated by 118 channel samples taken at closely spaced intervals throughout the 3 levels, have been estimated as follows:

| Block | Tonnage | Ave. Width (inches) | Average Grade Gold (oz/t) | Silver (oz/t) | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|---|
| A | 1,200 | 21.2 | 0.13 | 0.78 | | 0.10 |
| B | 230 | 17.3 | 0.32 | 1.23 | 3.0 | 0.17 |
| C | 2,525 | 20.0 | 0.28 | 1.58 | 2.63 | |

Expressing the uranium reserves in another form, the above table means that in 1,430 probable tons of ore, there are 3,180 probable pounds of uranium oxide.

* * * * * *

G. C. Ridland

Geological Report 28R

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- Claim map of German-Belcher Property
- Section A-B along vein, German-Belcher Property
- Section through German Mine showing Sample Locations and Probable Ore Reserves
- Gamma-ray Intensities of the German Mine

G. Carman Ridland
Geological Engineer

Denver, Colorado
Geological Report 28R
March 1, 1948

# THREE UPPER LEVELS - GERMAN-BELCHER PROPERTY, GILPIN COUNTY, COLORADO

## Introduction

Location - The German-Belcher property consists of six patented claims, the German, 494; Belcher, 7076; German Annex, 19564; German No. 2, 19564; Ina, 735; and North German, 18936; located at the summit of Quartz Hill, 1½ miles southwest of Central City, Gilpin County, Colorado. It is owned by the American Mining Company.

Workings - No maps or sketches of the underground workings were available when rehabilitation of the mine was begun in November. Two shafts lead to the workings, the German and the Belcher. The latter is badly caved at the surface, so the German, which appeared to be standing well, was put in shape for underground access. All the ladders in the manway had to be replaced and much of the skids and cribbing in the main compartment had to be repaired. A shelter was built to house a gasoline-driven hoist and a head-frame was erected over the collar. Dewatering to the 3rd level, a depth of 255 feet below the surface, was accomplished by bailing.

The German shaft is inclined and follows the German vein which strikes N 75° E. The shaft varies from almost vertical to 70° with an average slope of 80°. It is approximately 14 x 4 feet in cross section and has two compartments, a manway and a bucketway.

The 1st level was encountered at 125 feet below the surface. It follows the German vein both east and west. The east face is 275 feet from the shaft and the west face is 144 feet from the shaft. Most of the vein on the east side is stoped. The stope is actually longer than the east drift and its height averages approximately 45 feet above the level. It varies from 1 to 12 feet in width. On the west side of the shaft one small stope, 30 feet long by 44 feet high, lies above the drift.

The 2nd level was encountered 65 feet below the 1st level. It runs out on the east side for 260 feet. A 40-foot long stope beginning 60 feet east of the shaft breaks through into the level above.

The 3rd level, 255 feet below the surface, on the east side is 570 feet long. At 258 feet from the shaft, a 15-foot long stope or raise breaks through into the level above at its extreme east end, and at 120 feet from the shaft the back was torn down for a length of 16 feet. No other attempts were made on the 3rd level east to mine ore. At 312 feet the Belcher shaft is encountered by the drift. This shaft is in very bad state of repair. It is impossible to see for any distance up or down the


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shaft, although it is possible to climb through the rubble to the other side of the shaft in order to gain access to the drift on the east side of the shaft. West of the Belcher shaft two short drifts branch off from the main drift following branch veins.

The 3rd level west of the German shaft goes in for 124 feet, but it is in very poor condition. The vein has been stoped over almost the whole length and old timbers supporting stope-fill have given away and let down the fill. Access was obtained to the west breast of the drift by crawling over these caves.

Available information is that the German shaft is 600 feet deep but further dewatering was not attempted at this time.

## Ore Deposits

The German vein is a strong shear zone striking N 75° E and dipping 80° S. It cuts through the schist and associated pegmatite of the Idaho Springs formation, the oldest pre-Cambrian formation in the area, and a formation known as the granite gneiss, a younger, pre-Cambrian intrusive. The zone varies from a few inches to 12 feet in width and branches in places. The zone is mainly a quartz or siliceous filling, heavily mineralized with pyrite over its full length, and with copper and zinc sulphide minerals and pitchblende in occasional places. The pyrite mineralization is so intense that it goes into the walls of the vein in places for several feet.

Gold-silver-zinc values - Except for the extreme east end, the gold-silver-zinc values are low on the 1st level. They pick up on the 2nd level and are quite good on the 3rd level in two different shoots.

Uranium values, apparently, are better on or above the 1st level although there are spotty occurrences on the 2nd and 3rd levels. As pitchblende was found in place on the 3rd level, and as the gamma-ray profile is above the background for most of the level, one can only conclude that depth conditions are not unfavorable for the occurrence of uranium. In the uranium mines of Canada and Europe pitchblende was found to occur in greater concentrations with depth.

Pitchblende occurrences - The block of ore between the 1st level and the East Stope at the extreme east end of the level contains continuous, narrow seams of pitchblende. They are up to ½-inch in width and the pitchblende can be readily hand-sorted from the rest of this ore. This block could be mined immediately with no difficulty and a good grade of uranium ore could be segregated by hand.



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The pitchblende occurrence in the west side of the East Stope is on the footwall of the stope and does not reflect in the samples which were taken across the vein proper in the back of the stope. It is a patch 5 feet horizontally by 4 feet vertically, and appears as a slab against the north wall of the stope. It varies from a fraction of an inch to 2 inches in width, and may be wider in places. A number of excellent, botryoidal specimens were taken from this occurrence. This pitchblende is believed to be part of the vein but the vein was not mined to its true width, thus leaving this remnant on the wall.

The occurrence on the 3rd level east is very similar to the one described above.

In the stope on the west side above the 1st level, pitchblende was not recognized until after Sample No. 58 was taken. This is the stope from which a 240-pound specimen of pitchblende is reported in U.S.G.S. Prof. Paper 94, page 241, to have contained 88% $U_3O_8$.

## Ore Sampling

A total of 118 channel samples were taken at intervals varying from 5 to 20 feet. As the vein material has a very uniform appearance throughout the mine it is almost impossible to tell by visual inspection whether or not gold and silver will occur in commercial quantities. Copper and zinc occurrences usually can be recognized and the presence of these metals does not necessarily mean that gold or silver will be high in the same sample.

The accompanying table shows the assay results of the 118 samples. A map accompanying this report shows the location of each sample by its number and the width of vein sampled.

## Ore Reserves

Ore was not found that could be classed as "proven", but the sampling of the three upper levels did indicate some tonnage of "probable" ore. The location of the following blocks is shown on the accompanying sample map.

| Block | Tonnage | Ave. Width (inches) | Average grade Gold (oz/t) | Silver (oz/t) | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|---|
| A | 1,200 | 21.2 | 0.13 | 0.78 | | 0.10 |
| B | 230 | 17.3 | 0.32 | 1.23 | 3.0 | 0.17 |
| C | 2,525 | 20.0 | 0.28 | 1.58 | 2.63 | |
| | 3,955 | | | | | |

The above reserves were estimated by weighting the average of the assays with respect to the sample widths and intervals between samples.

The stope fills are estimated to total 420 tons and will probably pay to hoist with other ore of commercial grade. A few samples of these broken ore reserves indicated a possible grade of 0.25 oz. per ton gold and 1.0 oz. per ton silver.

## Conclusion

The German vein is a strong, persistent, highly mineralized ore-bearing structure that can be expected to continue laterally and vertically to considerable length and depth. Geologically, everything is favorable for the downward continuation of the ore.



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[illegible]
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## APPENDIX TO GEOLOGICAL REPORT 28R

## GAMMA-RAY INTENSITIES OF THE GERMAN-BELCHER MINE

Explanation of Map - A map showing the gamma-ray intensities within the German-Belcher Mine is included in the above report. Four grid systems have been superimposed over the light outline of the mine workings. The top grid shows the profile of the gamma-ray intensity as measured by a Geiger-Mueller Counter as it traversed the fill in the East Stope above the First Level. The second grid shows the intensity of the radiation in the 1st level drift. The third and bottom grids show the intensities in the 2nd and 3rd levels, respectively. The light outline of the mine workings enables the reader to see at a glance the gamma-ray intensity at any location in the workings traversed. The localities where pitchblende was actually discovered are marked with Ps and, where the activity was sufficiently intense to indicate the presence of pitchblende, but where pitchblende was not seen, are marked with Hs.

Background Count - Everywhere on, or in, the earth, as we know it, there are stray x-rays, gamma-rays, and, more particularly, cosmic rays. The Geiger-Mueller tube is sensitive to these rays and, on the surface, these rays, although weaving and waving in intensity, produce an average background reading in the Geiger-Mueller counter. A rate meter attached to the instrument used by the writer registered a normal, background average of 3 at the surface and away from any known concentrated source of gamma-rays.

German Mine Intensities above the Normal Background - The writer has found by experience that in mines where the ores and country rocks are not radioactive to any appreciable extent, the meter of a Geiger-Mueller counter will indicate an intensity lower than the normal surface background. This is particularly noticeable in mines where the rocks are of a highly siliceous nature. In only one locality in the German Mine did the intensity drop below the background and that was on the 3rd level in the vicinity of the German shaft. The fact, that elsewhere in the mine, the intensity of the radiation is higher than the background, is positive evidence that the German vein and the adjacent rocks contain radioactive elements, and the fact that this anomaly is so widespread throughout the mine is positive evidence that these elements are extensively distributed. It follows that, if radioactive elements are widely distributed in any vein matter and adjacent rock, the chances are good that these elements will be found at places in concentrations of economic importance. Therefore, a casual glance at the gamma-ray charts of the German Mine, showing the intensities to be almost universally above normal, is sufficient to conclude that the German property is a valuable radioactive prospect.


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Peaks in the Gamma-ray Profiles - When the intensity is between 5 and 12, the vein or adjacent rocks are positively radioactive, but the concentration of radioactive minerals is not believed to be of commercial grade. When the reading is 15 or better, the indication is that the radioactive minerals are concentrated in commercial quantities. In most of the recorded peak areas, pitchblende was discovered. If pitchblende was not found in a peak area, a very little excavating would probably expose an occurrence of pitchblende.

Broad peaks in the curve are interpreted as being indicative of extensive occurrences of commercial-grade radioactive ore. Sharp, narrow peaks are indicative of small erratic occurrences of pitchblende. An example of this latter is on the 3rd level west. An example of the former is at the east end of the East Stope.

Uranium Reserves - Along the back of the East Stope the vein almost continuously contains uranium. This has been calculated to average .09995, or in round numbers, 0.10% $U_3O_8$. The average width of this uranium section works out to 21 inches, and with the probable 1,200 tons of ore in sight, the quantity of $U_3O_8$ would be 2,400 pounds.

Between the east end of the 1st level and the east end of the East Stope lies another block of uranium ore. The channel samples give an average grade of uranium for this block as 0.17% and an average width of 17 inches. The tonnage in sight in this block totals 230 tons and the uranium content works out to 780 pounds.

The total probable uranium reserves in sight, therefore, may be given as 1,430 tons of ore with a uranium content of 3,180 pounds. To determine the net value of this reserve, allowance must be made for loss during the concentration process, the cost of mining, concentrating and transporting to the government purchasing depot. As the loss in concentration must be determined by laboratory experiment it is almost impossible at this time to estimate the net value.



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605 Atlantic Life Building
DENVER 2, COLORADO

G. Carman Ridland
Geological Engineer



## GERMAN MINE
## ASSAY RESULTS

| Sample No. | Width of Vein (in.) | Gold (oz./t.) | Silver oz./t. | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|
| 1 | 28 | | | | 0.095 |
| 2 | 38 | | | | - |
| 3 | 21 | Tr. | | | 0.08 |
| 4 | 31 | Tr. | | | 0.08 |
| 5 | 29 | 0.01 | Tr. | | - |
| 6 | 26 | Tr. | 0.15 | | 0.08 |
| 7 | 13 | Tr. | Tr. | | - |
| 8 | 19 | - | - | | 0.08 |
| 9 | 22 | - | - | | - |
| 10 | 24 | | 0.20 | | - |
| 11 | 16 | - | - | | 0.15 |
| 12 | 24 | - | 0.12 | | 0.15 |
| 13 | 32 | Tr. | Tr. | | 0.15 |
| 14 | 20 | 0.02 | 0.40 | | 0.08 |
| 15 | 33 | 0.04 | 0.20 | | 0.08 |
| 16 | 26 | 0.02 | 0.16 | | 0.08 |
| 17 | 34 | 0.02 | 0.54 | | 0.15 |
| 18 | 24 | 0.01 | Tr. | | - |
| 19 | 23 | 0.88 | 1.52 | | - |
| 20 | 14 | 0.02 | 0.28 | | 0.08 |
| 21 | 15 | Tr. | 0.10 | | 0.08 |
| 22 | 17 | 0.03 | 0.74 | | |
| 23 | 12 | 0.06 | 2.88 | | |
| 24 | 12 | 0.05 | 2.00 | | 0.25 |
| 25 | 12 | 0.03 | 2.01 | 1.52 | - |
| 26 | 13 | 0.02 | 1.58 | | - |
| 27 | 14 | 0.04 | 0.68 | | 0.39 |
| 28 | 20 | 0.18 | 1.50 | | 0.08 |
| 29 | 12 | 0.08 | 1.12 | 8.04 | - |
| 30 | 20 | 1.58 | 2.30 | | 0.15 |
| 31 | 15 | 0.02 | 1.84 | | 0.08 |
| 32 | 19 | 0.01 | Tr. | | 0.35 |
| 33 | 19 | 0.46 | 0.42 | 1.96 | - |
| 34 | 36 | 0.09 | 1.37 | | 0.08 |
| 35 | 18 | 0.05 | 1.19 | | 0.15 |
| 36 | 13 | 0.04 | 0.80 | 2.94 | 0.15 |
| 37 | 24 | 0.04 | 1.08 | | - |
| 38 | 22 | 0.44 | 2.00 | | 0.30 |
| 39 | 16 | 0.09 | 1.06 | | - |
| 40 | 30 | 0.12 | 0.22 | | 0.20 |



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| Sample No. | Width of Vein (in.) | Gold (oz./t.) | Silver (oz./t.) | Lead (%) | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|---|
| 41 | 26 | 0.06 | 0.24 | | | - |
| 42 | 22 | 0.22 | 1.28 | | | - |
| 43 | 21 | 0.08 | 0.38 | | | - |
| 44 | 26 | 0.04 | 0.05 | | | - |
| 45 | 15 | 0.02 | 0.06 | | | - |
| 46 | 22 | 0.04 | 0.12 | | | - |
| 47 | 18 | 0.02 | 0.32 | | | - |
| 48 | 15 | 0.03 | 0.78 | | | - |
| 49 | 14 | 0.04 | 0.24 | | | - |
| 50 | 18 | 0.01 | 0.05 | | | - |
| 51 | 10 | 0.24 | 2.52 | | | - |
| 52 | 12 | 0.04 | 1.26 | | | - |
| 53 | 31 | 0.02 | 0.06 | | | - |
| 54 | 12 | 0.04 | 0.50 | | | 0.15 |
| 55 | 14 | 0.03 | 0.16 | | | - |
| 56 | 21 | 0.01 | 0.08 | | | 0.15 |
| 57 | 16 | 0.02 | 0.03 | | | - |
| 58 | 14 | 0.18 | 2.36 | | | 1.00 |
| 59 | 10 | 0.48 | 1.92 | | | - |
| 60 | 10 | 0.04 | 0.07 | 0.02 | 2.30 | - |
| 61 | 53 | 0.14 | 1.56 | | 1.93 | - |
| 62 | 27 | 0.09 | 0.04 | 0.12 | 1.47 | - |
| 63 | 14 | 0.60 | 0.80 | 0.25 | 2.32 | - |
| 64 | 32 | 0.34 | 0.56 | 0.22 | 1.93 | - |
| 65 | 16 | 0.05 | 0.60 | 0.53 | 1.84 | - |
| 66 | 14 | 0.14 | 0.42 | | 1.56 | - |
| 67 | 22 | 0.04 | 1.02 | | | - |
| 68 | 20 | 0.03 | 0.43 | | | - |
| 69 | 21 | 0.03 | 0.49 | | | - |
| 70 | 22 | 0.02 | 0.30 | | 0.27 | - |
| 71 | 14 | 0.30 | 1.62 | | 0.18 | - |
| 72 | 22 | 0.16 | 1.46 | | 0.74 | - |

| Sample No. | Width of Vein (in.) | Gold (oz./t.) | Silver (oz./t.) | Copper (%) | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|---|
| 73 | 20 | 0.46 | 5.42 | 5.42 | 9.39 | - |
| 74 | 16 | 0.20 | 1.84 | | 0.83 | |
| 75 | 13 | 0.03 | 0.59 | 0.12 | 1.38 | - |
| 76 | 23 | 0.08 | 1.06 | | 0.46 | Tr. |
| 77 | 16 | 0.02 | 1.32 | | 0.87 | - |
| 78 | 17 | 0.17 | 2.48 | 0.44 | 2.30 | - |
| 79 | 22 | 2.09 | 2.32 | | 0.60 | - |
| 80 | 22 | 0.01 | 0.29 | | 0.41 | - |
| 81 | 18 | 0.01 | 0.30 | | 0.37 | - |
| 82 | 26 | 0.09 | 0.66 | | 5.20 | - |
| 83 | 49 | 0.21 | 1.76 | 0.88 | 3.08 | - |
| 84 | 20 | 0.10 | 1.54 | | 1.56 | - |
| 85 | 16 | 0.54 | 1.86 | 0.31 | 3.04 | - |
| 86 | 14 | 0.08 | 0.84 | | 1.93 | - |
| 87 | 14 | 0.11 | 1.45 | | 1.66 | - |
| 88 | 16 | 0.08 | 1.00 | | 1.75 | - |
| 89 | 35 | 0.10 | 0.96 | | 2.21 | - |
| 90 | 14 | 0.26 | 1.86 | | 7.92 | 0.22 |
| 91 | 13 | 0.06 | 16.88 | 4.55 | 8.20 | - |
| 92 | 30 | 0.02 | 1.24 | | 3.22 | - |
| 93 | 20 | 0.03 | 1.57 | | 3.08 | - |
| 94 | 16 | 0.06 | 1.10 | | 0.90 | - |
| 95 | 14 | 0.46 | 2.50 | | 3.36 | - |
| 96 | 13 | 1.42 | 18.54 | 0.40 | 4.64 | - |
| 97 | 13 | 0.10 | 1.60 | | 2.30 | - |
| 98 | 15 | 0.92 | 1.32 | | 2.62 | - |
| 99 | 12 | 0.04 | 1.20 | | 4.14 | - |
| 100 | 12 | 0.26 | 2.48 | 1.83 | 4.32 | - |
| 101 | 32 | 0.48 | 0.16 | Tr. | 1.29 | - |
| 102 | 39 | 0.05 | 1.11 | | 0.83 | - |
| 103 | 24 | 0.06 | 1.08 | | 0.55 | - |
| 104 | 20 | 0.03 | 0.49 | | 1.12 | - |
| 105 | 20 | 0.18 | 9.36 | 2.27 | 0.64 | - |
| 106 | 20 | 0.04 | 0.84 | | 1.57 | - |
| 107 | 98 | 0.02 | 0.06 | | 0.83 | - |
| 108 | 22 | 0.04 | 0.57 | | 1.29 | - |
| 109 | 15 | 0.06 | 0.24 | | 0.92 | - |
| 110 | 22 | 0.04 | 0.08 | | 1.01 | - |
| 111 | 21 | 0.04 | 0.98 | | 1.06 | - |
| 112 | 26 | 0.14 | 0.66 | | 1.89 | - |
| 113 | 28 | 0.07 | 0.53 | | 1.52 | - |
| 114 | 26 | 0.50 | 0.70 | | 5.76 | - |
| 115 | 12 | 0.07 | 1.25 | | 7.36 | - |
| 116 | 14 | 0.03 | 0.62 | | 1.12 | - |
| 117 | 16 | 0.12 | 0.22 | | 1.19 | - |
| 118 | 30 | 0.07 | 0.38 | | 0.60 | - |

APPLICATION FOR AID FOR AN

EXPLORATION PROJECT PURSUANT TO

MINERAL ORDER 5, UNDER

DEFENSE PRODUCTION ACT OF 1950

Uranium Company of America
405 Interstate Trust Building
Denver, Colorado

Date May 28, 1951

---

GERMAN MINE

THE APPLICANT

1. Corporation.

2. Does not apply

3. Major J. T. Kingsley, President and Director, Owns 333,430 sh Com.stock
209 Mills Building, Washington, D. C.

Mr. Charles M. Moon, Director, Owns 333,340 sh. Com. Stock
516 Ingraham Building, Miami 32, Florida

Mr. Richard Downing, Director, Secretary-Treasurer, Owns 200 sh Com.Stock
Equitable Building, Denver 2, Colorado

Mr. John S. Routh, Director, Owns 100 sh. Com. Stock
420 Lexington Avenue, New York 17, N. Y.

Col. A. L. Monroe, Director, Owns 100 sh Com. stock
C/o Carolina Power & Light Company
Raliegh, North Carolina

Gold Uranium Corporation, Stockholder, Owns 333,330 sh Com. Stock
Room 839 1,000,000 " Pfd. Stock (all)
60 East 42nd Street
New York 17, N. Y.

URANIUM COMPANY OF AMERICA
405 Interstate Trust Building
DENVER 2, COLORADO

4. (a) The applicant corporation was organized in July, 1950 to take over the mining properties, Argo tunnel and Argo mill of the Gold Uranium Corporation.

It has engaged in the study of the mining records of its mining properties. It has not conducted an operation as of this date.

(b) The operation will be directed by Major J. T. Kingsley (biography attached) and will be managed by Dr. G. C. Ridland (biography also attached). Dr. Ridland will secure the services of an experienced mine foreman to superintend the operation. He has several qualified men from which to choose for the position.

5. Applicant owns the property.

6. All the applicant's property, including the German property, is included as security on a $150,000 mortgage to Gold Uranium Corporation

7. Does not apply.

8. Financial and profit and loss statements attached.

9. $7,500. This is sufficient to pay applicant's 30% share of the cost of the project as detailed in question 23.

## THE PROPERTY

10. (a) The property is the German mine consisting of:

(1) The 600-foot-deep, 2-compartment, inclined prospect shaft equipped with ladders and skids for bucket.

(2) The 130-foot level goes out on the German vein in each direction from the German shaft for a total of 418 feet.

(3) The 200-foot level drifts, 250 feet long.

(4) The 250-foot level, 720 feet long.

(5) Levels are also established at 400 and 500 feet, but their lengths are not known.

The mine is now closed and flooded. The shaft was dewatered and rehabilitated to the 250 level and new skids and ladders were installed in 1948. It is expected to be in good repair, at least to the 250 level.

(b) Legal description:

| Lode Mining Claim | U. S. Survey Number |
|---|---|
| German | 494 |
| North German | 18936 |
| German Annex | 19564 |
| German No. 2 | 19564 |
| Belcher | 7076 |

located in the Nevada Mining District, Gilpin County, Colorado, Sec. 14 and 15, T. 3 S., R. 73 W., 6th P.M., Colorado.

Note: (a) and (b) are the same property.

11. Present name: German Mine
Former name: German-Belcher Mine.

12. The mine is 1¼ miles southwest of Central City, Colorado.

A fair gravel road 2,200 feet long connects the German shaft site with State Highway 119. State Highway 119 is a graded gravel road joining Central City and Idaho Springs. The distance from the point where the German side road joins the highway to Central City is 1.5 miles, and, from the same point, to Idaho Springs is 4.5 miles. Both Central City and Idaho Springs are connected by pavement to Golden, Colorado, the nearest railroad shipping point. The distance from the German to Golden is approximately 30 miles. The distance from the German to Denver, the main supply center, is 37 miles. All roads are kept in excellent condition at all times throughout the year.

13. Water Supply:

Water for all contemplated mining purposes is available from the German shaft. Additional water supply is available at Central City and can be hauled or pumped to the property, if necessary for a much larger program than is now anticipated.

Power:

The Public Service Company of Colorado has an electric power line running across the property. It can be connected in 24 hours notice. Power consumption is not expected to be as much as 7,000 K.W.H. per month. This amount of power would cost $232.00. Hence, the rate is approximately $0.0332 per K.W.H.



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DENVER 2, COLORADO

14. Equipment:

Head frame and a shelter house for hoist and compressor are on the property and in good shape. There is no other equipment. Compressor, drills, hoist and pump can be rented reasonably in Idaho Springs or Denver.

15. The ore can be shipped from the German shaft to any one of three custom mills in Idaho Springs by truck. Haulage contractors are available in Idaho Springs, Denver and Boulder. High-grade ore can be trucked directly to the American Smelting and Refining Company smelter at Leadville, Colorado. Lead concentrates from a milling operation can be shipped the same way to the same smelter. Zinc concentrates can be trucked to the American Smelting and Refining Company zinc smelter at Amarillo, Texas, or they can be trucked to Golden and shipped by rail to Amarillo.

16. History:

(a) Nothing is known of the history of the German mine other than, at the time it was examined by representatives of the U. S. Geological Survey in 1916, it was under active development and attention then was being given to the uranium ores (U.S.G.S. Prof. Paper 94, page 240).

Assays of smelting ore shipped in 1909 are as follows:

| Ore | Gold | Silver | Copper | Lead |
|---|---|---|---|---|
| Net tons | Oz./t. | Oz./t. | % | % |
| 3.122 | 2.09 | 7.44 | | |
| 1.596 | 2.86 | 9.60 | | |
| 1.305 | .46 | 6.90 | | 9.70 |
| 3.337 | .31 | 4.00 | | |
| 1.286 | 3.40 | 9.00 | 0.50 | |
| 2.413 | 5.99 | 13.64 | .95 | |
| 3.580 | 2.00 | 12.00 | 1.80 | |
| 6.205 | 1.30 | 2.30 | | |
| .907 | 4.00 | 21.60 | 1.90 | |
| 1.443 | 3.46 | 11.30 | 1.50 | |
| 3.270 | .76 | 2.00 | | |

The above ore was sold solely for its precious-metal content; the uranium and zinc content was not determined (U.S.G.S. Prof. Paper 94, Pg. 242).

The total production of pitchblende ore from the German from the fall of 1911 to January 1, 1913, has been 240 pounds of high-grade ore containing more than 70% $U_3O_8$, 220 pounds of ore containing 20% $U_3O_8$, 5 tons of ore carrying 2.6% $U_3O_8$ (U.S.Bureau of Mines Bull. 70, Pg. 45, 1913).

The American Mining Company rehabilitated the shaft to the 250 level in the winter of 1947-8 and examined the upper three levels.

Reasons for the suspension of operations in 1918 are not known.

(b) The German mine is located 3,000 feet from the first gold strike in Colorado which was made at Russell Gulch in 1858. The district is the oldest in Colorado. Production developed rapidly after the original discovery and expanded to a peak in 1871, then remained at a high rate until the early 1900's, then slackened until, in 1923, it nearly ceased. Mineral production from the district from 1859 to 1923 is estimated at $98,411,325, of which 85% was from lode gold operations.

The California mine, 1,200 feet north of the German, was one of the most productive of the district. By 1880, the shaft had reached 800 feet in depth and the mine had yielded over $2,150,000. By 1894, when the shaft had reached 2,200 feet deep, the mine was the deepest in the world. Total production is given as in excess of $8,000,000.

The Kent County mine, located between the California and the German Belcher and adjacent to the German's north side, produced between $500,000 and $800,000.

Pitchblende has been produced from several properties lying in the immediate vicinity of the German. These include the Mitchell, Alps, Kirk, Pyrenees (possibly the western extension of the Kirk vein), Wood, Calhoun, Bezant, Topeka, Federal, Pewabic and Iron. The Atomic Energy Commission lists the following uranium production from neighboring properties:

| Property | Ore - lbs. | Ave. % $U_3O_8$ | $U_3O_8$ lbs. |
|---|---|---|---|
| Kirk | 356,000 | 8.6 | 30,490 |
| Wood | 103,600 | 29.1 | 30,175 |
| Wood and Kirk | 129,160 | 22.3 | 28,756 |
| Calhoun | 240 | 37.5 | 90 |

(c) Geological Report 28R, titled "Three Upper Levels - German-Belcher Property, Gilpin County, Colorado", by Dr. G. C. Ridland, is attached.

17. The German mine is not in production.



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18. Ore or Mineral Reserves:

(a) The ore, containing values in zinc, lead, silver, gold and uranium, occurs as a fissure-vein filling and replacement of wall rock adjacent to a fissure known as the German vein. It strikes N 75° E and dips 80° S and cuts pre-Cambrian schist, associated pegmatite, and granite gneiss. It varies from a few inches to 12 feet in width, and is heavily mineralized with pyrite. Copper and zinc sulphide minerals and pitchblende occur in shoots.

A detailed geological report is attached.

(b) The report, attached, contains a map showing assays and location and size of estimated ore reserves.

(c) Attached report gives the following estimated tonnage and grade* of probable ore reserves:

| Block | Tonnage | Ave. Width (inches) | Average Grade | | | |
|---|---|---|---|---|---|---|
| | | | Gold (oz/t) | Silver (oz/t) | Zinc % | $U_3O_8$ % |
| A | 1,200 | 21.2 | 0.13 | 0.78 | | 0.10 |
| B | 230 | 17.3 | 0.32 | 1.23 | 3.00 | 0.17 |
| C | 2,525 | 20.0 | 0.28 | 1.58 | 2.63 | |

*Lead, one of the main constituents of the ores, was not reported in the assays because of its low value at the time of the examination. Zinc was determined in only two of the three blocks and was omitted from assays of the first block for the same reason lead was omitted throughout.

19. No conditions or special circumstances have been omitted, so far as is known, from the foregoing.

## THE EXPLORATION

20. Exploration is to be conducted for ores containing zinc, lead and uranium.



URANIUM COMPANY
405 Interstate
DENVER 2,

21. 1. Dewater German shaft.

2. Thorough examination and sampling of all ore exposures. Geiger-Mueller counter and scintillometer examination of the radioactivity of the underground workings.

3. Development work totaling approximately 850 feet in the form of drifts, to be planned after the examination (paragraph 2) has been completed.

The 130 and 250 levels can both be extended along the German vein to the boundaries of the property or to a point where the German vein ceases to exist. However, the examination of the lower levels may disclose more likely development headings. From examination of the upper three levels, the one that appears to be the most encouraging is the 130 level drift to the east. The second and third most promising projects are the east and west headings on the 250 level.

4. Series of short diamond drill holes totaling approximately 500 feet to test the adjacent country rock for parallel ore-bearing structures.

Length of time for project, 7 months.

22. Please see geological report, attached, and assay map. Exploration to date has opened at least two ore blocks that are believed to be commercial; the one at the east end of the 130 level, and one below the 250 level. Farther lateral extension of the levels will enter similar, favorable ground on a strong, persistent, ore-bearing structure. The possibilities of developing similar or better ore are believed excellent.

## THE REQUIREMENTS AND COSTS

23. (a) Labor:

2 miners ) Contracted at $8 per foot of advance
2 muckers ) of 5 x 7 foot drift.
1 hoistman $1.25 per hr.

(b) Supervision:

1 Foreman $1.70 per hr.
1 Geological engineer-manager $300 per mo. (part time).



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(c) Shaft rehabilitation, mainly below 250 level, $750

Hoist and compressor house $250

(d) Cost of installation of pump, and hoist, $400

Cost of compressed air and water lines, $100.

(e) 1/2-ton Pick-up truck, used, $1,000

(f) Hoist, $100 per mo.

Portable compressor, $150 per mo., including drill machines

Pump, $25 per mo.

(g) None

(h) Powder, Steel, Bits, Fuse, Caps, Rail, Ties, Spikes, Pipe, Timber — Estimated to cost $10 per foot of heading advance

(i) Cost of power approximately $0.033 per K.W.H. for size of operation proposed

Cost of diamond drilling to be contracted at approximately $5.00 per foot.

24. 1st Month Purchase truck, dewater mine and rehabilitate shaft and compressor house, $3,000

2nd month Examination, rehabilitation, sampling, assaying, etc., $3,000

| | | | |
|---|---|---|---|
| 3rd Month | Development begins and continues with 2 headings averaging an estimated 160 feet per month at $20 per foot plus supervision, | $3,500 | |
| | 100 feet of diamond drilling at $5 per foot, | 500 | $4,000 |
| 4th Month | The same, | | $4,000 |
| 5th Month | The same | | $4,000 |
| 6th Month | The same | | $4,000 |
| 7th Month | The same - reduce program | | $3,000 |
| | | | $25,000 |

# B I O G R A P H Y

KINGSLEY, JOSEPH THEODORE, President, Norfolk Southern Ry. Co.
Office Terminal Station Building,
Norfolk 10, Virginia, and
Mills Building, Washington 6,D.C.

Born: Baltimore Md., May 28, 1889. Son of Joseph and Meta Elizabeth (Vietsch) Kingsley. Married: May Amos Tumlin, 1912. Children: Joseph T., Jr.; Meta (Kingsley) Humphrey, Mary Lee. Education: Baltimore City Coll. Entered Railroad Service: Oct. 1903, as warehouseman, P. R. R., serving as telegrapher, extra brakeman and trainman, until Apr. 1912; subsequently, 1912-13, Asst. in Gen. Frt. Agent's office W. M.; 1913-17, with N.Y.C. World War I: 1917-20; in Aug. 1917 Commd. Capt., U. S. Army; promoted to Major Traf. & Transp. Sec., in charge of traf. and transp., Niagara, N. Y.; then to office of chief of embarkation, Hoboken, N. J.; overseas, Paris and St. Nazaire, France for purpose of establishing traf. and transp. setup in charge of rail and dock facilities and operations; ordered to London, Eng., for purpose of establishing and maintaining transp. offices throughout British Empire, handling all phases of transp. in which U. S. Army was interested; established offices in nine localities in British Isles, including Dublin, Ireland; returned to U. S., assigned as Asst. Chief of Transp., Washington, D. C.; retired with rank of Major. Returned to N.Y.C. 1920-26, as spec. asst. to financial group acquiring coal properties on Evansville & Indiana, acting as exec. gen. agent for system at Terre Haute, Ind., having charge of coal mining productive territory; 1926-47, located in Washington, D. C., as representative serving R. Rs. World War II; Active assignment in office of Procurement Service and Army Specialty Corps in Adj. Gen's. office for purpose of selecting transp. personnel for Commn., as transp. experts in U.S. Army; May 1947---, pres., Norfolk So. Ry. Co., Mem. Natil. Frt. Traf. Assn.; Traf. Clubs of New York, Chicago, Washington, D. C., Philadelphia, Wilmington, Norfolk-Portsmouth, Cleveland, Pittsburgh and Traf. Club of New England; Assn. of I. C. C. Practitioners; Associated Traf. Clubs of Am.; Norfolk Assn. of Commerce. Protestant. Clubs and Fraternities; Grand Lodge, A.F.& A.M. of Md.; Grand Commandery, K.T., of Dist of Columbia; Shrine, Disabled Emergency Officers of the World Wars; Cavalier Yacht Country; Sphinx of Raliegh, Inc., Princess Anne Country; Army-Navy Country (Arlington, Va.); Army & Navy (Washington, D. C.)
Home address: 901- 88th St., Surfside, Miami Beach 41, Fla. and 412 N. Cherry St., Falls Church, Virginia.

ALSO HOLDS FOLLOWING POSITIONS:
President, Domestic and Foreign Commerce Corp., Washington, D. C.
President, The Virginian Export and Import Corporation, Wash., D. C.
President, Mayfair Homes, Inc., Denver, Colorado
President, Uranium Company of America, Denver, Colorado
President, Norfolk Southern Bus Corp., Norfolk, Virginia.

URANIUM COMPANY OF AMERICA

Dr. G. C. Ridland graduated from the University of British Columbia in mining engineering and received his Ph.D. degree in mining geology from Princeton University in June, 1939, and was employed directly by Bear Exploration and Radium, Ltd., at Yellowknife, N.W.T. as resident geologist. During the 15 months of employment he was in charge of the operation while the general manager was absent most of the time in Toronto. The company employed a crew of 15 to 20 men at its Giant Yellowknife mining property and sank a 150-foot prospect shaft, drove 500 feet of tunnels, and did considerable surface trenching. The company also had a crew of 30-40 men at its silver-pitchblende mine at Contact Lake, Port Radium, N.W.T. and Dr. Ridland also directed exploration at this property.

From October, 1940 to August, 1943, Dr. Ridland was employed in the research laboratory of the Johns-Manville Corporation at Manville, N. J., and from September, 1943 to December, 1945, was in charge of an extensive uranium exploration and development program for the Canadian Radium and Uranium Corporation in northern Canada, the Colorado Plateau and throughout the western United States. He supervised a 20,000-foot diamond drilling program conducted during the summers of 1944 and 1945 at Great Bear Lake, Canada, and the rehabilitation and examination of an old mine in 1945 near Goodsprings, Nevada.

In 1947-8 he was in charge of the rehabilitation and examination of two mines and a transportation tunnel near Central City, Colorado for the American Mining Company.

From June, 1948 to November, 1949, he was the chief engineer and consultant for the Consolidated Caribou Silver Mines, Inc., Boulder, Colorado. He was in charge of mine mapping, sampling, examination and the planning of the diamond drilling and development work. During this period he prepared a Securities and Exchange registration statement pertaining to a public offering of the company's securities. Following this, and up to the present, he has been engaged in consulting work in the western United States and the Yellowknife District, northern Canada.

URANIUM COMPANY OF AMERICA
BALANCE SHEET
May 25, 1951

## A S S E T S

| | | |
|---|---|---|
| **Current Assets** | | |
| Cash | $ 128.62 | |
| Accounts Receivable - Edgar G. M., Inc. | 11.00 | $ 139.63 |
| **Fixed and other Assets** | | |
| Plant used in business: | | |
| Land & patented mining claims | $289,000.00 | |
| Buildings | 58,323.00 | |
| Machinery | 77,577.00 | |
| Equipment - Geiger counter | 85.00 | 424,985.00 |
| Argo Tunnel | | 1,250,000.00 |
| Investments in affiliated companies - Edgar Gold Mines, Inc. | | 10,000.00 |
| Water Rights and Franchises | | 1.00 |
| Deferred Charges: | | |
| Organization and Pre-Operation Expense | $ 8,281.54 | |
| Interest Expense (on current notes) | 332.82 | |
| Taxes Expense | 15.00 | |
| R.F.C. Loan Application Fees | 1,209.33 | 9,838.69 |
| Ore Reserves | | 1,160,740.00 |
| Total Assets | | $2,855,704.32 |

## L I A B I L I T I E S

| | | |
|---|---|---|
| **Current Liabilities** | | |
| Notes Payable | $8,500.00 | |
| Accrued Interest on same | 332.82 | |
| Accounts Payable - Current bills | 230.00 | $ 9,062.82 |
| **Fixed and Other Liabilities** | | |
| Mortgage Debts | | 150,000.00 |
| Debentures | | 1,000,000.00 |
| **Net Worth** | | |
| Common Stock | $ 1,000.50 | |
| Preferred Stock* | 10,000.00 | |
| Surplus | 1,685,641.00 | 1,696,641.50 |
| Total Liabilities and Net Worth | | $2,855,704.32 |

*1,000,000 preferred shares at 1¢ par value, callable at $1 per share

URANIUM COMPANY OF AMERICA
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DENVER 4, COLORADO

URANIUM COMPANY OF AMERICA

PROFIT AND LOSS STATEMENT

MAY 25, 1951

RECEIPTS - None

EXPENDITURES

Organization and Pre-Operation Expense:

| | | |
|---|---|---|
| Engineers' Services, and Office Expenses: | | |
| Professional Fees and Expenses | $5,976.97 | |
| Drafting, Blue-prints, etc. | 300.14 | |
| Legal Expense (no attorney's fees included) | 109.26 | |
| Secretarial Expense, etc. | 1,029.56 | |
| Stationery, Postage, etc. | 487.28 | |
| Telephone & Telegraph Expense | 72.19 | $7,975.40 |
| Plant Expense | | |
| Equipment Maintenance | $ 17.50 | |
| Watchman Expense | 288.64 | 306.14 |
| Total Organization and Pre-Operation Expense | | $8,281.54 |
| Interest on Notes Payable | | 332.82 |
| Taxes paid (no accrued taxes set up) | | 15.00 |
| Reconstruction Finance Corporation - Loan Application Expense | | 1,209.33 |
| Total Expenditures | | $9,838.69 |

Note.- The above expenditures are entered on the Balance Sheet as Deferred Charges

URANIUM COMPANY OF AMERICA
405 Interstate Trust Building
DENVER 2, COLORADO

G. Carman Ridland
Geological Engineer

Denver, Colorado
Geological Report 28R
March 1, 1948

# THREE UPPER LEVELS - GERMAN-BELCHER PROPERTY, GILPIN COUNTY, COLORADO

## Summary

The German shaft of the German-Belcher property, located 1¼ miles southwest of Central City, Gilpin County, Colorado, was dewatered to the 3rd level and thoroughly examined and sampled. The German vein, within which the shaft and workings of the mine lie, was found to be a strong shear zone striking N 75° E and dipping, on the average, 80° S. It cuts through the two pre-Cambrian formations, the Idaho Springs schist and associated pegmatite, and the granite gneiss. It varies from inches to 12 feet in width but averages slightly under 2 feet. The ore is mainly vein quartz heavily mineralized with pyrite and, in places, copper and zinc sulphides and pitchblende.

The average gold-silver-zinc values are higher on the 2nd level than the 1st, and higher on the 3rd than on the 2nd, leading to the expectation of better values with further depth. The uranium values are highest on the 1st level although pitchblende was found on the 2nd and 3rd levels, indicating that depth may not be expected to be a limiting factor with regard to the occurrence of pitchblende.

Probable reserves of commercial ore, as indicated by 118 channel samples taken at closely spaced intervals throughout the 3 levels, have been estimated as follows:

| Block | Tonnage | Ave. Width (inches) | Average Grade Gold (oz/t) | Silver (oz/t) | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|---|
| A | 1,200 | 21.2 | 0.13 | 0.78 | | 0.10 |
| B | 230 | 17.3 | 0.32 | 1.23 | 3.0 | 0.17 |
| C | 2,525 | 20.0 | 0.28 | 1.58 | 2.63 | |

Expressing the uranium reserves in another form, the above table means that in 1,430 probable tons of ore, there are 3,180 probable pounds of uranium oxide.

* * * * * *

G. C. Ridland

G. C. Ridland

URANIUM CO[illegible] AMERICA
[illegible] Building
[illegible] COLORADO

Geological Report 28R

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G. Carman Ridland
Geological Engineer

Denver, Colorado
Geological Report 28R
March 1, 1948

# THREE UPPER LEVELS - GERMAN-BELCHER PROPERTY, GILPIN COUNTY, COLORADO

## Introduction

Location - The German-Belcher property consists of six patented claims, the German, 494; Belcher, 7076; German Annex, 19564; German No. 2, 19564; Ina, 735; and North German, 18936; located at the summit of Quartz Hill, 1¼ miles southwest of Central City, Gilpin County, Colorado. It is owned by the American Mining Company.

Workings - No maps or sketches of the underground workings were available when rehabilitation of the mine was begun in November. Two shafts lead to the workings, the German and the Belcher. The latter is badly caved at the surface, so the German, which appeared to be standing well, was put in shape for underground access. All the ladders in the manway had to be replaced and much of the skids and cribbing in the main compartment had to be repaired. A shelter was built to house a gasoline-driven hoist and a head-frame was erected over the collar. Dewatering to the 3rd level, a depth of 255 feet below the surface, was accomplished by bailing.

The German shaft is inclined and follows the German vein which strikes N 75° E. The shaft varies from almost vertical to 70° with an average slope of 80°. It is approximately 14 x 4 feet in cross section and has two compartments, a manway and a bucketway.

The 1st level was encountered at 125 feet below the surface. It follows the German vein both east and west. The east face is 275 feet from the shaft and the west face is 144 feet from the shaft. Most of the vein on the east side is stoped. The stope is actually longer than the east drift and its height averages approximately 45 feet above the level. It varies from 1 to 12 feet in width. On the west side of the shaft one small stope, 30 feet long by 44 feet high, lies above the drift.

The 2nd level was encountered 65 feet below the 1st level. It runs out on the east side for 260 feet. A 40-foot long stope beginning 60 feet east of the shaft breaks through into the level above.

The 3rd level, 255 feet below the surface, on the east side is 570 feet long. At 258 feet from the shaft, a 15-foot long stope or raise breaks through into the level above at its extreme east end, and at 120 feet from the shaft the back was torn down for a length of 16 feet. No other attempts were made on the 3rd level east to mine ore. At 312 feet the Belcher shaft is encountered by the drift. This shaft is in very bad state of repair. It is impossible to see for any distance up or down the

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shaft, although it is possible to climb through the rubble to the other side of the shaft in order to gain access to the drift on the east side of the shaft. West of the Belcher shaft two short drifts branch off from the main drift following branch veins.

The 3rd level west of the German shaft goes in for 124 feet, but it is in very poor condition. The vein has been stoped over almost the whole length and old timbers supporting stope-fill have given away and let down the fill. Access was obtained to the west breast of the drift by crawling over these caves.

Available information is that the German shaft is 600 feet deep but further dewatering was not attempted at this time.

## Ore Deposits

The German vein is a strong shear zone striking N 75° E and dipping 80° S. It cuts through the schist and associated pegmatite of the Idaho Springs formation, the oldest pre-Cambrian formation in the area, and a formation known as the granite gneiss, a younger, pre-Cambrian intrusive. The zone varies from a few inches to 12 feet in width and branches in places. The zone is mainly a quartz or siliceous filling, heavily mineralized with pyrite over its full length, and with copper and zinc sulphide minerals and pitchblende in occasional places. The pyrite mineralization is so intense that it goes into the walls of the vein in places for several feet.

Gold-silver-zinc values - Except for the extreme east end, the gold-silver-zinc values are low on the 1st level. They pick up on the 2nd level and are quite good on the 3rd level in two different shoots.

Uranium values, apparently, are better on or above the 1st level although there are spotty occurrences on the 2nd and 3rd levels. As pitchblende was found in place on the 3rd level, and as the gamma-ray profile is above the background for most of the level, one can only conclude that depth conditions are not unfavorable for the occurrence of uranium. In the uranium mines of Canada and Europe pitchblende was found to occur in greater concentrations with depth.

Pitchblende occurrences - The block of ore between the 1st level and the East Stope at the extreme east end of the level contains continuous, narrow seams of pitchblende. They are up to ½-inch in width and the pitchblende can be readily hand-sorted from the rest of this ore. This block could be mined immediately with no difficulty and a good grade of uranium ore could be segregated by hand.



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The pitchblende occurrence in the west side of the East Stope is on the footwall of the stope and does not reflect in the samples which were taken across the vein proper in the back of the stope. It is a patch 5 feet horizontally by 4 feet vertically, and appears as a slab against the north wall of the stope. It varies from a fraction of an inch to 2 inches in width, and may be wider in places. A number of excellent, botryoidal specimens were taken from this occurrence. This pitchblende is believed to be part of the vein but the vein was not mined to its true width, thus leaving this remnant on the wall.

The occurrence on the 3rd level east is very similar to the one described above.

In the stope on the west side above the 1st level, pitchblende was not recognized until after Sample No. 58 was taken. This is the stope from which a 240-pound specimen of pitchblende is reported in U.S.G.S. Prof. Paper 94, page 241, to have contained 88% $U_3O_8$.

## Ore Sampling

A total of 118 channel samples were taken at intervals varying from 5 to 20 feet. As the vein material has a very uniform appearance throughout the mine it is almost impossible to tell by visual inspection whether or not gold and silver will occur in commercial quantities. Copper and zinc occurrences usually can be recognized and the presence of these metals does not necessarily mean that gold or silver will be high in the same sample.

The accompanying table shows the assay results of the 118 samples. A map accompanying this report shows the location of each sample by its number and the width of vein sampled.

## Ore Reserves

Ore was not found that could be classed as "proven", but the sampling of the three upper levels did indicate some tonnage of "probable" ore. The location of the following blocks is shown on the accompanying sample map.

| Block | Tonnage | Ave. Width (inches) | Average grade Gold (oz/t) | Silver (oz/t) | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|---|
| A | 1,200 | 21.2 | 0.13 | 0.78 | | 0.10 |
| B | 230 | 17.3 | 0.32 | 1.23 | 3.0 | 0.17 |
| C | 2,525 | 20.0 | 0.28 | 1.58 | 2.63 | |
| | 3,955 | | | | | |



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The above reserves were estimated by weighting the average of the assays with respect to the sample widths and intervals between samples.

The stope fills are estimated to total 420 tons and will probably pay to hoist with other ore of commercial grade. A few samples of these broken ore reserves indicated a possible grade of 0.25 oz. per ton gold and 1.0 oz. per ton silver.

## Conclusion

The German vein is a strong, persistent, highly mineralized ore-bearing structure that can be expected to continue laterally and vertically to considerable length and depth. Geologically, everything is favorable for the downward continuation of the ore.



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## APPENDIX TO GEOLOGICAL REPORT 28R

## GAMMA-RAY INTENSITIES OF THE GERMAN-BELCHER MINE

Explanation of Map - A map showing the gamma-ray intensities within the German-Belcher Mine is included in the above report. Four grid systems have been superimposed over the light outline of the mine workings. The top grid shows the profile of the gamma-ray intensity as measured by a Geiger-Mueller Counter as it traversed the fill in the East Stope above the First Level. The second grid shows the intensity of the radiation in the 1st level drift. The third and bottom grids show the intensities in the 2nd and 3rd levels, respectively. The light outline of the mine workings enables the reader to see at a glance the gamma-ray intensity at any location in the workings traversed. The localities where pitchblende was actually discovered are marked with Ps and, where the activity was sufficiently intense to indicate the presence of pitchblende, but where pitchblende was not seen, are marked with Hs.

Background Count - Everywhere on, or in, the earth, as we know it, there are stray x-rays, gamma-rays, and, more particularly, cosmic rays. The Geiger-Mueller tube is sensitive to these rays and, on the surface, these rays, although weaving and waving in intensity, produce an average background reading in the Geiger-Mueller counter. A rate meter attached to the instrument used by the writer registered a normal, background average of 3 at the surface and away from any known concentrated source of gamma-rays.

German Mine Intensities above the Normal Background - The writer has found by experience that in mines where the ores and country rocks are not radioactive to any appreciable extent, the meter of a Geiger-Mueller counter will indicate an intensity lower than the normal surface background. This is particularly noticeable in mines where the rocks are of a highly siliceous nature. In only one locality in the German Mine did the intensity drop below the background and that was on the 3rd level in the vicinity of the German shaft. The fact, that elsewhere in the mine, the intensity of the radiation is higher than the background, is positive evidence that the German vein and the adjacent rocks contain radioactive elements, and the fact that this anomaly is so widespread throughout the mine is positive evidence that these elements are extensively distributed. It follows that, if radioactive elements are widely distributed in any vein matter and adjacent rock, the chances are good that these elements will be found at places in concentrations of economic importance. Therefore, a casual glance at the gamma-ray charts of the German Mine, showing the intensities to be almost universally above normal, is sufficient to conclude that the German property is a valuable radioactive prospect.

Peaks in the Gamma-ray Profiles - When the intensity is between 5 and 12, the vein or adjacent rocks are positively radioactive, but the concentration of radioactive minerals is not believed to be of commercial grade. When the reading is 15 or better, the indication is that the radioactive minerals are concentrated in commercial quantities. In most of the recorded peak areas, pitchblende was discovered. If pitchblende was not found in a peak area, a very little excavating would probably expose an occurrence of pitchblende.

Broad peaks in the curve are interpreted as being indicative of extensive occurrences of commercial-grade radioactive ore. Sharp, narrow peaks are indicative of small erratic occurrences of pitchblende. An example of this latter is on the 3rd level west. An example of the former is at the east end of the East Stope.

Uranium Reserves - Along the back of the East Stope the vein almost continuously contains uranium. This has been calculated to average .09995, or in round numbers, 0.10% $U_3O_8$. The average width of this uranium section works out to 21 inches, and with the probable 1,200 tons of ore in sight, the quantity of $U_3O_8$ would be 2,400 pounds.

Between the east end of the 1st level and the east end of the East Stope lies another block of uranium ore. The channel samples give an average grade of uranium for this block as 0.17% and an average width of 17 inches. The tonnage in sight in this block totals 230 tons and the uranium content works out to 780 pounds.

The total probable uranium reserves in sight, therefore, may be given as 1,430 tons of ore with a uranium content of 3,180 pounds. To determine the net value of this reserve, allowance must be made for loss during the concentration process, the cost of mining, concentrating and transporting to the government purchasing depot. As the loss in concentration must be determined by laboratory experiment it is almost impossible at this time to estimate the net value.

G. Carman Ridland
Geological Engineer



## GERMAN MINE
## ASSAY RESULTS

| Sample No. | Width of Vein (in.) | Gold (oz./t.) | Silver oz./t. | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|
| 1 | 28 | | | | 0.095 |
| 2 | 38 | | | | - |
| 3 | 21 | Tr. | | | 0.08 |
| 4 | 31 | Tr. | | | 0.08 |
| 5 | 29 | 0.01 | Tr. | | - |
| 6 | 26 | Tr. | 0.15 | | 0.08 |
| 7 | 13 | Tr. | Tr. | | - |
| 8 | 19 | - | - | | 0.08 |
| 9 | 22 | - | - | | - |
| 10 | 24 | | 0.20 | | - |
| 11 | 16 | - | - | | 0.15 |
| 12 | 24 | - | 0.12 | | 0.15 |
| 13 | 32 | Tr. | Tr. | | 0.15 |
| 14 | 20 | 0.02 | 0.40 | | 0.08 |
| 15 | 33 | 0.04 | 0.20 | | 0.08 |
| 16 | 26 | 0.02 | 0.16 | | 0.08 |
| 17 | 34 | 0.02 | 0.54 | | 0.15 |
| 18 | 24 | 0.01 | Tr. | | - |
| 19 | 23 | 0.88 | 1.52 | | - |
| 20 | 14 | 0.02 | 0.28 | | 0.08 |
| 21 | 15 | Tr. | 0.10 | | 0.08 |
| 22 | 17 | 0.03 | 0.74 | | |
| 23 | 12 | 0.06 | 2.88 | | |
| 24 | 12 | 0.05 | 2.00 | | 0.25 |
| 25 | 12 | 0.03 | 2.01 | 1.52 | - |
| 26 | 13 | 0.02 | 1.58 | | - |
| 27 | 14 | 0.04 | 0.68 | | 0.39 |
| 28 | 20 | 0.18 | 1.50 | | 0.08 |
| 29 | 12 | 0.08 | 1.12 | 8.04 | - |
| 30 | 20 | 1.58 | 2.30 | | 0.15 |
| 31 | 15 | 0.02 | 1.84 | | 0.08 |
| 32 | 19 | 0.01 | Tr. | | 0.35 |
| 33 | 19 | 0.46 | 0.42 | 1.96 | - |
| 34 | 36 | 0.09 | 1.37 | | 0.08 |
| 35 | 18 | 0.05 | 1.19 | | 0.15 |
| 36 | 13 | 0.04 | 0.80 | 2.94 | 0.15 |
| 37 | 24 | 0.04 | 1.08 | | - |
| 38 | 22 | 0.44 | 2.00 | | 0.30 |
| 39 | 16 | 0.09 | 1.06 | | - |
| 40 | 30 | 0.12 | 0.22 | | 0.20 |

| Sample No. | Width of Vein (in.) | Gold (oz./t.) | Silver (oz./t.) | Lead (%) | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|---|
| 41 | 26 | 0.06 | 0.24 | | | - |
| 42 | 22 | 0.22 | 1.28 | | | - |
| 43 | 21 | 0.08 | 0.38 | | | - |
| 44 | 26 | 0.04 | 0.05 | | | - |
| 45 | 15 | 0.02 | 0.06 | | | - |
| 46 | 22 | 0.04 | 0.12 | | | - |
| 47 | 18 | 0.02 | 0.32 | | | - |
| 48 | 15 | 0.03 | 0.78 | | | - |
| 49 | 14 | 0.04 | 0.24 | | | - |
| 50 | 18 | 0.01 | 0.05 | | | - |
| 51 | 10 | 0.24 | 2.52 | | | - |
| 52 | 12 | 0.04 | 1.26 | | | - |
| 53 | 31 | 0.02 | 0.06 | | | - |
| 54 | 12 | 0.04 | 0.50 | | | 0.15 |
| 55 | 14 | 0.03 | 0.16 | | | - |
| 56 | 21 | 0.01 | 0.08 | | | 0.15 |
| 57 | 16 | 0.02 | 0.03 | | | - |
| 58 | 14 | 0.18 | 2.36 | | | 1.00 |
| 59 | 10 | 0.48 | 1.92 | | | - |
| 60 | 10 | 0.04 | 0.07 | 0.02 | 2.30 | - |
| 61 | 53 | 0.14 | 1.56 | | 1.93 | - |
| 62 | 27 | 0.09 | 0.04 | 0.12 | 1.47 | - |
| 63 | 14 | 0.60 | 0.80 | 0.25 | 2.32 | - |
| 64 | 32 | 0.34 | 0.56 | 0.22 | 1.93 | - |
| 65 | 16 | 0.05 | 0.60 | 0.53 | 1.84 | - |
| 66 | 14 | 0.14 | 0.42 | | 1.56 | - |
| 67 | 22 | 0.04 | 1.02 | | | - |
| 68 | 20 | 0.03 | 0.43 | | | - |
| 69 | 21 | 0.03 | 0.49 | | | - |
| 70 | 22 | 0.02 | 0.30 | | 0.27 | - |
| 71 | 14 | 0.30 | 1.62 | | 0.18 | - |
| 72 | 22 | 0.16 | 1.46 | | 0.74 | - |



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| Sample No. | Width of Vein (in.) | Gold (oz./t.) | Silver (oz./t.) | Copper (%) | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|---|
| 73 | 20 | 0.46 | 5.42 | 5.42 | 9.39 | - |
| 74 | 16 | 0.20 | 1.84 | | 0.83 | |
| 75 | 13 | 0.03 | 0.59 | 0.12 | 1.38 | - |
| 76 | 23 | 0.08 | 1.06 | | 0.46 | Tr. |
| 77 | 16 | 0.02 | 1.32 | | 0.87 | - |
| 78 | 17 | 0.17 | 2.48 | 0.44 | 2.30 | - |
| 79 | 22 | 2.09 | 2.32 | | 0.60 | - |
| 80 | 22 | 0.01 | 0.29 | | 0.41 | - |
| 81 | 18 | 0.01 | 0.30 | | 0.37 | - |
| 82 | 26 | 0.09 | 0.66 | | 5.20 | - |
| 83 | 49 | 0.21 | 1.76 | 0.88 | 3.08 | - |
| 84 | 20 | 0.10 | 1.54 | | 1.56 | - |
| 85 | 16 | 0.54 | 1.86 | 0.31 | 3.04 | - |
| 86 | 14 | 0.08 | 0.84 | | 1.93 | - |
| 87 | 14 | 0.11 | 1.45 | | 1.66 | - |
| 88 | 16 | 0.08 | 1.00 | | 1.75 | - |
| 89 | 35 | 0.10 | 0.96 | | 2.21 | - |
| 90 | 14 | 0.26 | 1.86 | | 7.92 | 0.22 |
| 91 | 13 | 0.06 | 16.88 | 4.55 | 8.20 | - |
| 92 | 30 | 0.02 | 1.24 | | 3.22 | - |
| 93 | 20 | 0.03 | 1.57 | | 3.08 | - |
| 94 | 16 | 0.06 | 1.10 | | 0.90 | - |
| 95 | 14 | 0.46 | 2.50 | | 3.36 | - |
| 96 | 13 | 1.42 | 18.54 | 0.40 | 4.64 | - |
| 97 | 13 | 0.10 | 1.60 | | 2.30 | - |
| 98 | 15 | 0.92 | 1.32 | | 2.62 | - |
| 99 | 12 | 0.04 | 1.20 | | 4.14 | - |
| 100 | 12 | 0.26 | 2.48 | 1.83 | 4.32 | - |
| 101 | 32 | 0.48 | 0.16 | Tr. | 1.29 | - |
| 102 | 39 | 0.05 | 1.11 | | 0.83 | - |
| 103 | 24 | 0.06 | 1.08 | | 0.55 | - |
| 104 | 20 | 0.03 | 0.49 | | 1.12 | - |
| 105 | 20 | 0.18 | 9.36 | 2.27 | 0.64 | - |
| 106 | 20 | 0.04 | 0.84 | | 1.57 | - |
| 107 | 98 | 0.02 | 0.06 | | 0.83 | - |
| 108 | 22 | 0.04 | 0.57 | | 1.29 | - |
| 109 | 15 | 0.06 | 0.24 | | 0.92 | - |
| 110 | 22 | 0.04 | 0.08 | | 1.01 | - |
| 111 | 21 | 0.04 | 0.98 | | 1.06 | - |
| 112 | 26 | 0.14 | 0.66 | | 1.89 | - |
| 113 | 28 | 0.07 | 0.53 | | 1.52 | - |
| 114 | 26 | 0.50 | 0.70 | | 5.76 | - |
| 115 | 12 | 0.07 | 1.25 | | 7.36 | - |
| 116 | 14 | 0.03 | 0.62 | | 1.12 | - |
| 117 | 16 | 0.12 | 0.22 | | 1.19 | - |
| 118 | 30 | 0.07 | 0.38 | | 0.60 | - |

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

# APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. dma 1448X

Date received 6-4-51

Participation

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 4 - 1951
LANDON F. STROBEL
Executive Secretary

Uranium Company of America
405 Interstate Trust Building
Denver 2, Colorado
GERMAN MINE

Name and address of applicant

Date May 28, 1951

FILL IN THIS BLOCK

Date of application

Estimated cost $25,000.00

Mineral or metal Zinc, lead, uranium

Percentage of Government participation 50% for lead and zinc; 90% for uranium: Average: 70%

Location of mine Near Central City, Gilpin County, Colorado.

Date of filing MF-100

DMA Docket Number, if available

## INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

See answers to questions, attached.

## THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

## THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

| | *Tons per day* | *Grade or analysis* | *Cost per ton* | *Net value per ton* |
|---|---|---|---|---|
| (1) Mining | | | | |
| (2) Milling | | | | |
| (3) Shipped or sold | | | | |

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

## THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

## THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

## CERTIFICATION

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

URANIUM COMPANY OF AMERICA
(Name of company)

By [signature]
(Signature of authorized official)

May 28, 1951
(Date)

Secretary - Treasurer
(Title)

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

*Same as footnote on page 1.

URANIUM COMPANY OF AMERICA
405 Interstate Trust Building
DENVER 2, COLORADO

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

APPLICATION FOR AID FOR AN

EXPLORATION PROJECT PURSUANT TO

MINERAL ORDER 5, UNDER

DEFENSE PRODUCTION ACT OF 1950

Uranium Company of America
405 Interstate Trust Building
Denver, Colorado

Date May 28, 1951

---

GERMAN MINE

THE APPLICANT

1. Corporation.

2. Does not apply

3. Major J. T. Kingsley, President and Director, Owns 333,430 sh Com.stock
209 Mills Building, Washington, 6 D. C.

Mr. Charles M. Moon, Director, Owns 333,340 sh. Com. Stock
516 Ingraham Building, Miami 32, Florida

Mr. Richard Downing, Director, Secretary-Treasurer, Owns 200 sh Com.Stock
Equitable Building, Denver 2, Colorado

Mr. John S. Routh, Director, Owns 100 sh. Com. Stock
420 Lexington Avenue, New York 17, N. Y.

Col. A. L. Monroe, Director, Owns 100 sh Com. stock
C/o Carolina Power & Light Company
Raliegh, North Carolina

Gold Uranium Corporation, Stockholder, Owns 333,330 sh Com. Stock
Room 839 1,000,000 " Pfd. Stock (all)
60 East 42nd Street
New York 17, N. Y.

URANIUM COMPANY OF AMERICA
405 Interstate Trust Building
DENVER, COLORADO

4. (a) The applicant corporation was organized in July, 1950 to take over the mining properties, Argo tunnel and Argo mill of the Gold Uranium Corporation.

It has engaged in the study of the mining records of its mining properties. It has not conducted an operation as of this date.

(b) The operation will be directed by Major J. T. Kingsley (biography attached) and will be managed by Dr. G. C. Ridland (biography also attached). Dr. Ridland will secure the services of an experienced mine foreman to superintend the operation. He has several qualified men from which to choose for the position.

5. Applicant owns the property.

6. All the applicant's property, including the German property, is included as security on a $150,000 mortgage to Gold Uranium Corporation

7. Does not apply.

8. Financial and profit and loss statements attached.

9. $7,500. This is sufficient to pay applicant's 30% share of the cost of the project as detailed in question 23.

## THE PROPERTY

10. (a) The property is the German mine consisting of:

(1) The 600-foot-deep, 2-compartment, inclined prospect shaft equipped with ladders and skids for bucket.

(2) The 130-foot level goes out on the German vein in each direction from the German shaft for a total of 418 feet.

(3) The 200-foot level drifts, 250 feet long.

(4) The 250-foot level, 720 feet long.

(5) Levels are also established at 400 and 500 feet, but their lengths are not known.

The mine is now closed and flooded. The shaft was dewatered and rehabilitated to the 250 level and new skids and ladders were installed in 1948. It is expected to be in good repair, at least to the 250 level.

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(b) Legal description:

| Lode Mining Claim | U. S. Survey Number |
|---|---|
| German | 494 |
| North German | 18936 |
| German Annex | 19564 |
| German No. 2 | 19564 |
| Belcher | 7076 |

located in the Nevada Mining District, Gilpin County, Colorado, Sec. 14 and 15, T. 3 S., R. 73 W., 6th P.M., Colorado.

Note: (a) and (b) are the same property.

11. Present name: German Mine
Former name: German-Belcher Mine.

12. The mine is 1¼ miles southwest of Central City, Colorado.

A fair gravel road 2,200 feet long connects the German shaft site with State Highway 119. State Highway 119 is a graded gravel road joining Central City and Idaho Springs. The distance from the point where the German side road joins the highway to Central City is 1.5 miles, and, from the same point, to Idaho Springs is 4.5 miles. Both Central City and Idaho Springs are connected by pavement to Golden, Colorado, the nearest railroad shipping point. The distance from the German to Golden is approximately 30 miles. The distance from the German to Denver, the main supply center, is 37 miles. All roads are kept in excellent condition at all times throughout the year.

13. Water Supply:

Water for all contemplated mining purposes is available from the German shaft. Additional water supply is available at Central City and can be hauled or pumped to the property, if necessary for a much larger program than is now anticipated.

Power:

The Public Service Company of Colorado has an electric power line running across the property. It can be connected in 24 hours notice. Power consumption is not expected to be as much as 7,000 K.W.H. per month. This amount of power would cost $232.00. Hence, the rate is approximately $0.0332 per K.W.H.

14. Equipment:

Head frame and a shelter house for hoist and compressor are on the property and in good shape. There is no other equipment. Compressor, drills, hoist and pump can be rented reasonably in Idaho Springs or Denver.

15. The ore can be shipped from the German shaft to any one of three custom mills in Idaho Springs by truck. Haulage contractors are available in Idaho Springs, Denver and Boulder. High-grade ore can be trucked directly to the American Smelting and Refining Company smelter at Leadville, Colorado. Lead concentrates from a milling operation can be shipped the same way to the same smelter. Zinc concentrates can be trucked to the American Smelting and Refining Company zinc smelter at Amarillo, Texas, or they can be trucked to Golden and shipped by rail to Amarillo.

16. History:

(a) Nothing is known of the history of the German mine other than, at the time it was examined by representatives of the U. S. Geological Survey in 1916, it was under active development and attention then was being given to the uranium ores (U.S.G.S. Prof. Paper 94, page 240).

Assays of smelting ore shipped in 1909 are as follows:

| Ore Net tons | Gold Oz./t. | Silver Oz./t. | Copper % | Lead % |
|---|---|---|---|---|
| 3.122 | 2.09 | 7.44 | | |
| 1.596 | 2.86 | 9.60 | | |
| 1.305 | .46 | 6.90 | | 9.70 |
| 3.337 | .31 | 4.00 | | |
| 1.286 | 3.40 | 9.00 | 0.50 | |
| 2.413 | 5.99 | 13.64 | .95 | |
| 3.580 | 2.00 | 12.00 | 1.80 | |
| 6.205 | 1.30 | 2.30 | | |
| .907 | 4.00 | 21.60 | 1.90 | |
| 1.443 | 3.46 | 11.30 | 1.50 | |
| 3.270 | .76 | 2.00 | | |

The above ore was sold solely for its precious-metal content; the uranium and zinc content was not determined (U.S.G.S. Prof. Paper 94, Pg. 242).

The total production of pitchblende ore from the German from the fall of 1911 to January 1, 1913, has been 240 pounds of high-grade ore containing more than 70% $U_3O_8$, 220 pounds of ore containing 20% $U_3O_8$, 5 tons of ore carrying 2.6% $U_3O_8$ (U.S.Bureau of Mines Bull. 70, Pg. 45, 1913)

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DENVER 2, COLORADO

The American Mining Company rehabilitated the shaft to the 250 level in the winter of 1947-8 and examined the upper three levels.

Reasons for the suspension of operations in 1918 are not known.

(b) The German mine is located 3,000 feet from the first gold strike in Colorado which was made at Russell Gulch in 1858. The district is the oldest in Colorado. Production developed rapidly after the original discovery and expanded to a peak in 1871, then remained at a high rate until the early 1900's, then slackened until, in 1923, it nearly ceased. Mineral production from the district from 1859 to 1923 is estimated at $98,411,325, of which 85% was from lode gold operations.

The California mine, 1,200 feet north of the German, was one of the most productive of the district. By 1880, the shaft had reached 800 feet in depth and the mine had yielded over $2,150,000. By 1894, when the shaft had reached 2,200 feet deep, the mine was the deepest in the world. Total production is given as in excess of $8,000,000.

The Kent County mine, located between the California and the German Belcher and adjacent to the German's north side, produced between $500,000 and $800,000.

Pitchblende has been produced from several properties lying in the immediate vicinity of the German. These include the Mitchell, Alps, Kirk, Pyrenees (possibly the western extension of the Kirk vein), Wood, Calhoun, Bezant, Topeka, Federal, Pewabic and Iron. The Atomic Energy Commission lists the following uranium production from neighboring properties:

| Property | Ore - lbs. | Ave. % U308 | $U_3O_8$ lbs. |
|---|---|---|---|
| Kirk | 356,000 | 8.6 | 30,490 |
| Wood | 103,600 | 29.1 | 30,175 |
| Wood and Kirk | 129,160 | 22.3 | 28,756 |
| Calhoun | 240 | 37.5 | 90 |

(c) Geological Report 28R, titled "Three Upper Levels - German-Belcher Property, Gilpin County, Colorado", by Dr. G. C. Ridland, is attached.

17. The German mine is not in production.

18. Ore or Mineral Reserves:

(a) The ore, containing values in zinc, lead, silver, gold and uranium, occurs as a fissure-vein filling and replacement of wall rock adjacent to a fissure known as the German vein. It strikes N 75° E and dips 80° S and cuts pre-Cambrian schist, associated pegmatite, and granite gneiss. It varies from a few inches to 12 feet in width, and is heavily mineralized with pyrite. Copper and zinc sulphide minerals and pitchblende occur in shoots.

A detailed geological report is attached.

(b) The report, attached, contains a map showing assays and location and size of estimated ore reserves.

(c) Attached report gives the following estimated tonnage and grade* of probable ore reserves:

| Block | Tonnage | Ave. Width (inches) | Average Grade | | | |
|---|---|---|---|---|---|---|
| | | | Gold (oz/t) | Silver (oz/t) | Zinc % | $U_3O_8$ % |
| A | 1,200 | 21.2 | 0.13 | 0.78 | | 0.10 |
| B | 230 | 17.3 | 0.32 | 1.23 | 3.00 | 0.17 |
| C | 2,525 | 20.0 | 0.28 | 1.58 | 2.63 | |

*Lead, one of the main constituents of the ores, was not reported in the assays because of its low value at the time of the examination. Zinc was determined in only two of the three blocks and was omitted from assays of the first block for the same reason lead was omitted throughout.

19. No conditions or special circumstances have been omitted, so far as is known, from the foregoing.

## THE EXPLORATION

20. Exploration is to be conducted for ores containing zinc, lead and uranium.

URANIUM COMPANY OF [illegible]
405 [illegible]
DENVER [illegible]

21. 1. Dewater German shaft.

2. Thorough examination and sampling of all ore exposures. Geiger-Mueller counter and scintillometer examination of the radioactivity of the underground workings.

3. Development work totaling approximately 850 feet in the form of drifts, to be planned after the examination (paragraph 2) has been completed.

The 130 and 250 levels can both be extended along the German vein to the boundaries of the property or to a point where the German vein ceases to exist. However, the examination of the lower levels may disclose more likely development headings. From examination of the upper three levels, the one that appears to be the most encouraging is the 130 level drift to the east. The second and third most promising projects are the east and west headings on the 250 level.

4. Series of short diamond drill holes totaling approximately 500 feet to test the adjacent country rock for parallel ore-bearing structures.

Length of time for project, 7 months.

22. Please see geological report, attached, and assay map. Exploration to date has opened at least two ore blocks that are believed to be commercial; the one at the east end of the 130 level, and one below the 250 level. Farther lateral extension of the levels will enter similar, favorable ground on a strong, persistent, ore-bearing structure. The possibilities of developing similar or better ore are believed excellent.

## THE REQUIREMENTS AND COSTS

23. (a) Labor:

2 miners ) Contracted at $8 per foot of advance
2 muckers ) of 5 x 7 foot drift.
1 hoistman $1.25 per hr.

(b) Supervision:

1 Foreman $1.70 per hr.
1 Geological engineer-manager $300 per mo. (part time).

(c) Shaft rehabilitation, mainly below 250 level, $750

Hoist and compressor house $250

(d) Cost of installation of pump, and hoist, $400

Cost of compressed air and water lines, $100.

(e) 1/2-ton Pick-up truck, used, $1,000

(f) Hoist, $100 per mo.

Portable compressor, $150 per mo., including drill machines

Pump, $25 per mo.

(g) None

(h) Powder, Steel, Bits, Fuse, Caps, Rail, Ties, Spikes, Pipe, Timber — Estimated to cost $10 per foot of heading advance

(i) Cost of power approximately $0.033 per K.W.H. for size of operation proposed

Cost of diamond drilling to be contracted at approximately $5.00 per foot.

24. 1st Month Purchase truck, dewater mine and rehabilitate shaft and compressor house, $3,000

2nd month Examination, rehabilitation, sampling, assaying, etc., $3,000

| | | | |
|---|---|---|---|
| 3rd Month | Development begins and continues with 2 headings averaging an estimated 160 feet per month at $20 per foot plus supervision, | $3,500 | |
| | 100 feet of diamond drilling at $5 per foot, | 500 | $4,000 |
| 4th Month | The same, | | $4,000 |
| 5th Month | The same | | $4,000 |
| 6th Month | The same | | $4,000 |
| 7th Month | The same - reduce program | | $3,000 |
| | | | $25,000 |

URANIUM COMPANY OF AMERICA
[illegible]
[illegible]

# B I O G R A P H Y

KINGSLEY, JOSEPH THEODORE, President, Norfolk Southern Ry. Co.
Office Terminal Station Building,
Norfolk 10, Virginia, and
Mills Building, Washington 6,D.C.

Born: Baltimore Md., May 28, 1889. Son of Joseph and Meta Elizabeth (Vietsch) Kingsley. Married: May Amos Tumlin, 1912. Children: Joseph T., Jr.; Meta (Kingsley) Humphrey, Mary Lee. Education: Baltimore City Coll. Entered Railroad Service: Oct. 1903, as warehouseman, P. R. R., serving as telegrapher, extra brakeman and trainman, until Apr. 1912; subsequently, 1912-13, Asst. in Gen. Frt. Agent's office W. M.; 1913-17, with N.Y.C. World War I: 1917-20; in Aug. 1917 Commd. Capt., U. S. Army; promoted to Major Traf. & Transp. Sec., in charge of traf. and transp., Niagara, N. Y.; then to office of chief of embarkation, Hoboken, N. J.; overseas, Paris and St. Nazaire, France for purpose of establishing traf. and transp. setup in charge of rail and dock facilities and operations; ordered to London, Eng., for purpose of establishing and maintaining transp. offices throughout British Empire, handling all phases of transp. in which U. S. Army was interested; established offices in nine localities in British Isles, including Dublin, Ireland; returned to U. S., assigned as Asst. Chief of Transp., Washington, D. C.; retired with rank of Major. Returned to N.Y.C. 1920-26, as spec. asst. to financial group acquiring coal properties on Evansville & Indiana, acting as exec. gen. agent for system at Terre Haute, Ind., having charge of coal mining productive territory; 1926-47, located in Washington, D. C., as representative serving R. Rs. World War II; Active assignment in office of Procurement Service and Army Specialty Corps in Adj. Gen's. office for purpose of selecting transp. personnel for Commn., as transp. experts in U.S. Army; May 1947---, pres., Norfolk So. Ry. Co., Mem. Natil. Frt. Traf. Assn.; Traf. Clubs of New York, Chicago, Washington, D. C., Philadelphia, Wilmington, Norfolk-Portsmouth, Cleveland, Pittsburgh and Traf. Club of New England; Assn. of I. C. C. Practitioners; Associated Traf. Clubs of Am.; Norfolk Assn. of Commerce. Protestant. Clubs and Fraternities; Grand Lodge, A.F.& A.M. of Md.; Grand Commandery, K.T., of Dist of Columbia; Shrine, Disabled Emergency Officers of the World Wars; Cavalier Yacht Country; Sphinx of Raliegh, Inc., Princess Anne Country; Army-Navy Country (Arlington, Va.); Army & Navy (Washington, D. C.)
Home address: 901- 88th St., Surfside, Miami Beach 41, Fla. and 412 N. Cherry St., Falls Church, Virginia.

ALSO HOLDS FOLLOWING POSITIONS:
President, Domestic and Foreign Commerce Corp., Washington, D. C.
President, The Virginian Export and Import Corporation, Wash., D. C.
President, Mayfair Homes, Inc., Denver, Colorado
President, Uranium Company of America, Denver, Colorado
President, Norfolk Southern Bus Corp., Norfolk, Virginia.

Dr. G. C. Ridland graduated from the University of British Columbia in mining engineering and received his Ph.D. degree in mining geology from Princeton University in June, 1939, and was employed directly by Bear Exploration and Radium, Ltd., at Yellowknife, N.W.T. as resident geologist. During the 15 months of employment he was in charge of the operation while the general manager was absent most of the time in Toronto. The company employed a crew of 15 to 20 men at its Giant Yellowknife mining property and sank a 150-foot prospect shaft, drove 500 feet of tunnels, and did considerable surface trenching. The company also had a crew of 30-40 men at its silver-pitchblende mine at Contact Lake, Port Radium, N.W.T. and Dr. Ridland also directed exploration at this property.

From October, 1940 to August, 1943, Dr. Ridland was employed in the research laboratory of the Johns-Manville Corporation at Manville, N. J., and from September, 1943 to December, 1945, was in charge of an extensive uranium exploration and development program for the Canadian Radium and Uranium Corporation in northern Canada, the Colorado Plateau and throughout the western United States. He supervised a 20,000-foot diamond drilling program conducted during the summers of 1944 and 1945 at Great Bear Lake, Canada, and the rehabilitation and examination of an old mine in 1945 near Goodsprings, Nevada.

In 1947-8 he was in charge of the rehabilitation and examination of two mines and a transportation tunnel near Central City, Colorado for the American Mining Company.

From June, 1948 to November, 1949, he was the chief engineer and consultant for the Consolidated Caribou Silver Mines, Inc., Boulder, Colorado. He was in charge of mine mapping, sampling, examination and the planning of the diamond drilling and development work. During this period he prepared a Securities and Exchange registration statement pertaining to a public offering of the company's securities. Following this, and up to the present, he has been engaged in consulting work in the western United States and the Yellowknife District, northern Canada.

URANIUM COMPANY OF AMERICA
405 Interstate Trust Building
DENVER, COLORADO

URANIUM COMPANY OF AMERICA
BALANCE SHEET
May 25, 1951

## A S S E T S

| | | |
|---|---|---|
| **Current Assets** | | |
| Cash | $ 128.62 | |
| Accounts Receivable - Edgar G. M., Inc. | 11.00 | $ 139.63 |
| **Fixed and other Assets** | | |
| Plant used in business: | | |
| Land & patented mining claims | $289,000.00 | |
| Buildings | 58,323.00 | |
| Machinery | 77,577.00 | |
| Equipment - Geiger counter | 85.00 | 424,985.00 |
| Argo Tunnel | | 1,250,000.00 |
| Investments in affiliated companies - Edgar Gold Mines, Inc. | | 10,000.00 |
| Water Rights and Franchises | | 1.00 |
| Deferred Charges: | | |
| Organization and Pre-Operation Expense | $ 8,281.54 | |
| Interest Expense (on current notes) | 332.82 | |
| Taxes Expense | 15.00 | |
| R.F.C. Loan Application Fees | 1,209.33 | 9,838.69 |
| Ore Reserves | | 1,160,740.00 |
| Total Assets | | $2,855,704.32 |

## L I A B I L I T I E S

| | | |
|---|---|---|
| **Current Liabilities** | | |
| Notes Payable | $8,500.00 | |
| Accrued Interest on same | 332.82 | |
| Accounts Payable - Current bills | 230.00 | $ 9,062.82 |
| **Fixed and Other Liabilities** | | |
| Mortgage Debts | | 150,000.00 |
| Debentures | | 1,000,000.00 |
| **Net Worth** | | |
| Common Stock | $ 1,000.50 | |
| Preferred Stock* | 10,000.00 | |
| Surplus | 1,685,641.00 | 1,696,641.50 |
| Total Liabilities and Net Worth | | $2,855,704.32 |

*1,000,000 preferred shares at 1¢ par value, callable at $1 per share

URANIUM COMPANY OF AMERICA
405 [illegible] Building
DENVER 2, COLORADO

URANIUM COMPANY OF AMERICA

PROFIT AND LOSS STATEMENT

MAY 25, 1951

RECEIPTS - None

EXPENDITURES

Organization and Pre-Operation Expense:

| | | |
|---|---|---|
| Engineers' Services, and Office Expenses: | | |
| Professional Fees and Expenses | $5,976.97 | |
| Drafting, Blue-prints, etc. | 300.14 | |
| Legal Expense (no attorney's fees included) | 109.26 | |
| Secretarial Expense, etc. | 1,029.56 | |
| Stationery, Postage, etc. | 487.28 | |
| Telephone & Telegraph Expense | 72.19 | $7,975.40 |
| Plant Expense | | |
| Equipment Maintenance | $ 17.50 | |
| Watchman Expense | 288.64 | 306.14 |
| Total Organization and Pre-Operation Expense | | $8,281.54 |
| Interest on Notes Payable | | 332.82 |
| Taxes paid (no accrued taxes set up) | | 15.00 |
| Reconstruction Finance Corporation - Loan Application Expense | | 1,209.33 |
| Total Expenditures | | $9,838.69 |

Note.- The above expenditures are entered on the Balance Sheet as Deferred Charges

URANIUM COMPANY OF AMERICA
405 Interstate Trust Building
DENVER 2, COLORADO

G. Carman Ridland
Geological Engineer

Denver, Colorado
Geological Report 28R
March 1, 1948

# THREE UPPER LEVELS - GERMAN-BELCHER PROPERTY, GILPIN COUNTY, COLORADO

## Summary

The German shaft of the German-Belcher property, located 1¼ miles southwest of Central City, Gilpin County, Colorado, was dewatered to the 3rd level and thoroughly examined and sampled. The German vein, within which the shaft and workings of the mine lie, was found to be a strong shear zone striking N 75° E and dipping, on the average, 80° S. It cuts through the two pre-Cambrian formations, the Idaho Springs schist and associated pegmatite, and the granite gneiss. It varies from inches to 12 feet in width but averages slightly under 2 feet. The ore is mainly vein quartz heavily mineralized with pyrite and, in places, copper and zinc sulphides and pitchblende.

The average gold-silver-zinc values are higher on the 2nd level than the 1st, and higher on the 3rd than on the 2nd, leading to the expectation of better values with further depth. The uranium values are highest on the 1st level although pitchblende was found on the 2nd and 3rd levels, indicating that depth may not be expected to be a limiting factor with regard to the occurrence of pitchblende.

Probable reserves of commercial ore, as indicated by 118 channel samples taken at closely spaced intervals throughout the 3 levels, have been estimated as follows:

| Block | Tonnage | Ave. Width (inches) | Average Grade Gold (oz/t) | Silver (oz/t) | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|---|
| A | 1,200 | 21.2 | 0.13 | 0.78 | | 0.10 |
| B | 230 | 17.3 | 0.32 | 1.23 | 3.0 | 0.17 |
| C | 2,525 | 20.0 | 0.28 | 1.58 | 2.63 | |

Expressing the uranium reserves in another form, the above table means that in 1,430 probable tons of ore, there are 3,180 probable pounds of uranium oxide.

* * * * * *

G. C. Ridland

Geological Report 28R

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- Claim map of German-Belcher Property
- Section A-B along vein, German-Belcher Property
- Section through German Mine showing Sample Locations and Probable Ore Reserves
- Gamma-ray Intensities of the German Mine

G. Carman Ridland
Geological Engineer

Denver, Colorado
Geological Report 28R
March 1, 1948

# THREE UPPER LEVELS - GERMAN-BELCHER PROPERTY, GILPIN COUNTY, COLORADO

## Introduction

Location - The German-Belcher property consists of six patented claims, the German, 494; Belcher, 7076; German Annex, 19564; German No. 2, 19564; Ina, 735; and North German, 18936; located at the summit of Quartz Hill, 1¼ miles southwest of Central City, Gilpin County, Colorado. It is owned by the American Mining Company.

Workings - No maps or sketches of the underground workings were available when rehabilitation of the mine was begun in November. Two shafts lead to the workings, the German and the Belcher. The latter is badly caved at the surface, so the German, which appeared to be standing well, was put in shape for underground access. All the ladders in the manway had to be replaced and much of the skids and cribbing in the main compartment had to be repaired. A shelter was built to house a gasoline-driven hoist and a head-frame was erected over the collar. Dewatering to the 3rd level, a depth of 255 feet below the surface, was accomplished by bailing.

The German shaft is inclined and follows the German vein which strikes N 75° E. The shaft varies from almost vertical to 70° with an average slope of 80°. It is approximately 14 x 4 feet in cross section and has two compartments, a manway and a bucketway.

The 1st level was encountered at 125 feet below the surface. It follows the German vein both east and west. The east face is 275 feet from the shaft and the west face is 144 feet from the shaft. Most of the vein on the east side is stoped. The stope is actually longer than the east drift and its height averages approximately 45 feet above the level. It varies from 1 to 12 feet in width. On the west side of the shaft one small stope, 30 feet long by 44 feet high, lies above the drift.

The 2nd level was encountered 65 feet below the 1st level. It runs out on the east side for 260 feet. A 40-foot long stope beginning 60 feet east of the shaft breaks through into the level above.

The 3rd level, 255 feet below the surface, on the east side is 570 feet long. At 258 feet from the shaft, a 15-foot long stope or raise breaks through into the level above at its extreme east end, and at 120 feet from the shaft the back was torn down for a length of 16 feet. No other attempts were made on the 3rd level east to mine ore. At 312 feet the Belcher shaft is encountered by the drift. This shaft is in very bad state of repair. It is impossible to see for any distance up or down the

shaft, although it is possible to climb through the rubble to the other side of the shaft in order to gain access to the drift on the east side of the shaft. West of the Belcher shaft two short drifts branch off from the main drift following branch veins.

The 3rd level west of the German shaft goes in for 124 feet, but it is in very poor condition. The vein has been stoped over almost the whole length and old timbers supporting stope-fill have given away and let down the fill. Access was obtained to the west breast of the drift by crawling over these caves.

Available information is that the German shaft is 600 feet deep but further dewatering was not attempted at this time.

## Ore Deposits

The German vein is a strong shear zone striking N 75° E and dipping 80° S. It cuts through the schist and associated pegmatite of the Idaho Springs formation, the oldest pre-Cambrian formation in the area, and a formation known as the granite gneiss, a younger, pre-Cambrian intrusive. The zone varies from a few inches to 12 feet in width and branches in places. The zone is mainly a quartz or siliceous filling, heavily mineralized with pyrite over its full length, and with copper and zinc sulphide minerals and pitchblende in occasional places. The pyrite mineralization is so intense that it goes into the walls of the vein in places for several feet.

Gold-silver-zinc values - Except for the extreme east end, the gold-silver-zinc values are low on the 1st level. They pick up on the 2nd level and are quite good on the 3rd level in two different shoots.

Uranium values, apparently, are better on or above the 1st level although there are spotty occurrences on the 2nd and 3rd levels. As pitchblende was found in place on the 3rd level, and as the gamma-ray profile is above the background for most of the level, one can only conclude that depth conditions are not unfavorable for the occurrence of uranium. In the uranium mines of Canada and Europe pitchblende was found to occur in greater concentrations with depth.

Pitchblende occurrences - The block of ore between the 1st level and the East Stope at the extreme east end of the level contains continuous, narrow seams of pitchblende. They are up to ½-inch in width and the pitchblende can be readily hand-sorted from the rest of this ore. This block could be mined immediately with no difficulty and a good grade of uranium ore could be segregated by hand.



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The pitchblende occurrence in the west side of the East Stope is on the footwall of the stope and does not reflect in the samples which were taken across the vein proper in the back of the stope. It is a patch 5 feet horizontally by 4 feet vertically, and appears as a slab against the north wall of the stope. It varies from a fraction of an inch to 2 inches in width, and may be wider in places. A number of excellent, botryoidal specimens were taken from this occurrence. This pitchblende is believed to be part of the vein but the vein was not mined to its true width, thus leaving this remnant on the wall.

The occurrence on the 3rd level east is very similar to the one described above.

In the stope on the west side above the 1st level, pitchblende was not recognized until after Sample No. 58 was taken. This is the stope from which a 240-pound specimen of pitchblende is reported in U.S.G.S. Prof. Paper 94, page 241, to have contained 88% $U_3O_8$.

## Ore Sampling

A total of 118 channel samples were taken at intervals varying from 5 to 20 feet. As the vein material has a very uniform appearance throughout the mine it is almost impossible to tell by visual inspection whether or not gold and silver will occur in commercial quantities. Copper and zinc occurrences usually can be recognized and the presence of these metals does not necessarily mean that gold or silver will be high in the same sample.

The accompanying table shows the assay results of the 118 samples. A map accompanying this report shows the location of each sample by its number and the width of vein sampled.

## Ore Reserves

Ore was not found that could be classed as "proven", but the sampling of the three upper levels did indicate some tonnage of "probable" ore. The location of the following blocks is shown on the accompanying sample map.

| Block | Tonnage | Ave. Width (inches) | Average grade Gold (oz/t) | Silver (oz/t) | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|---|
| A | 1,200 | 21.2 | 0.13 | 0.78 | | 0.10 |
| B | 230 | 17.3 | 0.32 | 1.23 | 3.0 | 0.17 |
| C | 2,525 | 20.0 | 0.28 | 1.58 | 2.63 | |
| | 3,955 | | | | | |

The above reserves were estimated by weighting the average of the assays with respect to the sample widths and intervals between samples.

The stope fills are estimated to total 420 tons and will probably pay to hoist with other ore of commercial grade. A few samples of these broken ore reserves indicated a possible grade of 0.25 oz. per ton gold and 1.0 oz. per ton silver.

## Conclusion

The German vein is a strong, persistent, highly mineralized ore-bearing structure that can be expected to continue laterally and vertically to considerable length and depth. Geologically, everything is favorable for the downward continuation of the ore.



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## APPENDIX TO GEOLOGICAL REPORT 28R

## GAMMA-RAY INTENSITIES OF THE GERMAN-BELCHER MINE

Explanation of Map - A map showing the gamma-ray intensities within the German-Belcher Mine is included in the above report. Four grid systems have been superimposed over the light outline of the mine workings. The top grid shows the profile of the gamma-ray intensity as measured by a Geiger-Mueller Counter as it traversed the fill in the East Stope above the First Level. The second grid shows the intensity of the radiation in the 1st level drift. The third and bottom grids show the intensities in the 2nd and 3rd levels, respectively. The light outline of the mine workings enables the reader to see at a glance the gamma-ray intensity at any location in the workings traversed. The localities where pitchblende was actually discovered are marked with Ps and, where the activity was sufficiently intense to indicate the presence of pitchblende, but where pitchblende was not seen, are marked with Hs.

Background Count - Everywhere on, or in, the earth, as we know it, there are stray x-rays, gamma-rays, and, more particularly, cosmic rays. The Geiger-Mueller tube is sensitive to these rays and, on the surface, these rays, although weaving and waving in intensity, produce an average background reading in the Geiger-Mueller counter. A rate meter attached to the instrument used by the writer registered a normal, background average of 3 at the surface and away from any known concentrated source of gamma-rays.

German Mine Intensities above the Normal Background - The writer has found by experience that in mines where the ores and country rocks are not radioactive to any appreciable extent, the meter of a Geiger-Mueller counter will indicate an intensity lower than the normal surface background. This is particularly noticeable in mines where the rocks are of a highly siliceous nature. In only one locality in the German Mine did the intensity drop below the background and that was on the 3rd level in the vicinity of the German shaft. The fact, that elsewhere in the mine, the intensity of the radiation is higher than the background, is positive evidence that the German vein and the adjacent rocks contain radioactive elements, and the fact that this anomaly is so widespread throughout the mine is positive evidence that these elements are extensively distributed. It follows that, if radioactive elements are widely distributed in any vein matter and adjacent rock, the chances are good that these elements will be found at places in concentrations of economic importance. Therefore, a casual glance at the gamma-ray charts of the German Mine, showing the intensities to be almost universally above normal, is sufficient to conclude that the German property is a valuable radioactive prospect.



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Peaks in the Gamma-ray Profiles - When the intensity is between 5 and 12, the vein or adjacent rocks are positively radioactive, but the concentration of radioactive minerals is not believed to be of commercial grade. When the reading is 15 or better, the indication is that the radioactive minerals are concentrated in commercial quantities. In most of the recorded peak areas, pitchblende was discovered. If pitchblende was not found in a peak area, a very little excavating would probably expose an occurrence of pitchblende.

Broad peaks in the curve are interpreted as being indicative of extensive occurrences of commercial-grade radioactive ore. Sharp, narrow peaks are indicative of small erratic occurrences of pitchblende. An example of this latter is on the 3rd level west. An example of the former is at the east end of the East Stope.

Uranium Reserves - Along the back of the East Stope the vein almost continuously contains uranium. This has been calculated to average .09995, or in round numbers, 0.10% U308. The average width of this uranium section works out to 21 inches, and with the probable 1,200 tons of ore in sight, the quantity of $U_3O_8$ would be 2,400 pounds.

Between the east end of the 1st level and the east end of the East Stope lies another block of uranium ore. The channel samples give an average grade of uranium for this block as 0.17% and an average width of 17 inches. The tonnage in sight in this block totals 230 tons and the uranium content works out to 780 pounds.

The total probable uranium reserves in sight, therefore, may be given as 1,430 tons of ore with a uranium content of 3,180 pounds. To determine the net value of this reserve, allowance must be made for loss during the concentration process, the cost of mining, concentrating and transporting to the government purchasing depot. As the loss in concentration must be determined by laboratory experiment it is almost impossible at this time to estimate the net value.



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G. Carman Ridland
Geological Engineer



## GERMAN MINE
## ASSAY RESULTS

| Sample No. | Width of Vein (in.) | Gold (oz./t.) | Silver oz./t. | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|
| 1 | 28 | | | | 0.095 |
| 2 | 38 | | | | - |
| 3 | 21 | Tr. | | | 0.08 |
| 4 | 31 | Tr. | | | 0.08 |
| 5 | 29 | 0.01 | Tr. | | - |
| 6 | 26 | Tr. | 0.15 | | 0.08 |
| 7 | 13 | Tr. | Tr. | | - |
| 8 | 19 | - | - | | 0.08 |
| 9 | 22 | - | - | | - |
| 10 | 24 | | 0.20 | | - |
| 11 | 16 | - | - | | 0.15 |
| 12 | 24 | - | 0.12 | | 0.15 |
| 13 | 32 | Tr. | Tr. | | 0.15 |
| 14 | 20 | 0.02 | 0.40 | | 0.08 |
| 15 | 33 | 0.04 | 0.20 | | 0.08 |
| 16 | 26 | 0.02 | 0.16 | | 0.08 |
| 17 | 34 | 0.02 | 0.54 | | 0.15 |
| 18 | 24 | 0.01 | Tr. | | - |
| 19 | 23 | 0.88 | 1.52 | | - |
| 20 | 14 | 0.02 | 0.28 | | 0.08 |
| 21 | 15 | Tr. | 0.10 | | 0.08 |
| 22 | 17 | 0.03 | 0.74 | | |
| 23 | 12 | 0.06 | 2.88 | | |
| 24 | 12 | 0.05 | 2.00 | | 0.25 |
| 25 | 12 | 0.03 | 2.01 | 1.52 | - |
| 26 | 13 | 0.02 | 1.58 | | - |
| 27 | 14 | 0.04 | 0.68 | | 0.39 |
| 28 | 20 | 0.18 | 1.50 | | 0.08 |
| 29 | 12 | 0.08 | 1.12 | 8.04 | - |
| 30 | 20 | 1.58 | 2.30 | | 0.15 |
| 31 | 15 | 0.02 | 1.84 | | 0.08 |
| 32 | 19 | 0.01 | Tr. | | 0.35 |
| 33 | 19 | 0.46 | 0.42 | 1.96 | - |
| 34 | 36 | 0.09 | 1.37 | | 0.08 |
| 35 | 18 | 0.05 | 1.19 | | 0.15 |
| 36 | 13 | 0.04 | 0.80 | 2.94 | 0.15 |
| 37 | 24 | 0.04 | 1.08 | | - |
| 38 | 22 | 0.44 | 2.00 | | 0.30 |
| 39 | 16 | 0.09 | 1.06 | | - |
| 40 | 30 | 0.12 | 0.22 | | 0.20 |



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| Sample No. | Width of Vein (in.) | Gold (oz./t.) | Silver (oz./t.) | Lead (%) | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|---|
| 41 | 26 | 0.06 | 0.24 | | | - |
| 42 | 22 | 0.22 | 1.28 | | | - |
| 43 | 21 | 0.08 | 0.38 | | | - |
| 44 | 26 | 0.04 | 0.05 | | | - |
| 45 | 15 | 0.02 | 0.06 | | | - |
| 46 | 22 | 0.04 | 0.12 | | | - |
| 47 | 18 | 0.02 | 0.32 | | | - |
| 48 | 15 | 0.03 | 0.78 | | | - |
| 49 | 14 | 0.04 | 0.24 | | | - |
| 50 | 18 | 0.01 | 0.05 | | | - |
| 51 | 10 | 0.24 | 2.52 | | | - |
| 52 | 12 | 0.04 | 1.26 | | | - |
| 53 | 31 | 0.02 | 0.06 | | | - |
| 54 | 12 | 0.04 | 0.50 | | | 0.15 |
| 55 | 14 | 0.03 | 0.16 | | | - |
| 56 | 21 | 0.01 | 0.08 | | | 0.15 |
| 57 | 16 | 0.02 | 0.03 | | | - |
| 58 | 14 | 0.18 | 2.36 | | | 1.00 |
| 59 | 10 | 0.48 | 1.92 | | | - |
| 60 | 10 | 0.04 | 0.07 | 0.02 | 2.30 | - |
| 61 | 53 | 0.14 | 1.56 | | 1.93 | - |
| 62 | 27 | 0.09 | 0.04 | 0.12 | 1.47 | - |
| 63 | 14 | 0.60 | 0.80 | 0.25 | 2.32 | - |
| 64 | 32 | 0.34 | 0.56 | 0.22 | 1.93 | - |
| 65 | 16 | 0.05 | 0.60 | 0.53 | 1.84 | - |
| 66 | 14 | 0.14 | 0.42 | | 1.56 | - |
| 67 | 22 | 0.04 | 1.02 | | | - |
| 68 | 20 | 0.03 | 0.43 | | | - |
| 69 | 21 | 0.03 | 0.49 | | | - |
| 70 | 22 | 0.02 | 0.30 | | 0.27 | - |
| 71 | 14 | 0.30 | 1.62 | | 0.18 | - |
| 72 | 22 | 0.16 | 1.46 | | 0.74 | - |

| Sample No. | Width of Vein (in.) | Gold (oz./t.) | Silver (oz./t.) | Copper (%) | Zinc (%) | $U_3O_8$ (%) |
|---|---|---|---|---|---|---|
| 73 | 20 | 0.46 | 5.42 | 5.42 | 9.39 | - |
| 74 | 16 | 0.20 | 1.84 | | 0.83 | |
| 75 | 13 | 0.03 | 0.59 | 0.12 | 1.38 | - |
| 76 | 23 | 0.08 | 1.06 | | 0.46 | Tr. |
| 77 | 16 | 0.02 | 1.32 | | 0.87 | - |
| 78 | 17 | 0.17 | 2.48 | 0.44 | 2.30 | - |
| 79 | 22 | 2.09 | 2.32 | | 0.60 | - |
| 80 | 22 | 0.01 | 0.29 | | 0.41 | - |
| 81 | 18 | 0.01 | 0.30 | | 0.37 | - |
| 82 | 26 | 0.09 | 0.66 | | 5.20 | - |
| 83 | 49 | 0.21 | 1.76 | 0.88 | 3.08 | - |
| 84 | 20 | 0.10 | 1.54 | | 1.56 | - |
| 85 | 16 | 0.54 | 1.86 | 0.31 | 3.04 | - |
| 86 | 14 | 0.08 | 0.84 | | 1.93 | - |
| 87 | 14 | 0.11 | 1.45 | | 1.66 | - |
| 88 | 16 | 0.08 | 1.00 | | 1.75 | - |
| 89 | 35 | 0.10 | 0.96 | | 2.21 | - |
| 90 | 14 | 0.26 | 1.86 | | 7.92 | 0.22 |
| 91 | 13 | 0.06 | 16.88 | 4.55 | 8.20 | - |
| 92 | 30 | 0.02 | 1.24 | | 3.22 | - |
| 93 | 20 | 0.03 | 1.57 | | 3.08 | - |
| 94 | 16 | 0.06 | 1.10 | | 0.90 | - |
| 95 | 14 | 0.46 | 2.50 | | 3.36 | - |
| 96 | 13 | 1.42 | 18.54 | 0.40 | 4.64 | - |
| 97 | 13 | 0.10 | 1.60 | | 2.30 | - |
| 98 | 15 | 0.92 | 1.32 | | 2.62 | - |
| 99 | 12 | 0.04 | 1.20 | | 4.14 | - |
| 100 | 12 | 0.26 | 2.48 | 1.83 | 4.32 | - |
| 101 | 32 | 0.48 | 0.16 | Tr. | 1.29 | - |
| 102 | 39 | 0.05 | 1.11 | | 0.83 | - |
| 103 | 24 | 0.06 | 1.08 | | 0.55 | - |
| 104 | 20 | 0.03 | 0.49 | | 1.12 | - |
| 105 | 20 | 0.18 | 9.36 | 2.27 | 0.64 | - |
| 106 | 20 | 0.04 | 0.84 | | 1.57 | - |
| 107 | 98 | 0.02 | 0.06 | | 0.83 | - |
| 108 | 22 | 0.04 | 0.57 | | 1.29 | - |
| 109 | 15 | 0.06 | 0.24 | | 0.92 | - |
| 110 | 22 | 0.04 | 0.08 | | 1.01 | - |
| 111 | 21 | 0.04 | 0.98 | | 1.06 | - |
| 112 | 26 | 0.14 | 0.66 | | 1.89 | - |
| 113 | 28 | 0.07 | 0.53 | | 1.52 | - |
| 114 | 26 | 0.50 | 0.70 | | 5.76 | - |
| 115 | 12 | 0.07 | 1.25 | | 7.36 | - |
| 116 | 14 | 0.03 | 0.62 | | 1.12 | - |
| 117 | 16 | 0.12 | 0.22 | | 1.19 | - |
| 118 | 30 | 0.07 | 0.38 | | 0.60 | - |

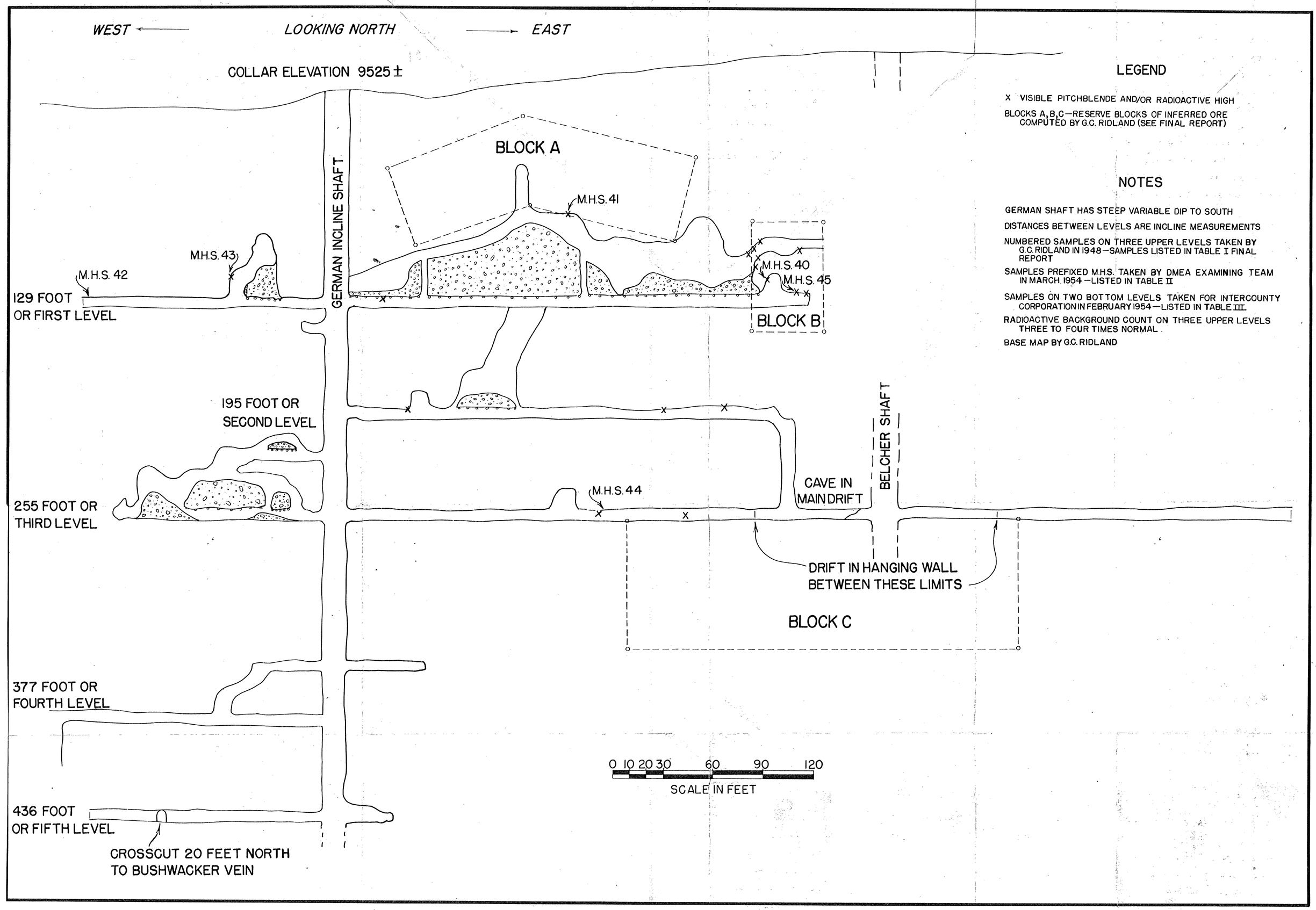


FIGURE 3 - LONGITUDINAL SECTION, SHOWING SAMPLE LOCATIONS, GERMAN-BELCHER MINE, INTERCOUNTY CORP., GILPIN COUNTY, COLO.
(D.M.E.A. 2878, CONTR. Idm. - E501)