MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. 2294 Docket No. 6797

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [x] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes 3/22/71
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)

All other material filed in chronological order including the following reports if checked:

- [x] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [x] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 10/70
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

72195-65

HK 9/13/79

617.828.6660

SHIELD CHEMICAL CO., INC.

CUSTOM PACKAGING

15 UNIVERSITY ROAD
P. O. BOX H
CANTON
MASSACHUSETTS 02021

August 22, 1979

Miss Gail P. Wiegand, Secretary
Office of Minerals Exploration
U.S. Geological Survey
953 National Center
Reston, Virginia 22092

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Miss Wiegand:

In accordance with your request of August 3, 1979 I am sending you herewith two more copies of the signed deed covering the sale of mining property in Saguache County, Colorado.

Sincerely yours,

George P. Bates

George P. Bates
U.S. Silver Mining Company

- DEED -

THIS DEED made and entered into this 23rd day of August, A.D., 1978, from GEORGE P. BATES and NANCY B. BATES, husband and wife, and JOHN O. FLENDER and MARY G. FLENDER, husband and wife, Grantors, to ROBERT H. RUGGERI and E. J. MAYHEW, Box 310, Moab, Utah 84532, Grantees.

- WITNESSETH:

That for and in consideration of the sum of Ten Dollars ($10.00) and other good, valuable and adequate consideration, receipt whereof is hereby acknowledged, Grantors do hereby grant, bargain, sell and convey unto said Grantees, their heirs, successors and assigns forever, all of the right, title, interest and estate of Grantors in and to the following patented and unpatented lode mining claims in Saguache County, Kerber Creek Mining District, Colorado, to-wit:

PATENTED CLAIMS

NAME OF CLAIM	SURVEY NO.	NAME OF CLAIM	SURVEY NO.
Rawley Group:			
Rawley	980	Ontario	1933
Erie (1/3 interest)	13580	Lawrence	966
Demming	1016	Coronet	7515-2
Helen Segar	7515-1	Park	14584
Tip Top	14689-3	Townsend	14689-2
Zero	14689-1	Hyde	15499
Foster	15513	Simonds	18791-1
Wainwright	18791-2	Burnes	19033-1
Ethelyn	19033-2	Huron	1932
Golden Fleece	1931	Black Bess	19582 Am
Little Pittsburg	1686	Atlantic	7820
Sosthenis (3/8 interest)	2548	Vallejo (3/8 int.)	14110
Norah	1416	Unitah	18611
Cora	6014	General Hancock	6016
Cabin	17834	Jupiter	17251
Little Jennie Group			
Radcliff	616	Payson	787
Little Jennie	771	Brighton	16774-1
Glennevis	16774-3	Mt. Joy	16774-2

UNPATENTED CLAIMS

The following unpatented lode mining claims, the names of which, together with the Book and Page of recordation of the Notices of Location recorded in the office of the County Recorder of Saguache County, Colorado, to-wit:

NAME OF CLAIM	BOOK	PAGE	NAME OF CLAIM	BOOK	PAGE
[illegible]	286	119	Belmont [illegible]	286	120
[illegible]	[illegible]	121	Halifax	286	122
North Star	286	123	Piedmont	286	124

NAME OF CLAIM	BOOK	PAGE	NAME OF CLAIM	BOOK	PAGE
Piedmont 1	286	125	Red Top	286	126
Silver Cloud	286	127	Silver Cloud 1	286	128
Last Chance 1 thro 7	286	129-135	Airdale 1 thro 3	288	406 - 408
Apedale 1 thro 5	288	409-413	Avondale 1 thro 5	288	414 - 418
Dovedale 1,2,3	288	419-421	Edendale1 thro 5	288	424 - 428
Glendale 1,2,3	288	429-431	Nidderdale 1,2,3	288	432-434
Northend 1,2,3,	288	435-437	Southend 1 thro 5	288	438 - 442
Swaledale 1,2,3,	288	443-445	Teesdale 1,2,3	288	446 - 448
Tynedale 1,2,3,	288	449-451	Weardale 1 thro 4	288	452 - 455
Yoredale 1,2,3	288	456-458			
(For each of the foregoing lodes see Book 288, page 405)					
Mateer 1 thro 5	283	236-245	Captain Warwick 2	208	120
Superior	128	463	Captain Warwick 2	291	245 - 246
Empire	128	103	Empire 1 thro 4	106	233 - 236
Empire	208	71	Empire 1 thro 4	208	101 - 103
Quad 1 thro 24	348	909-956	AgAu	348	957 - 958

TOGETHER with all and singular the minerals, lodes, and veins within the lines of said mining claims and all dips and spurs and all rights and privileges, and all buildings, improvements, water rights, rents, issues, tenaments, hereditaments and appurtenances thereto belonging. Also together with any and all right, title and interest hereafter acquired by Grantors, or by anyone for the benefit of Grantors, in and to said patented and unpatented lode mining claims, or the lands covered thereby whether under and by virtue of Notices of Location or any other Notices of Location or Amended Notices of Location or otherwise.

TO HAVE AND TO HOLD the same unto said Grantees, their heirs, successors and assigns forever.

Grantors covenant and agree with Grantees that they will, at any time and from time to time, execute and deliver to Grantees such further deeds or formalities as may be necessary or desirable to fully vest in Grantees any present or after-acquired title to Grantors in and to said premises.

Grantors warrant that the hereby conveyed patented and unpatented lode mining claims are not subject to any prior sale, deed, assignment, option, agreement, lien, or other encumbrance by them and Grantors warrant said mining claims against the lawful claims and demands of every person claiming or to claim the same, by, through, or under Grantors, but not otherwise, save and except the lien of the Office of Minerals Exploration, Geological Survey, United States Department of the Interior on the Rawley claim, Survey Number 980.

IN WITNESS WHEREOF, Grantors have hereunto executed these presents the day and year first above written.

George P. Bates

George P. Bates

John O. Flender

Nancy B. Bates

Nancy B. Bates

Mary G. Flender

Mary G. Flender

STATE OF Rhode Island)
: ss.
COUNTY OF Washington)

On this 24th day of August A.D., 1978, personally appeared before me George P. Bates and Nancy B. Bates, husband and wife, the signers of the above and foregoing who each duly acknowledged to me that they executed the same.

My Commission Expires:

June 30 1981

Linda L. Tucker
Notary Public
Residing at: [illegible]

STATE OF Massachusetts)
: ss.
COUNTY OF Essex)

On this 26th day of August A.D., 1978, personally appeared before me John O. Flender and Mary G. Flender, husband and wife, the signers of the above and foregoing who each duly acknowledged to me that they executed the same.

My Commission Expires:

[illegible]

[illegible]
Notary Public
Residing at: [illegible]

FTS
8-588.5500

6/11/79

9-1-801-555-1212

Moab, Utah -

985-1078 Robert H. Riggeri - 259-5611 - (office)
424-7718 Residence - 259-5611
? E. J. Mayhew → 259-7612
Weber Webber — Geologist

Houston Oil & Minerals

E. J. Mayhew - Skyline Tower
424-7718
Anaconda -
Leasing - Ashley Anderson
Kempner
2 Rank

(D. Cole)

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

In Reply Refer To:
Mail Stop 953

October 30, 1978

Messrs. Robert H. Ruggeri
and E. J. Mayhew
Box 310
Moab, Utah 84532

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Gentlemen:

We have received a letter dated October 24, 1978, from George P. Bates regarding sale to you of mining claims owned by U.S. Silver Mining Company, and enclosing a copy of the deed transferring the property.

No doubt you are aware of the Government's interest in the Rawley patented claim, Survey No. 980 for possible royalty on production under provisions of the subject OME exploration contract. A copy of the Certification of Possible Production dated November 13, 1973, is enclosed for your attention and information. The provisions of the OME contract and instructions set forth in the letter of certification apply to any production from the Rawley claim, and will continue in effect until March 22, 1983, when the period of obligation for royalty payments will terminate.

We will send you annually a form MME-63 requesting information on the status of the property and any production therefrom in the previous year. The response from this assists us to maintain current records on the OME contract.

Should you have any questions about the contract or obligations to it, please do not hesitate to contact us.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure
Copy to: George P. Bates

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

In Reply Refer To:
Mail Stop 953

October 30, 1978

Mr. George P. Bates
15 University Road
P.O. Box H
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates;

Thank you for your letter of October 24, 1978, informing us of the sale of your mining claims, and enclosing two copies of the deed.

A copy of our letter to the new owner is enclosed. In the event the new owner fails to pay royalties we would look to U.S. Silver Mining Company for payment. We hope this is an unlikely development.

We return the copies of the deed and ask that signatures and dates be inserted in pages 2 and 3. Dates may be obtained from your copies of the document, and signatures may be entered and initialled by you to indicate that they appear on the original document or true copy thereof. When completed, please return the two copies of the deed to this office.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosures
2 copies of deed
Copy of letter to Messrs. Ruggeri and Mayhew

617-828-6660

SHIELD CHEMICAL CO., INC.

CUSTOM PACKAGING

15 UNIVERSITY ROAD
P. O. BOX H
CANTON
MASSACHUSETTS 02021

Oct. 24, 1978

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
Mail Stop 953
Geological Survey
Reston, Virginia 22092

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Kirkemo:

I am writing to inform you that John Flender and I have recently sold the mining claims originally owned by the U.S. Silver Mining Company to Mayhew and Ruggeri. I have enclosed two copies of the deed for your reference. The only claim in question is the "Rawley", and you will note that the lien of the Office of Minerals Exploration is specifically mentioned in the last paragraph of the deed on page two.

If you have any questions about this matter, do not hesitate to contact me.

Very truly yours,

George P. Bates

George P. Bates

P. O. Box 25046 - Building 53 - Mail Stop 953

June 4, 1976

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antero, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

It was good to talk with you yesterday and to know that you have had some interesting inquiries about the Rawley mine of late.

The Office of Minerals Exploration does not have any new funds this fiscal year for contractural obligations for exploration assistance, however the U. S. Geological Survey has requested that some changes be made that will improve the OME program and these requested improvements are presently being considered by the Department of the Interior.

We are not accepting any new applications at the present time, but we are administering contracts that are still in effect.

Sincerely yours,

cc: Chief, OME
OME chron
Mr. Hasler
"B"

½

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

OME Region
DEC 4 - 1973
Denver, Colorado

GEOLOGICAL SURVEY
National Center, Mail Stop 920
12201 Sunrise Valley Drive
Reston, Virginia 22092

November 30, 1973

Mr. George P. Bates
U.S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

Thank you for your letter of November 19, 1973, and the reminder that the $200.00 withheld from your voucher for November 1972 had not been released. We are instructing the Office of Financial Management to do so as soon as possible. You should receive a check in this amount in the near future.

We regret that we had overlooked releasing this money.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

SRF

MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo
Region III
HKirkemo/gpw

GEOLOGICAL SURVEY
National Center, Mail Stop 920
12201 Sunrise Valley Drive
Reston, Virginia 22092

November 30, 1973

OME Region III
RECEIVED
DEC 4 - 1973
Denver, Colorado

Memorandum

To: Chief, Office of Financial Management

From: Chief, Office of Minerals Exploration

Subject: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Instead of resuming work on this contract by June 15, 1973, as stated in Amendment No. 5, the contract was terminated effective June 15, 1973, by mutual agreement of the Government and the Operator, an acceptable Operator's Final Report was received July 2, 1973, and a Certificate of Possible Production was issued by the Government on November 13, 1973.

The $200.00 withheld from the Operator's voucher for November 1972 may now be paid to the Operator.

Harold Kirkemo

Harold Kirkemo

cc:
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo
Region III

HKirkemo/gpw

Office of Minerals Exploration
Building 53 Room 28

August 22, 1973

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2292

The Operator transmitted four copies of his final geologic and engineering report which arrived in this office June 28, 1973. A copy of that report was sent to you at your request.

In a memorandum to you dated May 22, 1973 I reviewed the contract generally, and specifically replied to the Operator's letter of May 18th requesting termination of the contract. The exploration work completed under the subject contract resulted in the discovery of gold, silver, lead, and zinc ore bodies totalling some 21,600 tons of vein material calculated to have a value of $93.97 per ton, that will gross $2,029,752.00 at current prices (8-21-73) thus constituting a significant discovery of new and undiscovered ore.

Pursuant to Article 6 and 14 of the referenced contract, as amended, I certify that mineral or metal production may be possible as a result of the exploration work, and I therefore recommend that a certification of possible production under the subject contract be made and that royalties be paid the Government, as provided in the contract on all production from the land described in the contract. The Operator should be notified.

The Operator submitted a satisfactory final geologic and engineering report, and a final Office of Minerals Exploration report will be submitted at an early date.

cc: OME-6797 ✓
OME chron
Mr. Hasler

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

617-828-6660

21 University Road
Canton
Massachusetts 02021

AUG 20 1973
Denver, Colorado

August 14, 1973

Mr. J. William Hasler
Office of Minerals Exploration
U.S. Geological Survey
Denver Federal Center
Building 53, Room 28
Denver, Colorado 80225

Dear Mr. Hasler:

Re: OME-6797
Contract No. 2294
U.S. Silver Mining Company

I sent you four copies of our final report on June 25th. Not having heard anything from you, I thought it would be best if I wrote to be sure you had received this material and to check to see if everything was in order.

Sincerely yours,

George P. Bates

George P. Bates
U.S. Silver Mining Company

Plant Locations

Piscataway, N. J.
08854

Canton, Mass.
02021

Chino, Calif.
91710

617-828-6660

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

21 University Road
Canton
Massachusetts 02021

OME Region III
RECEIVED
JUN 28 1973
Denver, Colorado

June 25, 1973

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Denver Federal Center
Building 53, Room 28
Denver, Colorado 80225

Re: OME-6797
Contract No. 2294
U. S. Silver Mining Company

Dear Mr. Hasler:

Enclosed you will find four (4) copies of our Final Report in compliance with our Termination Agreement. I trust this will be sufficient for you to make a final settlement. I expect to be away on vacation until August 6th. If you have any questions in the meantime, you could contact Reid Johnston in Salida - telephone: 539-2767.

Thank you very much for your help and I will see to it that you are kept informed about the status of our property.

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Encs. - 4

JWA
11/16/73

Mr. Arad Riggs, Vice President
Weems-Weaver Mining Corporation
50 East 42nd Street
New York, New York 10017

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Riggs:

Enclosed is a copy of a certification of possible production issued to the Operator as a result of the exploration program under the subject contract. This relates to the Lien and Subordination Agreements signed by you on August 13, 1971.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the certification. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom, and to furnish this office with two true copies of such notice.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

cc: DRF
MR Rdg.
OME Rdg./OME Files
Mr. Kirkemo
Region III
130

HKirkemo/gpw 11-13-73

Hasler

At OME 6797

Date 7-7-73

Dear Bill:

I have sent the final Report on our OME project to George Bates for submission to you. In it we put a paragraph expressing appreciation to you and the O.M.E. staff. But I wanted to thank you personally for your cooperation and help on the project - in which my brother Bill joins me. Also, please give our thanks to Mary.

We felt we were treated very well by all concerned.

Best regards,

Reid Johnston

PLEASE REPLY TO ⟶

~~Signed~~

Date

Signed

Rediform 4S 469

SEND PARTS 1 AND 3 WITH CARBONS INTACT.
PART 3 WILL BE RETURNED WITH REPLY.

Extra copy for Field Office

JWA 5/29/73

EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797

Termination Agreement

It is agreed this 24th day of May, 1973, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and George P. Bates, John O. Flender and Dwight M. Rounds, d/b/a U. S. Silver Mining Company, a partnership, hereinafter called the "Operator," parties to that certain exploration Contract No. 2294 (OME-6797), dated March 22, 1971, as amended, hereinafter called the "Contract," that:

1. Effective June 15, 1973, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the allowable costs incurred prior to December 15, 1972.

3. The Operator shall promptly complete all winding-up and settlement actions provided for in the Contract, including furnishing to the Government three copies of a final report (in addition to the final monthly report) which shall include a geological and engineering evaluation of the results of the work performed under the Contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs thereof.

4. All rights of the Government provided for in the Contract with respect to a certification of possible production, royalty on production, and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

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

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

THE UNITED STATES OF AMERICA

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

U. S. SILVER MINING COMPANY

By_____

Title_____

JWH
5/29/73

MAY 24 1973

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: CMX-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antero, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

We are sorry to learn of the death of Mr. Rounds. This is indeed a tragic event both for his family and the partnership.

We regret that the U. S. Silver Mining Company will be unable to resume operations on the subject contract, and that the contract must be terminated. The findings on the main structure indicated sufficient grade and quantity of ore to warrant the work necessary to find extensions of the same vein, and possibly locate other veins from the 200-foot level.

In accordance with the request in your letter of May 18, 1973, to the Field Officer, CMX, Region III, we have prepared a proposed Termination Agreement to the subject contract. We enclose the original and three copies (one page each) signed for the Government. If the proposed agreement is satisfactory to you, please sign the four copies as the authorized representative of the partnership, retain the Operator's copy, and return the other three signed copies to this office.

If any part of the proposed agreement does not have your approval, the original and all copies should be returned to us together with the proposed changes for consideration.

Final settlement of your account will be made upon receipt of your final report on the project.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's reading file
Mineral Resources
CMX reading file
Region III
Mr. Kirkemo
HKirkemo/cac 5/24/73

Office of Minerals Exploration
Building 53 Room 28

May 22, 1973

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Mr. George P. Bates, Managing Partner, U. S. Silver Mining Company, informed this office in a letter dated May 18, 1973 that the subject company is requesting termination of the above-cited contract.

The Operator cites several reasons for terminating the contract as follows: "First, that we do not feel that the amount of ore we have found is sufficient or consistent enough to justify further expenditures."

"Second, new safety regulations will require us to spend substantial additional amounts of money to continue our exploration, development and mining."

Finally, the death of my major partner, Dwight Rounds, and the fact that his wife does not want to invest more money in this enterprise has dried up our source of money."

I am sympathetic to some of the reasons the Operator gives requesting termination of the subject contract, namely the death of Mr. Dwight Rounds, senior partner of the U. S. Silver Mining Company, and partly because of the expenditures that would be required of the company to comply with new Colorado Safety regulations. I do not agree with Mr. Bates in his statement that the amount of ore found is not sufficient or consistent enough to justify further expenditures. I feel that the amount of new ore discovered on and above the 200 level of the Rawley tunnel as a result of the exploration work performed under the subject contract is commensurate with the Operator's expenditures, and I would like to see him complete the exploration work. However, there is only a balance of $5,669.29 left, out of the estimated $63,200.00. The Government's

participation of the balance left under the contract, if it were spent, would only be $3,543.30. A certification of discovery will be made. Consequently, I recommend termination of the contract at this time.

A rough calculation from some of the Operator's quoted data, using a mining width of 7 feet, a strike distance of 200 feet, and projecting the vein 100 feet above and below the Rawley 200 level, there is an estimated 12,700 tons of ore that will average 5.0 oz. Ag, 1.5% copper, 3.0% Pb and 3.0% Zn. The value of this ore at current prices ($2.43 Ag, .60¢ cu, 16-1/2¢ Pb and .20-1/4¢ Zn, would total $52.10 per ton. The 12,700 tons would gross some $660,400.00.

The OME exploration work has, however, explored the Rawley vein for a distance of some 250 feet. This would develop some 31,800 tons of vein material that would gross $1,653,600 at $52.00 per ton. Further exploration on the copper winze vein which may be a hanging wall split of the Rawley vein may discover large additional new reserves of gold, silver and copper in the steeply dipping fissure vein in andesite. (See Hasler memorandum of June 30, 1972.)

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: OME chron
Mr. Hasler
OME-6797

FILE COPY

UNITED STATES OF AMERICA
CERTIFICATION OF POSSIBLE PRODUCTION
UNDER AN EXPLORATION CONTRACT

Mr. George F. Bates
U.S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OMX-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
Juno, Antero, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates

Pursuant to Article 6 of the referenced contract, as amended, the Government hereby certifies that mineral or metal production may be possible as a result of the exploration work completed on the contract.

Therefore, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from March 22, 1971, to March 22, 1983, or until the total amount contributed by the Government under the contract ($33,936.69, subject to audit) is fully repaid with interest at the rate of 8 percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

Royalty payments should be made in favor of the U.S. Geological Survey and mailed or delivered to the Field Officer, Office of Minerals Exploration, Region III, U.S. Geological Survey, Room 28, Building 53, Denver Federal Center, Denver, Colorado 80225. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the date of sale, name of purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

The Field Officer should be promptly notified upon the commencement of any production and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of your rights in the land embraced in the contract shall be furnished to this office.

Dated this 13th day of November, 1973.

THE UNITED STATES OF AMERICA

Harold Kirkemo

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

Copy to: Mr. Arad Riggs, Vice President
Weems-Weaver Mining Corporation

cc:
DRF
MR Rdg.
Br. of M Financial Mgmt.
Assoc. Sol. - Rm. 6554
OME Rdg.
OME Region III
Mr. Kirkemo
130 (2)

HKirkemo/gpw 11-13-73

Government's copy

EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797

Termination Agreement

It is agreed this Ma24th day of May, 1973, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and George P. Bates, John O. Flender and Dwight M. Rounds, d/b/a U. S. Silver Mining Company, a partnership, hereinafter called the "Operator," parties to that certain exploration Contract No. 2294 (OME-6797), dated March 22, 1971, as amended, hereinafter called the "Contract," that:

1. Effective June 15, 1973, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the allowable costs incurred prior to December 15, 1972.

3. The Operator shall promptly complete all winding-up and settlement actions provided for in the Contract, including furnishing to the Government three copies of a final report (in addition to the final monthly report) which shall include a geological and engineering evaluation of the results of the work performed under the Contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs thereof.

4. All rights of the Government provided for in the Contract with respect to a certification of possible production, royalty on production, and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

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

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

THE UNITED STATES OF AMERICA

By Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey

Appd. Sol. Office Martin 5/23/73
Chapman 5/23/73

U. S. SILVER MINING COMPANY

By George P. Bates

Title partner

Government's copy

EXPLORATION CONTRACT
U.S. SILVER MINING COMPANY
OME-6797

AMENDMENT NO. 5

It is agreed this 21st day of December, 1972, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and George P. Bates, John O. Flender, and Dwight M. Rounds, d/b/a U.S. Silver Mining Company, a partnership, hereinafter called the "Operator," that Exploration Contract 2294, (OME-6797), dated March 22, 1971, as amended, is further amended effective December 15, 1972, as follows:

1. (a) Work under the Contract may be suspended during the period beginning December 15, 1972, and ending no later than June 15, 1973.

(b) The Government shall not contribute to any costs incurred during the period of suspension.

(c) The Government shall not contribute to or be liable for any costs of rehabilitation or repair or any other costs which would not have occurred if there had been no suspension of work, or which may arise out of this suspension.

(d) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed by Article 1(a) of the Contract for completion of the work, as amended by Amendment No. 4, is further extended from twenty-one (21) months to thirty-three (33) months from the date of the Contract, or until December 22, 1973.

3. The maximum period for royalty payments as provided in Article 6(b) of the Contract as amended by Amendment No. 2 and for the lien to secure payment thereof, as amended by Amendment Nos. 1 and 2, is extended from eleven (11) years to twelve (12) years from the date of the Contract.

4. In Exhibit A of the Contract under the heading Estimated Costs of the Work, Fixed Unit Costs, as revised by Amendment No. 3, the section is further revised to read as follows:

"Fixed Unit Costs 1/ 2/

Drifting, including timbering, 710 feet at $64.00/foot	$45,440.00
Raising, including timbering, 25 feet at $90.00/foot	2,250.00

Long-hole drilling 740 feet at $1.33/foot (rounded)	$ 985.00
1 Supervisor 12 months at $800.00/month	9,600.00
1 Outside Consultant, 20 days at $75.00/day	1,500.00
Travel, Outside Consultant 3,000 miles at $0.12/mile	360.00
Per diem, Outside Consultant, 20 days at $25.00/day	500.00
Office Expense, 9 months at $50.00/month	450.00
Payroll taxes, insurance $9,600 at 15%	1,440.00
Assaying, 100 samples Gold and silver at $2.50/sample Copper, lead, zinc, at $1.50/each (rounded)	675.00
Total Estimated Cost of the Work	$63,200.00
Government Participation at 62-1/2%	$39,500.00

1/ Includes all costs whatsoever such as mobilization and demobilization, labor, equipment, material and supplies, and services.

2/ The Government retains no equity in any of the equipment or materials used."

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

Except as herein amended, Exploration Contract 2294 (OME-6797), dated March 22, 1971, shall remain in full force and effect.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirbemo

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

12/21/72 Martin

Approved Chairman 12/21/72

U.S. SILVER MINING COMPANY

By George P. Bates

Title partner

Government's copy

EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797
AMENDMENT NO. 4

It is agreed this 15th day of August, 1972, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government", and George P. Bates, John O. Flender, and Dwight M. Rounds, d/b/a U. S. Silver Mining Company, a partnership, hereinafter called the "Operator", that Exploration Contract 2294, (OME-6797), dated March 22, 1971, as amended, is further amended effective as of August 22, 1972, as follows:

The date fixed by Article I(a) of the Contract for completion of the work, as amended by Amendment No. 2, is further extended from seventeen (17) months to twenty-one (21) months from the date of the Contract, or until December 22, 1972.

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

Except as amended herein Exploration Contract 2294 (OME-6797) dated March 22, 1971, shall remain in full force and effect.

Executed in quadruplicate the day and year first written above.

THE UNITED STATES OF AMERICA

By Harold Kirbemo
Chief, Office of Minerals Exploration

U. S. SILVER MINING COMPANY

By George P. Bates

Title Managing Partner

Martin Granby 8/11/72
Appd. Sol. Off.
Weeks 8/15/72
Kirbemo 8/15/72
Erickson 8/15

Governm's copy

EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797

Amendment No. 3

It is agreed this 9th day of March, 1972, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and George P. Bates, John O. Flender, and Dwight Rounds, d/b/a U. S. Silver Mining Company, a partnership, hereinafter called the "Operator," that Exploration Contract 2294, (OME-6797), dated March 22, 1971, as amended, is further amended effective March 1, 1972 as follows:

In Exhibit A under the heading Estimated Costs of the Work, Fixed Unit Costs, the section is revised to read as follows:

"Fixed Unit Costs 1/ 2/	
Drifting, including timbering, 710 feet at $64.00/foot	$45,440.00
Raising, including timbering, 25 feet at $90.00/foot	2,250.00
Long-hole drilling 560 feet at $1.33/foot (rounded)	745.00
1 Supervisor 12 months at $800.00/month	9,600.00
1 Outside Consultant, 20 days at $75.00/day	1,500.00
Travel, Outside Consultant 3,000 miles at $0.12/mile	360.00
Per diem, Outside Consultant, 20 days at $25.00/day	500.00
Office Expense, 9 months at $50.00/month	450.00
Payroll taxes, insurance $9,600 at 15%	1,440.00
Assaying, 131 samples Gold and silver at $2.50/sample Copper, lead, zinc at $1.50/each (rounded)	915.00
Total Estimated Cost of the Work	$63,200.00
Government Participation at 62-1/2%	$39,500.00

1/ Includes all costs whatsoever such as mobilization and demobilization, labor, equipment, materials and supplies, and services.

2/ The Government retains no equity in any of the equipment or materials used."

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

Except as herein amended, Exploration Contract 2294 (OME-6797), dated March 22, 1971, shall remain in full force and effect.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Sikkema
Chief, Office of Minerals Exploration

U. S. SILVER MINING COMPANY

By George P. Bates

Title partner

3/8/72 Martin
App'd. Sol. Off. J.M. Flet 3/8
Sikkema 3/9/72
Melvoll R. Mindy
3/9/72

Government's copy

EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797

AMENDMENT NO. 2

It is agreed this 30th day of December, 1971, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and George P. Bates, John O. Flender, and Dwight M. Rounds, d/b/a U.S. Silver Mining Company, a partnership, hereinafter called the "Operator," that Exploration Contract 2294, (OME-6797), dated March 22, 1971, as amended by Amendment No. 1, dated August 26, 1971, is further amended effective as of December 22, 1971, as follows:

1. (a) Work under the Contract may be suspended during the period beginning January 1, 1972, and ending no later than May 1, 1972.

(b) The Government shall not contribute to any costs incurred during the period of suspension.

(c) The Government shall not contribute to or be liable for any costs of rehabilitation or repair or any other costs which would not have occurred if there had been no suspension of work, or which may arise out of this suspension.

(d) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed by Article I(a) of the Contract for completion of the work is extended from nine (9) to seventeen (17) months from the date of the Contract, or until August 22, 1972.

3. The maximum period for royalty payments as provided in Article 6(b) of the Contract and for the lien to secure payment thereof as amended by Amendment No. 1 is extended from ten (10) to eleven (11) years from the date of the contract.

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

Except as amended herein Exploration Contract 2294 (OME-6797), dated March 22, 1971, shall remain in full force and effect.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkemo
Chief, Office of Minerals Exploration

App'd. Sol. Off.

Martin 12/28/71
Indal
Kirkemo 12/29/71
Theobald 12/30

U. S. SILVER MINING COMPANY

By George P. Bates

Title partner

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

December 13, 1971

Memorandum

To: The File

From Chief, Office of Minerals Exploration

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

Justification for Amendment No. 2

Several unavoidable interruptions due to breakdown of equipment and installation of an air ventilation system delayed completion by December 22, 1971, of the work required under terms of the contract. The Operator has diligently prosecuted work at the property and will continue to work as long as possible during the winter months. However, in the event snow accumulation and extreme cold weather prevent efficient operation, a recess of the work may be required. The proposed amendment provides both an extension of time to complete work, and a recess.

Results to date indicate that a certification of possible production is likely on this contract. It is in the best interests of the Government and the Operator that all of the allowable work on the contract be completed as additional ore reserves may be discovered as work continues.

The Operator has requested by phone both an extension of time and a recess, if necessary. The Field Officer recommends an amendment to provide for these and I concur.

Harold Kirkemo

Harold Kirkemo

cc: Director's reading file
Mineral Resources
OME Reading file
Mr. Kirkemo

HKirkemo/cac 12/13/71

Government's Copy

EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797

AMENDMENT NO. 1

It is agreed this 26th of August, 1971, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and George P. Bates, John O. Flender and Dwight M. Rounds, d/b/a U. S. Silver Mining Company, a partnership, hereinafter called the "Operator," that Exploration Contract 2294 (OME-6797), dated March 22, 1971, is amended effective July 19, 1971, as follows:

1. Article 6(e) of the contract, reading as follows, is reinstated:

"Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid."

2. Article 14 of the contract entitled Changes and added provisions is deleted.

3. In Annex I of the contract, the fourth and final paragraph is deleted and the following paragraph is substituted in lieu thereof:

"A Lien and Subordination Agreements, dated August 13, 1971, executed by Weems-Weaver Mining Corporation, is attached and made part hereof."

Except as herein amended, Exploration Contract 2294 (OME-6797), dated March 22, 1971, shall remain in full force and effect.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey

U. S. SILVER MINING COMPANY
(Operator)

By George P. Bates
Partner

Morton 8/25
Lindal 8/25
Kirkemo 8/25
Her 8/26

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Saguache, State of Colorado, described as follows:[2] eight (8) patented lode mining claims in Section 18, T.47N., R.8E., Kerber Creek Mining District; as follows: June (1364), Poverty (938), Independence (14183-1), Ouray (14183-5), Peary (14183-3), North Pole (14183-2), Orphan Belle (14183-9) Antoro (937); as described in an agreement of Lease and Option to Purchase executed June 1, 1968 from the owner, Weems Weaver Mining Corporation to U.S. Silver Mining Company.

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and George P. Bates, John O. Flender and Dwight M. Rounds, d/b/a U. S. Silver Mining Company, a partnership.[3] hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

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

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

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

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

None.

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

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated_____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

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

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

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

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

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

Dated this X 13th day of August, 1971.

WEEMS-WEAVER MINING CORPORATION — 50 East 42nd Street (Street) — New York, New York 10017 (City & State)

By: X Arad Riggs (Seal)
vice President

(Street)
(City & State)

(Seal)

(Street)
(City & State)

(Seal)

(Street)
(City & State)

(Seal)

(Street)
(City & State)

(Seal)

(Street)
(City & State)

(Seal)

I, Edna M. Phillips (Name), certify that I am the Treasurer (Title—Secretary, etc.) of the corporation named herein; that Arad Riggs (Name), who signed this agreement was then Vice-President (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

WEEMS-WEAVER MINING CORPORATION
By: X Edna M. Phillips
(Corporate Seal)

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/20/71		120
		120M

July 20, 1971

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Justification for Amendment No. 1

The Operator has obtained a Lien and Subordination Agreements from the owner of eight claims included in the subject contract. This provides the same protection of the Government's right to royalty on production from these claims as the Performance Bond originally incorporated in the contract. Therefore, the Lien and Subordination Agreements may be substituted in the contract for the Performance Bond, and I so recommend. The Performance Bond may be cancelled by the Operator.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Kirkemo

HKirkemo/gla 7-20-71

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HR | 10

U. S. SILVER MINING COMPANY

21 University Road

Canton, Mass. 02021

March 23, 1971

Office of Minerals Exploration
Geological Survey
Department of Interior
Washington, D. C. 20242

Attention: Mr. William L. Emerich

Dear Sir:

Re: Contract 2294
Dated March 22, 1971

With respect to the above referenced contract, please be advised that the undersigned have authorized George P. Bates, a partner in the U. S. Silver Mining Company, to conduct all matters in their behalf with respect to the referenced contract.

Very truly yours,

Dwight M. Rounds

Dwight M. Rounds, Partner

John O. Flender

John O. Flender, Partner

Government's copy

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6797	Gold-Silver-Copper	2294	Saguache	Colorado

It is agreed MAR 3 2 1971 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

George P. Bates, John O. Flender and Dwight M. Rounds, d/b/a
U. S. Silver Mining Company, a partnership

,

whose mailing address is P. O. Box 326, Salida, Colorado 81201,
hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before June 30, 1971 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 9 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 63,200.00. The Government will contribute ~~XX~~ 62-1/2 percent of the total fixed unit costs of the work performed, not in excess of $ 39,500.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of 8 percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

SEE ANNEX I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

SEE ANNEX I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

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

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

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

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

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

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

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

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

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

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

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

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

~~(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.~~

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

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

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

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

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

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

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

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

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

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

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

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

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

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

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

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

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

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

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

ARTICLE 14. Changes and added provisions. - -

The Government shall not make or be obligated to make any contribution to the costs of work performed under this contract until the Operator has submitted an adequate performance bond in the penal sum of $39,500.00 and the bond has been approved by the Government.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By William T. McCarrook
Assistant Director, U. S. Geological Survey
for Administration

U. S. SILVER MINING COMPANY
(Operator)

By George P. Bates
George P. Bates
Title: Partner

By John O. Flender
John O. Flender
Title: Partner

By Dwight M. Rounds
Dwight M. Rounds
Title: Partner
Partner

Martin
Finlay 5/17
App'd. Sol. Off.
Skrhemo
Eudrick
Kilsgaard

EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of nine (9) patented lode mining claims in Section 18, T. 47 N., R. 8 E., Kerber Creek Mining District, Saguache County, Colorado. These claims are shown on Figure 1, entitled "Poverty, June, and Antoro Claims, Saguache County, Colorado," which is attached and made part hereof.

The patented lode mining claims are identified as:

Name	U. S. Survey No.
June	1,364
Poverty	938
Antoro	937
Independence	14,183
Ouray	14,183
Peary	14,183
North Pole	14,183
Orphan Bell	14,183
Rawley	980

The Operator is in possession of all of these claims except the Rawley under terms of an Agreement of Lease and Option to Purchase executed June 1, 1968 from the owner, Weems Weaver Mining Corporation.

The Operator is in possession of the Rawley patented claim under terms of a Quit Claim Deed executed September 3, 1969 from the owner, American Industrial Leasing Company.

A Performance Bond in lieu of Lien and Subordination Agreements in the amount of $39,500.00 will be furnished by the Operator, and attached and made part hereof.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Saguache, State of Colorado, described as follows:[2] eight (8) patented lode mining claims in Section 18, T.47N., R.8E., Kerber Creek Mining District; as follows: June (1364), Poverty (938), Independence (14183-1), Ouray (14183-5), Peary (14183-3), North Pole (14183-2), Orphan Belle (14183-9), Antoro (937); as described in an agreement of Lease and Option to Purchase executed June 1, 1968 from the owner, Weems Weaver Mining Corporation to U. S. Silver Mining Company.

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and George P. Bates, John O. Flender and Dwight M. Rounds, d/b/a U. S. Silver Mining Company, a partnership.[3] hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

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

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

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

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

"None"

Void Document
See Contract No. 1

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

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

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

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

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

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

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

Dated this X 25 day of X June, 1971.

WEENS-WEAVER MINING CORPORATION
By: X Edna M. Phillips (Seal)

X 219 Ramapo Road (Street)
Garnerville, New York (City & State)

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

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

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

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

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

I, Arad Riggs (Name), certify that I am the Vice President (Title—Secretary, etc.) of the corporation named herein; that X Edna M. Phillips (Name), who signed this agreement was then X Treasurer (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

WEENS-WEAVER MINING CORPORATION
By: X Arad Riggs
(Corporate Seal)

EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797

EXHIBIT A

The purpose of the project is to explore by drifting, raising and long hole drilling on the 200-foot level of the Rawley mine for gold-silver-copper-bearing ore bodies in a steeply dipping fissure vein in andesite.

General Provisions

Drifts shall be not less than 7 by 8 feet in cross section and raises not less than 5 by 7 feet in cross section and both shall be timbered as necessary. Drift and raise sets shall be not less than 8- by 8-inch timber, or equivalent round timber. Raises shall be timbered to provide a chute and manway with 3-inch thick lagging on the chute side and ladders on the manway side.

Mine rails shall be not less than 12-pound size, air lines not less than 2-inch diameter, water lines not less than 1-inch diameter, and vent lines not less than 12-inch diameter.

All significantly mineralized areas traversed by the drifts and raises shall be sampled normal to the trends of the deposits at intervals not exceeding 5 feet, or by a representative bulk sample of each round broken. Significantly mineralized cuttings from the long holes shall be sampled with no sample representing more than 5 linear feet of hole.

All samples, from whatever source, shall be split as necessary and one split assayed. The Operator shall store one split of each sample in a suitable container properly labeled. Stored samples shall be made available for Government inspection and possible use, and may be disposed of only with prior Government approval.

All splits of samples assayed shall be analyzed for gold, silver, and copper.

True copies of assay certificates and maps or sketches showing the work completed, the location, width, and assay value of all samples assayed, and the geological formations and structures traversed by the long-holes and workings shall be furnished monthly to the Government.

The Operator shall provide such equipment, materials, supervision, labor, and technical services as may be required to perform the work in a satisfactory manner.

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

Description of the Work

The work shall consist of extending the drift on the 200-foot level of the Rawley mine an additional 600 feet along the vein, driving a 100-foot raise up dip on the vein from the end of the completed drift, and drilling about 1,800 feet of long-holes at sites to be selected by the Operator to test the width and grade of mineralized areas in the hanging and footwall sides of the vein.

The approximate locations of the proposed drift extension and raise are shown on Figure 2 entitled "Antoro Tunnel, Bonanza, Colorado," attached and made part hereof.

Estimated Costs of the Work

Fixed Unit Costs 1/ 2/	
Drifting, including timbering, 600 feet at $64.00/foot	$ 38,400.00
Raising, including timbering, 100 feet at $90.00/foot	9,000.00
Long-hole drilling, 1,800 feet at $1.33/foot	2,394.00
1 Supervisor, 9 months at $800.00/month	7,200.00
1 Outside Consultant, 20 days at $75.00/day	1,500.00
Travel, Outside Consultant, 3,000 miles at $0.12/mile	360.00
Per diem, Outside Consultant, 20 days at $25.00/day	500.00
Office Expense, 9 months at $50.00/month	450.00

Payroll taxes, insurance, $7,200.00 at 15%	$ 1,080.00
Assaying, 331 samples, Gold and silver at $2.50/sample Copper, lead, zinc at $1.50/ea., (rounded)	2,316.00

Total Estimated Cost of the Work $63,200.00

Government Participation at 62-1/2% $39,500.00

1/ Includes all costs whatsoever such as mobilization and demobilization, labor, equipment, materials and supplies, and services.

2/ The Government retains no equity in any of the equipment or materials used.

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 202, Executive Order 11246, September 24, 1965)

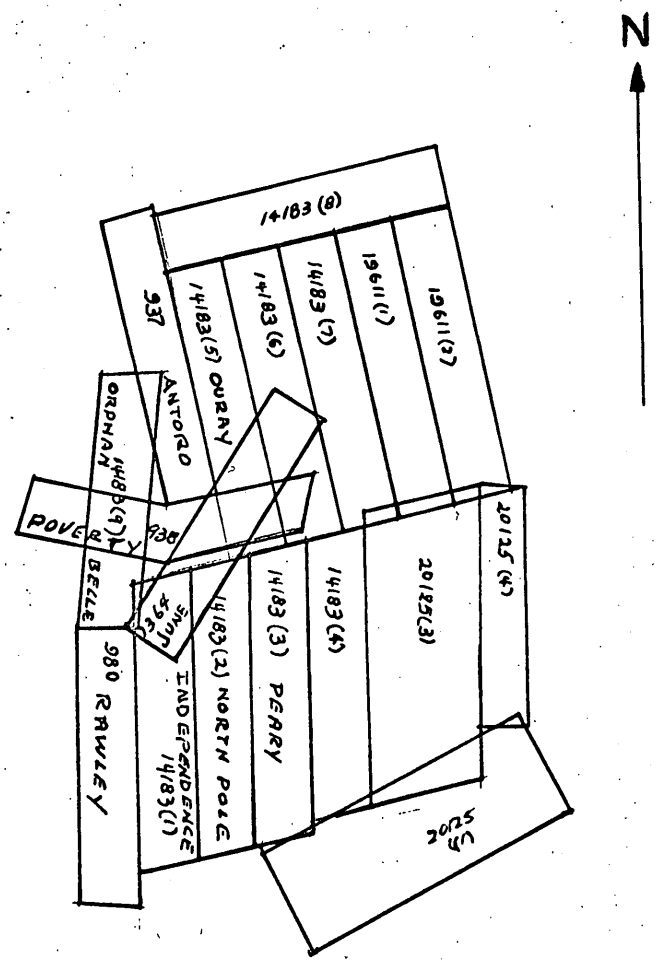
"During the performance of this contract, the contractor agrees as follows:

'(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.
'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
'(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
'(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
'(7) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

DEPARTMENT OF THE INTERIOR
U.S. GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
DOCKET 6797

CLAIM	PAT. No.
June	1364
POVERTY	938
INDEPENDENCE	14183 (1)
OURAY	14183 (5)
PEARY	14183 (3)
NORTH POLE	14183 (2)
ORPHAN BELLE	14183 (9)
RAWLEY	980
Antoro	937



Scale 1" = 12,000'
Traced from U.S.G.S. Prof. Paper 169 Pl. I
10/12/70 by JWH

POVERTY, JUNE AND ANTORO CLAIMS
SAGUACHE COUNTY, COLORADO

Figure 1

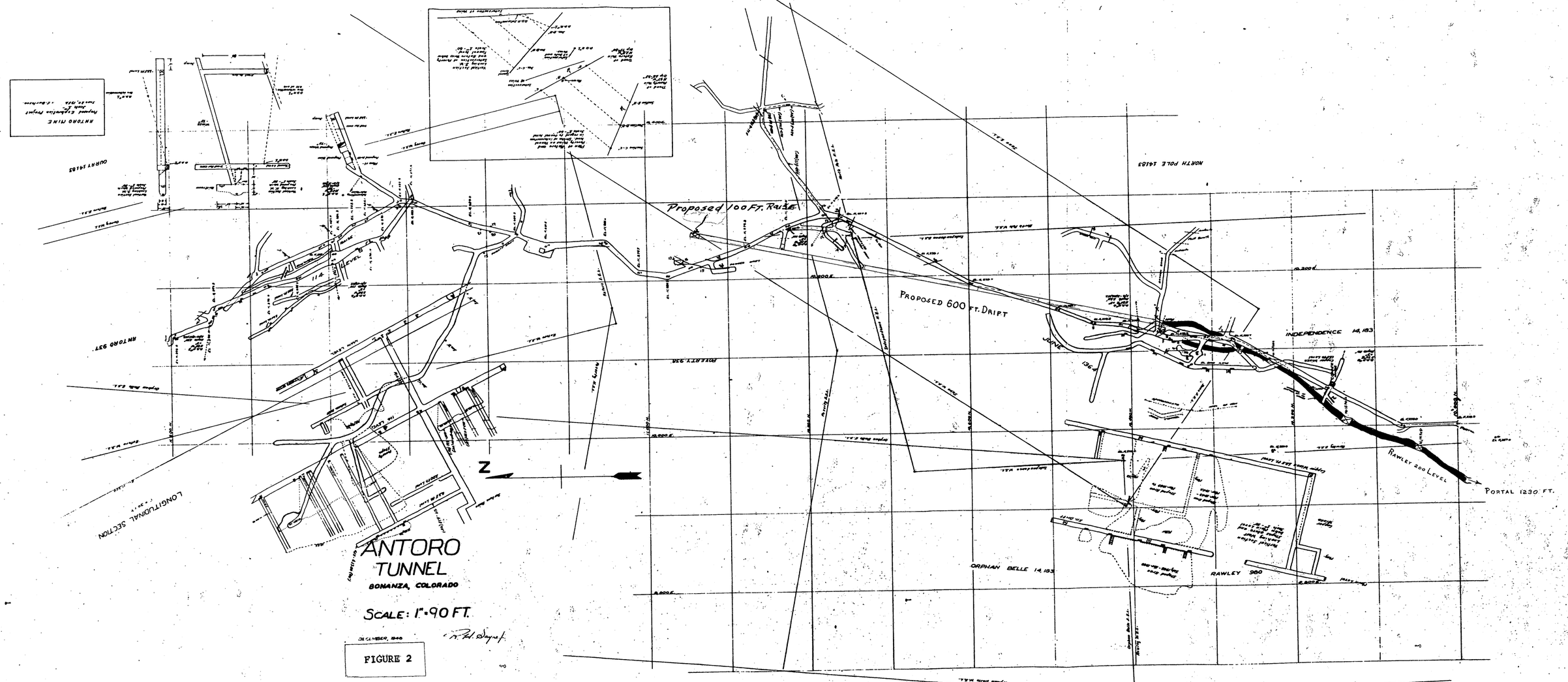

ANTORO MINE
Proposed Elevation Profile
Scale 1"=20 FT.
QUARY 14183
ANTORO 937
LONGITUDINAL SECTION
114 LEVEL
Proposed 100 FT. Raise
PROPOSED 600 FT. DRIFT
NORTH POLE 14183
PROPERTY 938
JUNE 136
INDEPENDENCE 14,183
RAWLEY 200 LEVEL
PORTAL 1230 FT.
ORPHAN BELLE 14,183
RAWLEY 980
N
ANTORO
TUNNEL
BONANZA, COLORADO
SCALE: 1"=90 FT.
DECEMBER, 1940

FIGURE 2

Filed for Reco[illegible] this [illegible] [illegible]ember, 196[illegible] at 5:00 o'[illegible]
Gloria Belluni, Recorder

QUIT CLAIM DEED

THIS DEED, Made this 3rd day of September, 1969 between AMERICAN INDUSTRIAL LEASING COMPANY, a Deleware Corporation with principal offices at 175 North Michigan Avenue, Chicago, Illinois (which corporation is the successor in interest, as the result of corporate consolidation, to SUPERIOR MINES CORPORATION, a Colorado Corporation, and NATIONAL MINERALS CORPORATION, a Deleware corporation), of the first part, and the U. S. SILVER MINING COMPANY, A partnership composed of DWIGHT M. ROUNDS of Wichita, Kansas, GEORGE S. ABRAMS of Newton, Massachusetts, GEORGE P. BATES of Weston, Massachusetts, JOHN O. FLENDER of Cambridge, Massachusetts, of the second part,

W I T N E S S E T H

That the said party of the first part, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, to the said party of the first part in hand paid by the said parties of the second part, the receipt whereof is hereby confessed and acknowledged, hath remised, released, sold, conveyed and QUIT CLAIMED, and by these presents doth remise, release, sell, convey and QUIT CLAIM unto the said U. S. SILVER MINING COMPANY, its successors and assigns forever, all the right, title, interest, claim and demand which the said party of the first part hath in and to the following described parcels or claims, situate, lying and being in the Kerber Creek and Bonanza Mining District, County of Saguache, State of Colorado, to wit:

State Documentary Fee
Date SEP 15 1969
Fee shown on QCD #197064
Book 343 Page 359

George P. Bates letter 11/6/70

SCHEDULE A

Patented Claims

	Survey No.
Rawley	980
Ontario	1933
Erie (1/3 interest)	13580
Lawrence	966
Demming	1016
Coronet	7515
Helen Segar	7515
Park	14584
Tip Top	14689
Townsend	14689
Zero	14689
Hyde	15499
Foster	15513
Simonds	18791
Wainwright	18791
Burns	19033
Ethelyn	19033
Huron	1932
Golden Fleece	1931
Black Bass	19582
Little Pittsburgh	1686
Atlantic	7820
Sosthenis (3/8 interest)	2548
Vallejo(3/8 interest)	14110
Norah	1416
Unitah	18611
Cora	6014
General Hancock	6016
Cabin	17834
Jupiter	17251

SCHEDULE B

Unpatented Claims

	Data on Location Certificates Recorded in Saguache County		
	Document No.	Book	Page
Belmont	162081	286	119
Belmont No. 1	162082	286	120
Halifax	162083	286	121
Halifax No. 1	162084	286	122
North Star	162085	286	123
Piedmont	162086	286	124
Piedmont No. 1	162087	286	125
Red Top	162088	286	126
Silver Cloud	162089	286	127
Silver Cloud No. 1	162090	286	128
Last Chance No. 1	162099	286	129
" " No. 2	162100	286	130
" " No. 3	162101	286	131
" " No. 4	162102	286	132
" " No. 5	162103	286	133
" " No. 6	162104	286	134
" " No. 7	162105	286	135
Airdale No. 1	163187	288	406
" No. 2	163188	288	407
" No. 3	163189	288	408
Apedale No. 1	163190	288	409
" No. 2	163191	288	410
" No. 3	163192	288	411
" No. 4	163193	288	412
" No. 5	163194	288	413
Avondale No. 1	163195	288	414
" No. 2	163196	288	415
" No. 3	163197	288	416
" No. 4	163198	288	417
" No. 5	163199	288	418
Dovedale No. 1	163200	288	419
" No. 2	163201	288	420
" No. 3	163202	288	421
" No. 4	163203	288	422
" No. 5	163204	288	423
Edendale No. 1	163205	288	424
" No. 2	163206	288	425
" No. 3	163207	288	426
" No. 4	163208	288	427
" No. 5	163209	288	428
Glendale No. 1	163210	288	429
" No. 2	163211	288	430
" No. 3	163212	288	431

Niddordale No. 1	163213	288	432
" No. 2	163214	288	433
" No. 3	163215	288	434
Northend No. 1	163216	288	435
" No. 2	163217	288	436
" No. 3	163218	288	437
Southend No. 1	163219	288	438
" No. 2	163220	288	439
" No. 3	163221	288	440
" No. 4	163222	288	441
" No. 5	163223	288	442
Swaledale No. 1	163224	288	443
" No. 2	163225	288	444
" No. 3	163226	288	445
Teesdale No. 1	163227	288	446
" No. 2	163228	288	447
" No. 3	163229	288	448
Tynedale No. 1	163230	288	449
" No. 2	163231	288	450
" No. 3	163232	288	451
Weardale No. 1	163233	288	452
" No. 2	163234	288	453
" No. 3	163235	288	454
" No. 4	163236	288	455
Yoredale No. 1	163237	288	456
" No. 2	163238	288	457
" No. 3	163239	288	458
Mateer No. 1	160480	283	236
" No. 2	160481	283	238
" No. 3	160482	283	240
" No. 4	160483	283	242
" No. 5	160484	283	244
Captain Warwick No. 2	164872	291	245
Superior	106377	128	463
Empire	64169	128	103
"	94871	128	320
"	114573	208	71
Empire No. 1	118292	208	101
" " "	118759	106	233
Empire No. 2	118293	208	102-1
" " "	118760	106	234
Empire No. 3	118294	208	102-2
" " "	118761	106	235
Empire No. 4	118295	208	103-1
" " "	118762	106	236

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges thereunto belonging, or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever, of the said party of the first part, either in law or equity, to the only proper use, benefit and behoof of the said parties of the second part, their heirs and assigns forever.

IN WITNESS WHEREOF, The said party of the first part hath caused its corporate name to be hereunto subscribed by its Vice President, and its corporate seal to be hereunto affixed, attested by its Secretary, the day and year first above written.

AMERICAN INDUSTRIAL LEASING COMPANY

By Frank D'Ambra Jr.
~~Vice~~ President

ATTEST:

Emily Byrd
Asst. SECRETARY

STATE OF ILLINOIS)
)SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Frank D'Ambra, Jr. and Emily Byrd , personally known to me to be the same persons whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that they executed this deed as a free and voluntary act, for the uses and purposes set forth.

GIVEN under my hand and official seal, this ~~first~~ 3rd day of ~~June~~ Sept., 1969.

Sally C. Jemison
Notary Public

COMMISSION EXPIRES:

3-23-72

197066

STATE OF ILLINOIS)
) ss.
County of Cook)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, do hereby certify that Frank D'Ambra, Jr., President, and Emily Byrd, Assistant Secretary, respectively, of American Industrial Leasing Company, being personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they executed this deed as a free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes set forth.

Witness my hand and official seal, this 3rd day of September, 1969.

Sally C Jemison
Notary Public

SALLY C. JEMISON * NOTARY PUBLIC * COOK COUNTY, ILL.

My commission expires 3-23-72.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 9 1969

INITIALS	CODE

June 6, 1969

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: Transmittal of an application for financial assistance in minerals exploration to explore for gold, silver and copper on the June, Antoro and Poverty claims, Saguache County, Colorado by the U. S. Silver Mining Company, P. O. Box 749, Salida, Colorado.

A review of the application indicates that perhaps some exploration work may be warranted. The applicant proposes to support the work by way of a Standard Form 25 Performance Bond, as the owners will not sign a lien and subordination agreement.

The applicant's costs appear to be quite high and includes costs of new buildings, fixtures and installations totalling some $4,000.00, which probably could not be allowed under the present budget restrictions. The applicant estimates the total cost of driving 500 feet of drift and or crosscuts to be $54,301.76. At this rate drifting would cost $108.60 per foot, which is nearly twice the cost per foot allowed in the majority of like contracts in Region III. Costs per foot for drifting should be between $50.00 - $60.00, plus timbering costing around $12.00 per foot.

The applicant's cost for raising includes several items that should be deleted so that the costs of raising should fall in line with other costs for raising, and should not be appreciably greater than the costs allowed for drifting, or in this case as much as $70.00 per foot, including timber.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

MME Form 40
(Revised Nov. 68)

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

OFFICIAL COPY O. M. E. RECEIVED JUN 9 1969 INITIALS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Submitted at Denver OME May 22/69

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

U. S. Silver Mining Company
P. O. Box ~~249~~ 326
Salida, Colorado 81201

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6797

DATE RECEIVED 6-9-69

REGION III

DIVISION CODE

BUSINESS ORGANIZATION (*Check one*)

INDIVIDUAL	
CORPORATION	
PARTNERSHIP	X
OTHER (*Specify*)	

STATE IN WHICH FIRM IS ORGANIZED Colorado

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
George S. Abrams	73 Tremont Street, Boston, Ma.	Partner
George P. Bates	c/o Shield Chemical Co. 21 University Rd., Canton, Ma.	Partner
John O. Flender	112 Avon Hill Street Cambridge, Mass.	Partner
Dwight Rounds	c/o Rounds and Porter Wichita, Kansas	Partner

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Gold, Silver, Copper

ESTIMATED COST OF PROJECT
$79,734.00

PROPERTY NAME	LOCATION COUNTY	STATE
June Claim	Saguache	Colorado
Antoro Claim	Saguache	Colorado
~~Poverty Claim~~	~~Saguache~~	~~Colorado~~

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. II). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 5, and the proposed exploration work in item 8. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

5/16/69
DATED

George P. Bates
BY (*Signature*)

managing partner
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

3. Physical Description:

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

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

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

(d) Describe known ore reserves, giving quantities and grades.

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

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

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

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

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

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

U. S. Silver Mining Company

BONANZA, COLORADO 81155

Subject: Application for Financial Assistance in Mineral Exploration

Required Information MMB form #40

1. Financial Eligibility:

a) Please find attached true copies of letters of application for commercial credit to two banking institutions and their corresponding letters of refusal of same.

b) There are no affiliated, parent, or controlling companies [illegible] interest in the U.S. Silver Mining Company.

c) The company's share of the exploration costs will be furnished [illegible] of the personal savings of the partners of the company.

2. Applicant's Rights in Land:

a) The U.S. Silver Mining Company has the right to have and to hold all properties involved in this application for the purpose of mining thereon under the terms of an Agreement of Lease and Option to Purchase for the term of 20 years effective the first day of June, 1968 made between the U.S. Silver Mining Company and the Weems Weaver Mining Corporation. Agreement attached. To our knowledge there are no liens, mortgages, or other encumberances on the land other than those of the attached Agreement with the U.S. Silver Mining Company. As of the date of submission of this application the attached Agreement has not been recorded in the records of Saguache County.

b) The specific lands to be explored are listed below in their probable sequence of exploration. It is certain the proposed exploration will begin on the June Claim but the direction exploration will take from that point cannot be definitely determined. The probability, taking into consideration the general patern of vein direction, indicates that exploration proposed will fall onto the following claims.

June Claim - Survey #1364 - Sec. 18, T.N. 47, R.E. 8
Poverty Claim - Survey #938 - Sec. 18, T.N. 47, R.E. 8
Antoro Claim - Survey #937 - Sec. 18, T.N. 47, R.E. 8
Independence Claim - Survey #14183 (1) - Sec. 18, T.N. 47, R.E. 8

The four above listed claims are all patented claims. The U.S. Silver Mining Company has the above listed rights to the above properties and all adjacent lands to the above through the attached "Agreement".

U.S. Silver Mining Company
Bonanza, Colorado

2. Applicant's Rights in Land: Contd.

b) The adjacent properties are;

Ouray Claim - #14183 (5)
Peary Claim - #14183 (3)
North Pole Claim - #14183 (2)
Rawley Claim - #980
Orphan Bell Claim - #14183 (9)

All rights to the Rawley Claim are granted in a similar "Agreement" as the one attached. A copy of this agreement is available upon request.

c) The land to be explored is not owned by the U.S. Silver Mining Company at the present time. Lien and Subordination Agreements will not be entered into by the owners of the land. The U.S. Silver Mining Company will, in the event a contract is reached, present to the Government a Performance Bond (see G.S.A. Standard Form #25) in accordance with the Government's contribution.

3. Physical Description:

a) Although there are no mining operations in the specific area of the proposed exploration, various operations have taken place in the near vicinity. Please find attached Drawing (A) which shows the drift patterns of mining operations close-by. See also Drawing (B) which shows a profile of existing mine operations in the area. Since the beginning point of the exploration will be 1900' from the portal of the Rawley #200 Level (see Drawing (B)) the only mine operation close to the specific area at the present time is the Antoro Mine, approximately 400' above. The Antoro Mine was operated last in 1959. The bulk of ore taken from that mine came from the area surrounding the Antoro Shaft and the Copper Winze. See Drawing (B). The Copper Winze was operated between 1950 and 1952. See sec. c for smelter returns.

At the present time the U.S. Silver Mining Company is driving an exploratory drift on the Rawley #200 Level towards the area of proposed exploration. The breast of the drift is approximately 1650' from the portal of the level at present. The drift is in unexplored ground and should reach the 1900' mark, the beginning of the proposed exploration drift, by August of this year. See sec. c for assay figures. By August the U.S. Silver Mining Company will require additional funds to continue the drift and is therefore submitting this application in recognition of that requirement. The U.S. Silver Mining Company is also operating three stopes on the #200 Level, production from which warrants continued exploration in the area.

Other mine operations conducted in the area can be seen on Drawings (B) and (C). The work on the "Rawley Group" began in the early 1880's and sporadic operations have taken place since then with the bulk of ore taken from the area in the early 1900's. The Depression stopped major production in the District.

U.S. Silver Mining Company
Bonanza, Colorado

3. Physical Description: Contd.

b) The applicants interests in the above operations are that of Lessee with all mining rights and privileges for 20 years pertaining to the Antoro Mine and Claim and operator with identical rights concerning the Rawley #200 Level and Claim. The U.S. Silver Mining Company interests in above and adjacent properties can be seen specifically by examining the attached Agreements of Lease and Option to Buy.

c) Production from all areas of the Antoro Mine is difficult to determine as information is incomplete or lacking entirely. Production from the Copper Winze area of the Antoro (see Drawing (B)) was 6,796 tons shipped to mill and can be substanciated by settlement sheets which are available. There were additional tons of waste but there are no records to show same. Averageing the above mentioned settlement sheets for the Copper Winze area gives the following ounce and percentage figures;

Au - .0337/ton Pb - 10.29%/ton
Ag - 5.707/ton Cu - 1.615%/ton

Although the averages shown above indicate the supported metals, Au, Ag, and Cu as 47.7% of the total value of a ton of ore information shows that the supported metals will increase in amounts per ton the deeper the veins run. See pg. 107, Burbank Report attached. Zinc values have not been considered since the U.S. Silver Mining Company is milling a bulk concetrate eliminating zinc. This is being done in order that a higher lead-silver concentrate can be produced. In addition market values of Au, Ag, and Cu should rise to some degree during the next few months making supported metal value per ton increase for the area in general. See Chemical Week 3/29/69, Business Week 4/5/69, and Business Week 3/8/69 attached. Production from the main level of the Antoro Mine when it was worked is lacking in assays of raw ore. The main level was operated last from 1957 to 1959 by the National Minerals Corporation. National Minerals operated a mill near-by and processed a concentrate which was shipped to A.S. & R. Copies of smelter returns are available on the production upon request. Approximately 3,000 tons of ore was taken from the main level of the Antoro Mine at that time. National Minerals was blending ore from various areas of the Bonanza District at the time so most returns on concentrate may not be relevant.

Production from the Rawley #200 Level has been approximately 16 to 20 thousand tons since the mine first openned in the 1890's. Ore values are shown in the Burbank Report, pg. 106 and 111 attached, and give some indication as to the ratio of metal values on the Rawley Vein although probably most of the ore taken was "high-grade". More recent information on the ore values on this area can be seen from the Rawley Metals Inc., crude ore smelter returns from the U.S. Smelting Refining and Mining Company, Salt Lake City, Utah. The Rawley Metals Inc., operated the Rawley #200 Level from August 1964 to May of 1966 and produced about 6 thousand tons of ore, some of which was shipped direct to smelter with the rest being processed in a near-by concentrating mill operated by Rawley Metals Inc., Information on assays on ore milled by Rawley Metals is not available. The averages of ore values of ore shipped by Rawley Metals direct to smelter taken from available returns are as follows;

Au - .017 oz./ton Cu - .786%/ton
Ag - 7.16 oz./ton Pb - 6.66%/ton

U.S. Silver Mining Company
Bonanza, Colorado

3. Physical Description: Contd.

c) The ore related to the above averages was taken from stopes between 1,200' and 1,300' from the portal of Rawley #200 Level. Assay reports on the drift ore now being taken by the U.S. Silver Mining Company approximately 1,650' from the portal of the Rawley #200 show an average at this time of;

Ag - 8.24 oz./ton	Cu - .86%/ton
Au - assays not being run	Pb - 7.35%/ton

The above averages show supported metals as falling above the required 50%/ton valuation and values for supported metals should increase additionally as more selective mining is conducted in any stoping areas. At the present time the U.S. Silver Mining Company is not too concerned in holding grade levels of ore taken from the drift as advancement is explorative in nature. Copies of assay reports are available upon request.

d) There are no known ore reserves in the area of planned exploration that have have been substanciated at the present time.

e) A description of the geological features of the proposed exploration property is perhaps best given in Burbank's Geological Survey Professional Paper #169, see pages #107 for the Rawley #200 Level and pages #129,130, and 131 for the Antoro Mine. Copies attached. A complete description of the Bonanza District can be found in Burbank Report covering the specified exploration area and all adjacent properties. See also the attached drawing. Deposits are of vein structure.

f) We expect to find ore primarily because there seems to be a substancially strong vein, the Rawley Vein, maintaining a two to three foot average width as the drift progresses on the #200 Level. See 3, c) para. 2. There has been substancial mineralization found at lower levels, see Drawing (C) & (D), although these operations are not directly under the area of proposed exploration. For example the #300 Level has drift assay maps averaging;

Au - .02 oz./ton	Cu - 2.36%/ton
Ag - 11 oz./ton	Pb - 13.30%/ton

In addition there has been considerable successful mining in the Antoro Mine located 400' above the proposed area of exploration with proven values of ore as shown above. There has also been drilling of two test holes approximately 1500' from the portal of the Antoro Mine to a depth of 125' below the main level of that mine. The test holes showed the presence of a vein about 4' in width. The exact assays of the drilling are not available. Because of the findings of the test holes it is believed there may be a general convergence of the Rawley, Antoro, and Poverty veins in that area. It must be pointed out that the test drillings took place about 800' N.E. of the area of proposed exploration, about 200' from the S.E. corner of the Antoro Claim on the East side. See Drawing (A). The test drillings indicate though that there is ore present in that area and from appearances it would be logical to assume the ore continues back from the test holes to the area of exploration.

There have been no samples taken in the specific area of proposed exploration. Samples taken on the #300 Level drift assays were of the channel method. Other samples were of the grab method and in the case of smelter returns probably of the crusher sample method.

U. S. Silver Mining Company
Bonanza, Colorado

3. Physical Description: Contd.

g) There are no engineering reports available on the proposed area of exploration. Assay maps are available on most of the "Rawley Levels" (see Drawing C) a recap of the #300 Level is given in sec. 3, c) above. The Drawings, maps, and technological information attached to this application need not be returned.

4. Accessibility of Property:

a) The individual who will assist the O.M.E. representative in his examination of the property to be considered will be -

Mr. L. Reid Johnston

Home address: 222 Scott Street
Salida, Colorado
P.O. Box 749
Salida, Colorado 81201
Tel. # 539-2767

Office address:
P.O. Box #749
Salida, Colorado
Tel. #655-2275

Directions to property:
Take Rt. #285 South from Salida, Colo., for 30 miles. Take the road to the right, a sign with the name Bonanza displayed on it is located at the beginning of this road, 1/16 of a mile before the town of Villa-Grove is reached. Follow this road for 15 miles until a group of metal corrugated sided buildings is reached. The main building will have a sign on it - U.S. Silver Mining Company. Mr. Johnston's office is located in the building.

b) All the properties necessary for inspection by the O.M.E. representative are easily accessible by road and open tunnel. The properties in question are well maintained at all times and can be inspected at any time.

The closest shipping and/or receiving point that is serviced by a commercial carrier is the town of Villa-Grove, 15 miles from the main office. Most freight coming to the U.S. Silver Mining Company is delivered to the Salida terminal of the Rio Grande Motor-Way and picked up by one of the company pick-ups on a daily basis. The closest rail-siding is also in the city of Salida, 45 miles from the main office.

The great majority of supply sources are located in Denver, Colo., approximately 200 miles from the main office.

5. Exploration Work:

a) Essentially the proposed work falls into two operations. The operation is that of an exploratory drift of 500 feet. The second is that of two 100 foot raises, one at the beginning of the proposed drift and one at the end of same to determine the dip of any veins found and their consistency.

The drift will be started 1900' from the portal of the Rawley #200 Level

U.S. Silver Mining Company
Bonanza, Colorado

5. Exploration Work; Contd.

a) (see Drawing B) and will progress 500', following any veins or mineralization to be found. A raise will be started at the 1900' mark and driven for 100'. A second raise of the same height will be driven at the 2400' mark. The drift itself will be approximately 387' below the main tunnel of the Antoro Mine - (see Drawings B and C).

The drift will be excavated to width of 7' and a height of 8' so there will be an unobstructed clearance of 5'x7' since a certain amount of supporting in the form of sets will be necessary. The sets will be of 8"x8"x8' timbers. Mine rail and air ducting as required will also be placed in the proposed drift. The two raises will measure 13' in length and 6' in width for an unobstructed clearance of 12'x5'. The raises will be completely lagged on all four sides, have ore shoots at both ends, and a man-way and a skip-way in the center. There will be a set every 5' in each raise.

See Drawing (B) for location of project in regard to other existing mine workings in the area. The actual location of the project cannot, at this time, be specifically shown as the beginning of the exploratory drift will start at the end of the present company drift operation now being conducted and which will not be complete until August of this year. It can be said the project will be located in the immediate vicinity of the S.E. corner of the June Claim - Survey #1364 approximately 100' from the claim's Southern end. Whether the project will lie to the Eastern side or Western side of the June Claim cannot be definitely determined at present.

b) No access roads will be required.

c) If an O.M.E. contract is executed, work would begin immediately and should be completed 29 weeks later. It is expected that, with a three man crew and one supervisor working one 8 hour shift/day, 6 days/week, the drift would require 21 weeks to complete. The rate of progress on the 500' drift is expected to be 6' per day given the above crew. It is expected that, with a three man crew and one supervisor working one 8 hour shift/day six days/week, the two raises would require 8 weeks to complete. The rate of progress, given the above crew, is expected to be 4'/day.

6. Experience:

a) Although the U.S. Silver Mining Company has been in existance only since April of 1968 the company is most fortunate in having two extremely well qualified men directly engaged in the directing and performing of company mine operations.

Mr. Reid Johnston, the man who will assist the O.M.E. representative, has his B.S. degree in Business from Western State College. He has been first a miner during his school days and subsequently a supervisor of mining operations in various locations, particularly in the the Bonanza District. He has had experience with all types of mining operations, explorations, and development work. He has, at one time, operated his own mining project, along with a mill and all the affiliated duties of a large scale mining venture. Mr. Johnston is our present mining supervisor and will continue in that capacity in the event that this application is accepted and a contract agreed upon.

U.S. Silver Mining Company
Bonanza, Colorado

6. Experience: Contd.

a) A Mr. Earl Wagner is the other qualified mining supervisor that we presently employ. He has had substancial experience in the type of mining that is carried on here in the Bonanza District. Mr. Wagner has been a miner, and more recently, a mine forman for 30 years. He has worked in most of the mining areas of the State of Colorado and subsequently has gained a great deal of know-how and basic knowledge of mining procedures. The bulk of his experience has been in "Hard Rock Mining", the type of mining found in the Bonanza District. Mr. Wagner has had a great deal of experience with drift work, explosives, structural supports in under-ground operations, and drifting methods. Mr. Wagner is our present mine operations forman and shall continue in that capacity.

In addition to the two qualified men described above we will be using the Survey and Engineering services of the Davis Engineering Service, Inc., of Del Norte, Colorado. Mr. Davis has had over 30 years experience in the mining field, doing private work and work for the State of Colorado in the Del Norte area. We will be using the services of Mr. Davis throughout the exploration work period. See #7,g) item #4.

U.S. Silver Mining Company
Bonanza, Colorado

#7 ESTIMATE OF COSTS - 500' Drift

A) Independent Contracts. None Applicant to perform all work.

B) Personal Services:

		Basis of Pay	Pay Period	Total
1.	Mine Supervisor	$285.00/wk.	21 Weeks	$5,985.00
2.	Mine Foreman	208.00/wk.	"	4,368.00
3.	Mucker & Trammer	182.00/wk.	"	3,822.00
4.	Driller &	195.00/wk.	"	4,095.00
				18,270.00

C) Operating Material & Supplies:

		Quantity	Cost	$
1.	Mine Rail - 25#/yd., 15' length	83333#/1000'	$11.00/cwt	916.63
2.	Splice Bars	66 sets	81¢/set	54.36
3.	Rail Spikes	100#	$17.45/cwt	17.45
4.	Rail Bolts/Nuts	100#	$28.92/cwt	28.92
5.	Timber for Sets, lags, ties	3,139 Board'	$120.00/mB'	376.66
6.	Wedges	10 Bundles	$3.00/bdl.	30.00
7.	Nails - 60 D	4 boxes	$6.37/bx.	25.48
8.	Miners Picks	2	$3.56 ea.	7.12
9.	Double Jacks	2	$3.18 ea.	6.36
10.	Shovels - Round Point	2	$4.45 ea.	8.90
11.	Pipe Wrenches - 10" Rigid	2	$3.45 ea.	6.90
12.	Miners Axe	2	$5.00 ea.	10.00
13.	Steel Tape Rule - 10' Stanley	2	$1.64 ea.	3.28
14.	Hard Hats	2	$4.40 ea.	8.80
15.	Rubber Suits	4	$17.00 ea.	68.00
16.	Drill Steel 6' length	4	$14.60 ea.	58.40
	4' "	4	$11.70 ea.	46.80
	2' "	2	$9.00 ea.	18.00
17.	Drill Bits - Hook-on Type 7/8"	20	$4.80 ea.	96.00
18.	Blasting Powder - 1x8" stick	415#	$23.25/cwt	96.49
19.	Nitro-Carbonitrate - cervis	6,300#	$5.25/cwt	435.75
20.	Primer Fuse Cord/Caps/Igniters	1,660	13.4¢ ea.	222.44
21.	Compressed Air Pipe - 3"	500'	$69.42/c'	347.10
22.	Water Tubing - 1# Plastic	500'	$6.06/c'	30.30
23.	Water Hose - 1/2" 3 braid	30'	49¢/'	14.70
24.	Air Hose - 1" 3 braid	30'	69¢/'	20.70
25.	Valves - Nordstrom 2"	1	$19.31 ea.	19.31
	- Ball 1"	1	$6.18 ea.	6.18
	- " 1/2"	1	$4.50 ea.	4.50
26.	Fittings - Victaulic			
	- 3" Couplings	25	$2.61 ea.	65.25
	- 3" Ells	5	$3.95 ea.	19.75
	- 3"x3"/Vic./Mach. Thr.	1	$2.05 ea.	2.05
27.	Fittings - Standard			
	- Bell Reducer 3"x2"	1	$1.79 ea.	1.79
	- " " 2"x1"	1	75¢ ea.	.75
	- 2"x4" Nipple	1	55¢ ea.	.55
28.	Fittings - Dixon			
	- 1" M/F Dbl. Spud	2	$3.15 ea.	6.30

Continued

#7 ESTIMATE OF COSTS: 500' Drift - Contd.

		Quantity	Cost	Total
29.	Rock Drill Oil E.P.W.	50 gal.	60¢/gal.	$ 30.00
30.	Electric Power	21 Weeks	$52.15/wk.	1,095.15
31.	Fuel - Gasoline	2,100 gal.	29.1¢/gal.	611.10
32.	Air Vent Tubing - Polyeth./WW	1,500'	$3.70/'	5,550.00
				$10,368.22
33.	Sales Tax on items 1-30 and 32 at 3%			292.71
				10,660.93

D) Operating Equipment:

1.	Remington Air Powered Chain Saw IP	1		
	To be purchased used.			$ 125.00
2.	Mancha Little Trammer Type B	1		
	To be purchased used.			4,000.00
3.	Card 1 Ton Ore Cars, Rocker Type	4		
	To be purchased used.			800.00
4.	Joy Axivane Mine Fan 20 H.P.	1		
	To be purchased used.			800.00
5.	Gardner Denver 600 Cu.' Air Compressor	1		
	To be purchased new.			5,000.00
6.	Eimco Mucking Machine #12B	1		
	To be supplied by applicant		$2,500.00	
7.	Gardner Denver S58F Air Hammer	1		
	To be supplied by applicant		500.00	
8.	Thor #390 Air Hammer	1		
	To be supplied by applicant		500.00	
9.	Mancha Little Trammer Type B	1		
	To be supplied by applicant		3,000.00	
10.	Card One Ton Ore Cars, Rocker Type	8		
	To be supplied by applicant		1,600.00	
			$8,600.00	$10,725.00

Figures given for items supplied by applicant are present market value amounts.

All equipment supplied by applicant is in good working order.

E) Initial Rehabilitation:

None.

F) New Buildings, Fixtures, Installations:

1. One new building, a compressor house, will be required for the exploration work planned. The structure will be 3,000 sq.' of wood frame construction, a poured concrete floor, and metal corrugated siding and roof.
   The cost of the building, including labor, materials, and supervision - $3,000.00
2. Installation of air compressor (see sec. D #6) and wiring of same - 1,000.00
   $4,000.00

#7 ESTIMATE OF COSTS; 500' Drift - Contd.

G) Miscellaneous:

1.	Repair and maintenance costs; includes, oil, grease, paint, welding material, cleaning compounds, rags, tools for maintenance, and black-smith equipment. Replacement parts for new and used equipment.	$ 500.00
2.	Shop labor.	2,800.00
3.	Accounting and Office services.	1,207.00
4.	Survey and Engineering services.	1,152.00
5.	Analytical work. Assayor on premises	8[illegible].00
6.	Workmans Compensations expense. From #7, sec.B only	811.00
7.	Federal and State Unemployment expenses. " "	372.00
8.	F.I.C.A. Tax Expenses. " "	877.00
9.	Unanticipated General Expenses.	1,000.00
10.	Depreciation of applicant equipment. See sec. D, items 6-10 Method - 5 year straight line rate.	613.83
11.	Performance Bond expense, for one year @ $10.00/yr.	495.00
		$10,645.83

U.S. Silver Mining Company
Bonanza, Colorado

#7 ESTIMATE OF COSTS: Two 100' Raises

A) Independent Contracts. None. Applicant to perform all work.

B) Personal Services:

	Basis of Pay	Pay Period	Total
1. Mine Supervisor	$285.00/wk.	8 Weeks	$2,280.00
2. Mine Forman	208.00/wk.	"	1,664.00
3. Mucker & Trammer	182.00/wk.	"	1,456.00
4. Driller & Timberman	195.00/wk.	"	1,560.00
			$6,960.00

C) Operating Material & Supplies:

	Quantity	Cost	
1. Timber for sets, lags, lining	45,080 Bd'	$120.00/m Bd'	$5,409.00
2. Mine Ladders 10', flush step	20	$8.25 ea.	165.00
3. Nails 60D	6 Boxes	$5.65/bx.	33.90
4. Miners Picks	2	$3.56 ea.	7.12
5. Double Jacks	2	$3.18 ea.	6.36
6. Miners Axes	1	$5.00 ea.	5.00
7. Steel Tape Rules 10' Stanley	2	$1.64 ea.	3.28
8. Rubber Suits	2	$14.47 ea.	28.94
9. Wedges	10 Bdls.	$3.00 ea.	30.00
10. Blasting Powder 1x8" stick	250 lbs.	$23.75/cwt	59.38
11. Nitro-Carbonitrate Corvis	3,300 lbs.	$5.25/cwt	173.25
12. Primer Fuse 6'/Cap/Igniter	660	13.4¢ ea.	88.44
13. Drill Steel 7/8" x 6'	2	$14.60 ea.	29.20
14. " " " x 4'	2	$11.70 ea.	23.40
15. " " " x 2'	2	$9.00 ea.	18.00
16. Drill Bits Knock-On Type	20	$4.60 ea.	92.00
17. Compressed Air Pipe - 3" Coated	200'	$69.42/c'	138.84
18. Water Line - 1" Plastic	200'	$6.06/c'	12.12
19. Air Hose - 1" Rubber 3 braid	25'	49¢/'	12.25
20. Water Hose - ½ Rubber 3 braid	25'	20¢/'	5.00
21. Valve - Nordstrom 2"	2	$19.31 ea.	38.62
22. Valve - Ball 1"	2	$6.18 ea.	12.36
" ½"	2	$4.50 ea.	9.00
23. Fittings - Victaulic			
- 3" Couplings	10	$2.61 ea.	26.10
- 3"x2" Vic./thread	2	$2.05 ea.	4.10
- 3" T's	2	$8.87 ea.	17.74
24. Fittings - Standard			
- 2" Nipple	2	53¢ ea.	1.06
- 2"x1" Bell Reducer	2	75¢ ea.	1.50
25. Fittings - Dixon 1" M/F Dbl. Spud	2	$3.15 ea.	6.30
26. Air Vent Tubing	200'	$3.47/'	694.00
27. Rock Drill Oil E.P.W.	20 gal.	60¢/gal.	12.00
28. Hand Mauls	2	$3.00 Ea.	6.00
29. Pully Blocks 5/8"	2	$47.00 ea.	94.00
30. 5/8" Wire Rope 6 Strand	400'	$34.20/c'	136.80

Continued

#7 ESTIMATE OF COSTS: Two 100' Raises - Contd.

Operating Material and Supplies:	Quantity	Cost	Total
31. 5/8" Cable Clamps	8	31¢ ea.	$ 2.48
32. Power - Electrical	8 weeks	$52.15/wk.	417.20
33. Fuel - gasoline, diesel	800 gal.	29.1¢/gal.	232.80
34. Sales Tax on items 1-33	$8,052.54	3%	241.58
			$8,294.12

D) Operating Equipment:

1. Air Hoist - 5 H.P. To be purchased used	2	$500.00	$1,000.00
2. Hauling Skip To be built by applicant	2	$200.00	400.00
3. Alimax Raise Climber To be rented for 2 months	1	$3,000.00/mo.	6,000.00
4. Additional equipment to be supplied by applicant. See #7, sec. D, 500' Drift - attached			$7,400.00

E) Initial Rehabilitation and Repairs:

None.

F) New Buildings, Fixtures, Installations:

See sec. F, #7 for 500' Drift

G) Miscellaneous:

1. Depreciation of applicant equipment. 5 year straight line rate - 8 weeks. See #7, sec. D, 500' Drift	$ 233.84
2. Repair and Maintenance costs. Incl. greasing, oil change, replacement of worn parts, painting, cleaning, welding, sharpening, and shop labor.	876.24
3. Survey Services and Mine Engineering included in #7, sec. G 500' Drift.	
4. Accounting and Office Services	460.00
5. Workmans Compensation expenses - based on amount from #7, Sec. B only	309.02
6. Federal and State Unemployment Taxes " " " "	215.77
7. F.I.C.A. Tax expense " " " "	334.08
8. Analytical Work - included in #7, sec. G, 500' Drift.	
9. Unanticipated general expenses not included above.	350.00
	$2,778.95

U. S. Silver Mining Company

BONANZA, COLORADO 81155

May 5, 1969

Mr. Raymond Fox
First National Bank of Center
Center, Colorado

Dear Mr. Fox,

We wish to apply to the First National Bank of Center for a Commercial Loan in the amount of $79,734.83. The loan is to be used for the financing of an exploration project we wish to undertake. We are planning to drive a 500' drift and two 100' raises in order that we may explore and locate any ore bodies that may be present on mining properties we are presently leasing. The properties are the Antoro, June, Poverty, and Independence Claims located in the Bonanza District of Saguache County, Colo..

You will find enclosed the U. S. Silver Mining Company Balance Sheet for the year ending December 31st., 1968 and two estimates of costs which we are submitting as reference material for your examination.

We would prefer repayment arrangements extending over a ten year period based on present market interest rates.

If you are in need of additional information or materials please contact me at P.O. Box 749, Salida, Colo. or phone me at 655-2275. Thank you for your consideration.

Sincerely yours,

R. C. Beasley

R. C. Beasley
Office Manager

THE FIRST NATIONAL BANK
BOX 520
CENTER, COLORADO 81125

L. E. TROUSDALE - President
RAY A. FOX - Vice Pres. and Cashier

May 13, 1969

Mr. R. C. Beasley, Office Manager
U. S. Silver Mining Company
P. O. Box 749
Salida, Colorado 81201

Dear Sir:

We have your letter of May 5, 1969 regarding a loan in the amount of $79,734.83 payable over a ten year period for use in exploration of various properties located in the Bonanza District of Saguache County, Colorado.

We are unable to make a loan of this size since it is for an amount which exceeds our lending limitations. Also, our lending policy would not permit us to make a loan for the time requested to be used for exploration of mining properties.

Thank you for contacting us and we are sorry we are not able to be of help.

Yours very truly,

L. E. Trousdale

L. E. Trousdale
President

LET:gf

May 7, 1969

Mr. C. S. Hagge, Jr.
The First National Bank of Salida
Salida, Colorado

Dear Mr. Hagge,

The U. S. Silver Mining Company wishes to apply to the First National Bank of Salida for a commercial loan in the amount of $79,734.83. The loan is to be used for the financing of an exploration project we wish to undertake as soon as possible. Our project is that of driving one 500' drift and two 100' raises in order that we may explore and delineate any ore bodies that may be present on a number of mining claims we are presently leasing. The specific properties to be explored are the Antoro, June, Poverty, and Independence Claims located in the Bonanza District of Saguache County, Colorado.

You will find enclosed the U. S. Silver Mining Company Balance Sheet for the year ending Dec. 31st., 1968 and two estimates of exploration costs, related to the above project, which are submitted as preliminary reference material for your examination.

We would prefer payment arrangement extending over a 10 year period based on current market interest rates.

For additional information or materials please contact me at P. O. Box #749, Salida, or call me at 303-655-2275. Thank you for your consideration.

Sincerely yours,

R. C. Beasley

R. C. Beasley
Office Manager

The First National Bank of Salida

D. L. MITCHELL
VICE PRESIDENT & CASHIER

Salida, Colorado 81201
In the Heart of the Rockies

May 9, 1969

Mr. R. C. Beasley
Office Manager
U.S. Silver Mining Company
Bonanza, Colorado

Dear Mr. Beasley:

Thank you for your letter of May 7, 1969, wherein you requested a commercial loan in the amount of $79,734.83.

Our loan committee has met regarding this request, and due to the tight money situation, and the heavy demand of agriculture and local business concerns, we feel that we must decline your request for your mining operations.

We feel that until there is an easing of the credit situation that we will not be in a position to facilitate your borrowings.

Very truly yours,

D.L. Mitchell
Vice President & Cashier

DLM:nb

PRODUCTION

Complete data on the production of the Rawley mine prior to 1902 are not available. The reports of the Director of the Mint for 1890 and 1891[87] give $1,365 and $5,981, respectively, for these years. In reports for other years no data on the Rawley mine are given. The following table shows the production of the mine since 1902, compiled from mine records of the United States Geological Survey and the United States Bureau of Mines, supplemented by information furnished by the company. Some details of the metallurgical data from operation of the mill during 1926 and 1927 are shown in the second table, based upon data furnished by the Rawley Mines (Inc.).

Production of the Rawley mine, 1902–1930

Year	Ore (dry tons)	Concentrates produced (dry tons)	Gross content of concentrates and smelting ore				
			Gold (fine ounces)	Silver (fine ounces)	Lead (wet assay; pounds)	Copper (wet assay; pounds)	Zinc [a] (pounds)
1902		600		12,000	438,000	60,000	
1905		384		4,143	188,720		
1916	[b] 2,731		102.72	37,335	62,066	134,246	
1917	[b] 1,875		61.46	21,663	51,523	94,521	Penalized.
1923	34,170	9,032	183.80	146,329	3,267,520	567,093	1,287,066
1926	43,971	5,369	236.27	267,142	3,110,418	1,276,493	
1927	112,393	22,742	965.28	842,579	6,683,138	4,846,733	2,488,250
1928	110,595	22,238	1,123.46	903,759	5,285,710	5,391,184	2,406,152
1929	118,647	18,967	1,003.50	720,172	6,442,738	3,329,047	2,465,710
1930 [c]	56,262	7,737	456.02	328,385	2,484,756	1,520,267	765,963
	480,644	87,069	4,132.51	3,283,507	28,014,589	17,219,584	

[a] Zinc not recovered. [b] Crude ore to smelter. [c] Mine closed late in June.

Range in character of concentrates from Rawley ore in 1927, by months

Month	Assay content of concentrates							Recoveries from mill heads (per cent)			Ratio of concentration
	Gold (ounce per ton)	Silver (ounces (per ton)	Lead (per cent)	Copper (per cent)	Iron (per cent)	Insoluble (per cent)	Zinc (per cent)	Silver	Lead	Copper	
January	0.050	44.0	17.1	10.8	25.9	2.4	5.43	85.7	92.5	86.1	5.36
February	.055	42.6	16.9	12.7	25.8	2.2	4.69	83.5	91.0	88.0	6.53
March	.045	45.1	16.6	11.9	26.4	2.4	4.38	90.6	93.2	91.0	6.37
April	.043	36.8	15.9	10.2	26.9	3.4	4.50	91.4	94.0	91.1	6.09
May	.039	32.8	16.6	9.70	26.6	3.7	4.70	92.5	94.1	92.6	5.39
June	.040	31.9	17.2	8.82	26.4	3.0	5.70	90.3	93.8	89.5	5.20
July	.040	32.5	14.8	9.60	25.1	4.9	7.0	88.7	92.5	88.3	4.45
August	.041	33.6	13.1	9.55	27.0	4.3	6.01	91.3	91.7	87.5	3.98
September	.040	31.6	9.91	9.06	29.5	4.8	4.92	92.1	91.0	88.1	3.75
October	.036	39.4	15.2	11.9	24.6	3.2	6.47	83.8	89.5	82.0	4.63
November	.040	38.9	13.6	12.8	25.5	3.2	5.33	82.7	90.8	82.8	4.64
December	.039	42.2	12.7	12.5	25.3	3.9	5.94	85.7	90.2	85.0	4.77

exploratory work has been done on the fourth adit level. In 1928 the 600-foot level was driven south through the Paragon fault zone and crosscut east about 50 feet, when a vein south of the fault was intersected. The Paragon fault was subsequently crossed, and development work was done on three other levels south of the fault. There is some development from the third level within the Paragon fault zone, which is weakly mineralized. The length of stoping on the Rawley vein proper north of the fault ranges from about 850 to 1,100 feet on levels between the 200 and 900. On the twelfth level the vein has been followed for more than 600 feet south of the shaft, but as it did not appear encouraging, the drift was not continued to intersect the Paragon fault. Between the second and ninth levels the vein has been stoped out practically to its intersection with the Paragon fault.

On the third level some development work has been done on the so-called Parallel vein, which lies north of the shaft and in the footwall of the Rawley vein. A crosscut was also driven from the fourth level to intersect the Parallel vein, but most of the work on the Parallel vein was done by lessees, and a complete survey of its development is not available. A little development work has been done on the Clark vein, one of those cut by the drainage tunnel.

An underground hoisting station, situated at the intersection of the Rawley vein and the drainage tunnel, allowed the skips to be operated in the main shaft to the fourth level. A small shaft south of the main shaft was used for raising and lowering men and materials between the sixth and third levels. The vein has been mined largely by the shrinkage-stope method. The ore was hauled from the loading bins on the twelfth level by electric locomotives to the mill, a distance of over 6,000 feet. The concentrates from the mill were delivered from the concentrate bins to an aerial tramway which ran due north of the mine plant to the Denver & Rio Grande Western Railroad at Shirley.

GEOLOGIC FEATURES

GENERAL SUMMARY

The rocks in the vicinity of the Rawley mine are the Rawley andesite and the Bonanza latite. These are much broken by north-south faults that drop the formations on the east and also by a series of northeasterly and northwesterly faults that drop the formations successively southward. The Paragon fault is the largest known of the east-west system. Practically all the faults are of premineral age, but the north-south faults are possibly older than the Paragon fault. The Rawley vein occupies a north-south fissure of comparatively small displacement and is largely the result of a filling of open spaces with minor replacement. The main gangue mineral is quartz, but barite, calcite, rhodochrosite, manganiferous calcite, and siderite are found in small quantities. The main ore minerals are pyrite, sphalerite, galena, chalcopyrite, bornite, enargite, tennantite, and stromeyerite. The vein shows a change in metal content from a lead-silver-copper ore in the upper levels to predominating copper-silver ore with a minor amount of lead in depth. A less pronounced change in the metal content is indicated from the south toward the north in the vein on several of the levels. These geologic features are discussed in more detail in the following paragraphs.

DRAINAGE AND HAULAGE TUNNEL

A geologic section from the portal of the drainage tunnel to the Rawley vein is shown in Plate 25. The geologic structure is very complex, and consequently it is not possible to make accurate correlations between the surface and underground data along the line of the tunnel. At the portal in Squirrel Gulch the tunnel starts in andesite, although the débris from the fault block of Bonanza latite that forms a high ledge above the tunnel portal completely obscures the outcrop of the underlying andesite near the portal. The Bonanza latite is encountered 70 feet from the portal and continues about 140 feet beyond this point. Two much smaller fault blocks of latite occur at about 400 and 900 feet from the portal. The remainder of the tunnel lies entirely in intricately faulted andesite. About three-quarters of its length is overlain at the surface by tilted and faulted latite. The large block of latite lying above the portal of the tunnel strikes about north and dips 45°–50° W. The latite is repeated many times at the surface along the line of the tunnel by faults which throw successive blocks downward toward the east. Although the structure appears incredibly complicated because of the steep westward dips of all the latite blocks, any doubts as to the faulting are dispelled by an examination of the tunnel. A great many fault fissures are encountered in the tunnel as may be seen from Plate 31 and the andesite is much fractured between the larger faults. Very little of the andesite is free from alteration, and the rock is either silicified, chloritized, or altered to sericite and impregnated with carbonates and pyrite. The pyritized jaspers, which are very common, are described in detail on pages 72–73. Some of these also contain traces of zinc. The distribution of the main zones of alteration is shown in the geologic section of the tunnel. Despite this extreme alteration of the rocks for nearly the whole length of tunnel, a comparatively small number of economically valuable veins are found. The Clark vein, which is described below, is the largest of these.

Variation in tenor of the ore of the Rawley vein in different parts of the ore shoot

	Number of assays [a]	Ore (tons) [b]	Silver (ounces to the ton)	Lead (per cent)	Copper (per cent)	Ratio of lead to copper
200-foot level		9,415	10.0	11.6	2.11	5.47
300-foot level		6,490	9.72	12.7	1.70	7.47
400-foot level:						
South of shaft		314	12.8	18.5	1.40	13.2
	11		6.75	12.5	1.57	8.0
North of shaft		2,749	9.86	11.0	2.45	4.48
500-foot level:						
South of shaft		3,784	12.2	7.78	3.25	2.39
North of shaft		12,563	10.3	5.78	3.02	1.9
	18		6.77	3.31	2.79	1.2
600-foot level:						
South of shaft		2,423	13.4	5.6	3.54	1.58
North of shaft		6,354	9.9	1.04	3.85	.27
	26		15.1	2.06	5.07	.41
680-foot level:						
South of shaft	28		10.7	1.52	3.18	.48
North of shaft	32		12.5	.84	5.22	.17
700-foot level:						
South of shaft		3,008	11.8	2.41	3.17	.76
North of shaft		92	6.84	.69	2.25	.31
	18		16.0	1.50	6.33	.24
800-foot level, north of shaft		2,817	8.48	6.67	2.36	2.8
1,200-foot level, south of shaft		193	25.2	3.2	3.6	.89
	27		4.48	.80	.59	1.4

[a] Assays reduced to average foot percentages, representing the weighted mean of the percentages according to the widths of individual samples.
[b] Ore mined by lessees.

The horizontal change in the ratio of lead and copper toward the Paragon fault seems to be definitely shown by the data available, though it is not nearly as pronounced as the vertical change. The enrichment of the ore in lead noticeable at places near the Paragon fault is believed to be due to openings formed during the later stages of ore formation, caused presumably by contemporary movements on the Paragon fault.

The correspondence between the silver and copper content of the ore from the Rawley vein is very close in nearly all parts of the mine. The average silver content of the ore from the four upper levels mined prior to 1923 was about 5.6 ounces to the ton, or about 5 ounces of silver to 1 per cent of copper. The ratio of silver to copper in 11,820 tons of ore from the four upper levels mined by lessees in 1926 and 1927 is practically the same, 4.9 ounces of silver to 1 per cent of copper. This ratio is somewhat higher than that of the average mine-run ore of the lower levels, which ranges between 2.8 and 3.9 ounces of silver to 1 per cent of copper. There appears to be no definite relation between the silver and lead content. The minerals that probably carry most of the silver are tennantite and stromeyerite. In the Rawley ore stromeyerite is nearly always associated with bornite or tennantite and less commonly with other minerals. The bornite-bearing ore from the 700-foot level averaged about 10 ounces of silver to the ton, which is considerably higher than the average of mine-run ore from the upper levels.

The average value of ore from the Rawley vein is not fairly represented by the table on this page, as the ore was mined by lessees and the average value thus influenced by selection. The total ore mined and milled in the period from 1926 to 1930 had an average assay value of close to 8 ounces of silver to the ton, 3.2 per cent of lead, and 2 per cent of copper. Data as to the zinc content of the ore at various places in the mine are not as complete as those for lead and copper, but on the whole zinc is rather persistent. The highest content of zinc in the vein is said to have been encountered on the fourth level near the north end of the ore shoot, where it was about 4 to 5 per cent. The zinc content of the vein as a whole lies between 2 and 3 per cent. The average gold content is close to 0.01 ounce to the ton. The table on page 113 covering the mine production approximately by levels during 1927 shows the variation in value of the vein and also brings out strikingly the decrease in lead content of the ore with increasing depth of operations.

The close association of silver and copper is shown by Figure 24, based on the early production of the mine, prior to 1923, and on the monthly production of company mine ore during 1927. This chart shows that the percentage of lead in the company ore from the lower levels during November and December, 1927, was exceptionally low. The average for the lower levels is probably nearer 1 per cent, if several months' run is considered. The silver, however, shows no relation whatever to this fluctuation in the lead content but follows the copper curve very closely.

approximately 320 feet below the surface but has only about 30 to 40 feet of drifts.

GEOLOGIC FEATURES

All the workings of the Antoro mine are in the Rawley andesite, the upper levels and outcrop of the Antoro vein being in the upper latite member. The lava flows on the surface appear to have a strike somewhat west of north and a dip of 15°–20° W. The dips of the flows are much less steep here than 2,000 or 3,000 feet west of the mine. By allowing for the intervening lavas which have been eroded from above the vein outcrop but which overlay the andesite during the time of ore deposition, the present workings on the Antoro vein may be estimated as ranging within 200 to 600 feet below the base of the Bonanza latite.

On the main Antoro adit level the Rawley andesite is very much broken by faults, and it is in several of these fault fissures that the larger veins occur. Practically all the faults show some effects of mineralization, either by their altered gouge or by the presence of small amounts of sulphides, particularly pyrite or sphalerite. No postmineral faults of any consequence were found. The fault of greatest displacement is apparently the Poverty fault, in which the Poverty vein occurs. This fault has an average strike of N. 65° W., but the fault plane is somewhat curved and concave toward the north and dips 28°–35° N. The fault is accompanied by heavy gouge and some strong breccia zones, but, as is typical of all the low-angle faults in the district, the mineralization was very irregularly distributed.

The Antoro vein also occupies a fault fissure, as is shown by the different bodies of andesite that form the hanging wall and footwall at the south end of the "114 level." The Antoro fissure has an average strike of N. 25° W. and dips 65°–85° E. The average dip is probably 80°–85°, although the fault plane is warped irregularly, and both the strike and dip have a moderate range. At the surface near the Antoro shaft the vein crops out in the upper latite member of the Rawley andesite.

and carries about 5.5 ounces of silver to the ton, 8 per cent of lead, and 8 per cent of zinc, as indicated by mine assays. Copper is low, assays showing from a trace to 1.8 per cent. The gold content of the vein is also low, ranging from negligible amounts to 0.02 ounce to the ton. In the 114 north raise the vein for about 25 feet above the drift level averages 3½ feet in width and as indicated by samples carries about 6.5 ounces of silver to the ton, 18 per cent of lead, and 8.3 per cent of zinc.

The vein has been followed by drifts for only about 60 feet on the 200 level north. It has an average width here of about 1.6 feet and carries 4 ounces of silver to the ton, about 9 per cent of lead, 9 per cent of zinc, and 0.5 per cent of copper.

Along the main adit level the Antoro fissure is filled with a strongly sericitized gouge and is relatively tight and weakly mineralized. The vein could be examined for only about 100 feet north of the main raise, as the adit level was partly caved and filled with water. The Antoro vein is also exposed in a drift about 100 feet in length which branches north from the east-west drift on the Poverty fissure. The vein is also weakly mineralized in this drift and dips about 65° E. The relation between the Antoro fault and the Poverty fault could not be determined, as the Poverty fault passes into the south wall of the east-west drift where the two fissures meet.

About 100 feet south of the main raise, near the turn in the adit level, a small fracture in the hanging wall of the Antoro fissure has been explored. This fracture strikes N. 50° W. and dips 70° E. and presumably is a small transverse tension fracture formed in the hanging wall of the Antoro fissure. A narrow body of black sulphide ore has been stoped along this branch vein for about 20 feet upward. (See fig. 32.) The ore is partly enriched by secondary chalcocite.

On the "114 level" north of the main raise the Antoro fissure splits into two fissures, which appear to terminate against a premineral cross fault striking N. 40°–50° W. and dipping 75°–85° SW. Too little exploration has been done beyond this cross fault to determine whether this is the limit of the Antoro ore shoot. Conditions similar to those revealed on the main adit level north of the raise were probably found here but could not be examined because of a cave in the level. At the north end of the "114 level" the Antoro vein is better mineralized than on the main adit level but pinches down somewhat near the cross fault. Near the split the vein is about 18 inches in width and carries 8 ounces in silver to the ton, 15 per cent of lead, and about 7.5 per cent of zinc. About 150 feet north of the main Antoro raise there is a 30-foot raise on the vein which exposes about 30 inches of good-grade ore at the top. The vein in this raise is about 3 feet wide and has an altered gouge on its handling wall. The structure of the vein in the raise is vuggy, with quartz and galena crystals lining the vugs. The gangue consists mainly of quartz but partly of barite and carbonate. About 30 inches of the vein at the top of the 30-foot raise shows a content of 22.5 per cent of lead, 4.4 per cent of zinc, and 9.5 ounces of silver to the ton. Both walls of the vein are much altered; sericitization is evident in both, but the footwall is the more strongly silicified. At the foot of the raise in the drift the vein matter is more massive and less vuggy, but there is about 1 to 1½ feet of loose altered gouge on the hanging wall. This gouge extends all along the north drift and has a tendency to slump into the drift, necessitating timbering most of the way.

In the "114 drift" south of the main raise the vein lies between pyritized walls and is well mineralized for a distance of 70 feet, to a small raise. The vein in the upper end of this raise appears similar in character to that in the north raise and is about 2 feet thick. Beyond this raise to the south the vein becomes nearly vertical and pinches to a narrow barren fissure filled with altered gouge. The fissure continues barren to the end of the south drift. There are several parallel fractures in both walls, but they are not mineralized.

As far as present developments show the ore body is about 240 feet in length, extending possibly 50 feet below the "114 level" and an undetermined distance above. How much of this body has been mined above the "114 level" is not known, as the old workings are not accessible, but the early production was small. Although the fissure is tight on the main adit level, the mineralogic character of the ore just above the level does not indicate that the bottom of mineralization has been reached. Should the vein widen below the adit level within the next few hundred feet, there might be additional bodies of zinc-lead ore or of copper-silver ore. The intersection with the Poverty fissure should also be reached within a vertical depth of 200 feet in the vicinity of the shaft, providing the two fissures hold their dip as exposed on the adit level. Although the ore body developed by the present workings is small, the amount of work done is insufficient to show its full extent. It is presumably limited, however, on the north and south by the cross fissures mentioned.

POVERTY VEIN

The Poverty vein occupies a low-angle fault dipping northeastward toward the Antoro fissure. The two veins intersect east of the main adit level, but the intersection is not exposed in the drift. Near the intersection both veins are only weakly mineralized. The strongest mineralization in the Poverty fault occurred

near the end of the west drift. A small body of high-grade lead-silver ore has been mined from the stope shown on the map. Shipments direct to the smelter amounting to 730 tons showed an average content of 32.3 per cent of lead, 0.6 per cent of copper, and 8.9 ounces of silver and 0.012 ounce of gold to the ton. The zinc is said to have averaged 4 per cent or less in the ore that was shipped. The stope pinched at the east end but at the top showed 10 to 26 inches of ore which assayed from 3 to 7 ounces of silver to the ton, 8.5 to 25 per cent of lead, 0.2 to 5.0 per cent of copper, 2.4 to 6.0 per cent of zinc, and 7 to 11 per cent of iron. The data regarding the stope are based upon assay maps, as the stope could not be entered because of bad air. In the relatively high lead content and the low copper content this ore agrees with the ore of the Antoro vein as indicating that the bottom of the zone favorable to ore has not been reached. Ore bodies in flat veins such as the Poverty are likely to be very irregularly distributed, however.

ZINC VEIN

The Zinc vein is a north-south vein exposed by a crosscut east of the main adit level. It can be traced for about 160 feet in the drifts. It dips about 65° E., and the strike turns somewhat to the northeast in the north drift. It can not be definitely stated whether or not this is the continuation of the Antoro vein until more development work has been done. The vein runs much higher in iron and zinc than either the Antoro or the Poverty vein, and this mineralogic difference, in conjunction with its strike in the north drift, suggests that it is not a direct continuation of the Antoro vein. It may, however, be another part of the Antoro fissure which has been displaced by premineral movement on the Poverty fault. The vein is from 1 to 4 feet thick, averaging around 2 feet, and contains about 8 per cent of lead, 13 per cent of zinc, a trace of copper, and about 19 per cent of iron. The silver assays range from less than 1 ounce to 9 ounces and average a little over 2 ounces to the ton.

At the south end of the drift the vein pinches and terminates against a fault plane striking N. 85° E. and dipping about 70° S. In the north drift the vein is only a foot or a little more thick and pinches near the breast of the drift. The gangue of the vein is siliceous, and it appears too narrow and too high in iron and zinc to encourage stoping.

NORTHEAST VEIN

About 170 feet from the portal of the main adit level a winze has been sunk 125 feet on a steep vein. The winze was filled with water, but from what could be seen near the adit level the vein strikes about N. 30° E. The winze is said to be nearly vertical. The gangue consists of hard, dense quartz containing pyrite and chalcopyrite,[10] and the vein matter is said to be 18 inches wide at the bottom of the winze. This vein is in line with and about 300 feet northeast of the split in the Rawley vein on the 300-foot north level of the Rawley mine. Mr. John E. Ashley, superintendent of the Antoro property, very reasonably considers the fissure in the winze to be a continuation of the east split of the Rawley fissure. According to him, the northeast vein carries about 2 per cent of copper and has a good silver content. A vein of similar strike was apparently drifted on about 400 feet from the portal of the main adit, but these drifts were caved and could not be examined.

MICHIGAN AND PARAGON MINES

DEVELOPMENT AND PRODUCTION

The Michigan and Paragon properties (Nos. 54, 61, 62, and 63, pl. 1), which are owned by the Antoro Mines Co., have been developed on two veins on the north side of Rawley Gulch above the Rawley mine. The Paragon vein is in a fault that follows approximately the course of Rawley Gulch and is the large fault that is encountered in the Rawley mine. It has an average strike of N. 80°–85° E. and dips 55°–60° S. The Michigan vein has been found only north of the Paragon. It strikes N. 20°–25° E. and dips 45°–58° SE. The Michigan and Paragon veins intersect on the north side of Rawley Gulch, where the Michigan vein apparently terminates—at least it has never been recognized in the south or hanging wall of the Paragon fault.

The Michigan vein workings, which include a shaft on the vein at an altitude of 11,460 feet and two tunnels below the shaft, were operated during the early history of the district, and all are now inacessible. The known extent of the Michigan tunnels is shown on Plate 1. It is estimated that about 700 tons of ore was taken from this vein.[11] In 1888[12] the Michigan produced $5,337 in silver and $8,253 in lead, and in 1890 $1,337 in silver and $2,471 in lead, making a total for these two years of $17,398. The production between 1881 and 1900 given by Patton[13] is $24,500. The production of $17,398 represents about 5,170 ounces of silver and 246,000 pounds of lead and would indicate on 500 to 700 tons of ore that the ore averaged from 8 to 10 ounces of silver to the ton and 20 to 25 per cent of lead. The early shipping ore is said to have been oxidized and to have contained lead carbonate. There has been little or no production from

[10] Patton, H. B., op. cit., p. 89.
[11] Idem, p. 90.
[12] Munson, G. C., Report of the Director of the Mint upon the production of the precious metals in the United States, 1888, pp. 120, 121, 1889.
[13] Patton, H. B., op. cit., p. 68.

NONFERROUS METALS WILL MAKE IT BIG IN '69

The nonferrous metals picture is considerably brighter this year than in strike-plagued '68.

Shipments of copper-base mill and foundry products will rise 10% above '68 levels, to about 6.7 billion lbs. But they will not catch up with shipments in '66, when huge inventories were built up in anticipation of the industrywide strike. The strike shut down more than 90% of U.S. primary copper production for more than eight months.

Since the strike, refined copper production has increased steadily. Assuming no strikes in '69, it will top '68 output by 30%. At year-end '68, demand and supply were in near balance.

Brass Price Cut: Brass mill product shipments will reach 3 million lbs., a gain of 17% over '68. This is expected to be accomplished by a price reduction on the order of 5%. Brass and brass foundry product shipments are expected to increase 3-4% in '69, to a little over 1 billion lbs.

Copper wire mill production will go up about 5%, to 2.5 million lbs. The increase is relatively small, because fewer copper wire mills than brass mills were closed by strikes. A small price cut is also expected here because of abundant supplies.

Shipments of magnesium should climb about 6%, to nearly 290 million lbs. What happens to magnesium in the year ahead is closely tied to the aluminum industry's performance—it's alloyed with aluminum in structural products and in aluminum can stock. But gains are also expected in more direct uses—e.g., as cathodic protectors for underground gas and oil pipelines, water heaters and tanks and a range of chemical and metallurgical uses—so prices are expected to remain stable.

Net shipments of aluminum ingots and mill products soared from 696 million lbs. in Feb. '68 to more than 1 billion lbs. in May, when a new labor contract was signed without a strike.

There was also occasional substitution of aluminum for copper because of a copper shortage. And some substitutions tend to become permanent.

Shipments of aluminum ingots and mill products will rise about 7%, to a new high of 10.5 billion lbs. vs. a 9% gain last year when a strike threat boosted shipments.

Aluminum Strong: A high level of construction activity will also trigger a substantial increase in aluminum use in conventional buildings and mobile homes.

Also, more aluminum will go into trucks, trailers, passenger cars and shipping containers, and into aircraft construction.

Few products are immune to an economic slowdown such as is now sought by monetary authorities for latter-half '69. But the aluminum industry has a lot going for it—e.g., the dramatic burst of utility construction that's expected to continue through the year.

Lead production in '69 will be about 570,000 lbs., a 16% gain on top of last year's hefty 24% increase. World output of lead is expected to show a big increase. But consumption will remain strong and prices firm.

As with other nonferrous metals, strikes dominated the '68 zinc scene. Markets were firm but not tight. Because supplies are ample, some observers question whether a price increase posted last January will hold. Slab zinc output will climb 2% this year, to about 1.4 million short tons.

Chemical Week
March 29, 1969

Adequate silver supplies bring price pressure

Business Week
March 8, 1969

At $1[illegible]per oz., silver prices are now at their lo[illegible]t levels since late 1967—and down from a peak of $2.57 last summer.

The downward toboggan of prices began with a realization that supplies of silver are adequate to meet current demands.

New silver is coming onto the market from domestic mining operations at around a 35-million-oz. annual rate. This is way short of requirements; industrial consumption currently amounts to about 150-million oz. a year.

But the government is selling 2-million oz. a week from its stocks. At yearend, it had 77-million oz. at the Mint; it estimates there were about another 157-million oz. at Federal Reserve banks in the form of silver coins.

Moreover, the Treasury expects to recover more than 600-million oz. by retiring silver coins that are still in circulation.

Last year 72-million oz. of silver were imported. But the U.S. was actually a net exporter of silver in 1968, shipping out 118-million oz.

There is one important factor that could underpin prices.

Since U.S. speculators cannot hold gold, many buy silver futures in times of international distress.

A new crisis could heat up demand, sending silver prices up at anytime, in the face of the large immediate supply available. Over the long term, silver analysts agree that the trend will be up.

Metal prices stay on the firm side

Business Week
April 5, 1969

Metal prices are benefiting from the ongoing advance in business, strong demand from Europe and Japan, and production problems in some metals.

Last year at this time, the major metals industries were expecting lower prices for copper, lead, and zinc. In aluminum, producers were hoping to eliminate discounting, but were not anticipating price increases.

There is solid demand in most metals; recent price rises may stick.

Domestic producers increased copper prices by 2¢ to 3¢ in January, to 44¢ to 45¢ per lb. Even though new production is slated to come on the market in a few months, it may do no more than bring down the free market price of 58¢ per lb. rather than undercut the recent price rise.

In aluminum, the mills have been posting small increases in mill products. And January's 1¢ increase to 27¢ in ingots is finally sticking. Price discounts had developed soon after the increase was posted.

Zinc was increased ½¢ per lb. to 14¢ in January. It could go up again, but producers may not want to hurt zinc's standing in its two big markets—steel (galvanizing) and autos (die casting).

AGREEMENT OF LEASE AND OPTION TO PURCHASE

THIS AGREEMENT OF LEASE AND OPTION TO PURCHASE, made and entered into as of the 1st day of June, 1968, by and between WEEMS WEAVER MINING CORPORATION, a Colorado corporation hereinafter known and referred to as the Lessor, and DWIGHT M. ROUNDS, GEORGE P. BATES, GEORGE S. ABRAMS and JOHN O. FLENDER d/b/a U.S. SILVER MINING COMPANY, a limited partnership, hereinafter known and referred to as the Lessee.

WITNESS THAT:

THE LESSOR, for and in consideration of the covenants and agreements hereinafter expressed, and the rents and royalties hereinafter stipulated to be paid by the LESSEE, hereby leases, demises and lets unto the said lessee the following described mining property and real estate, situate in Kerber Creek Mining District, in the County of Saguache and State of Colorado, to-wit:

Antoro	Survey No. 937
Poverty	Survey No. 938
June	Survey No. 1364
Artic	Survey No. 14183
Independence	Survey No. 14183
Ignacio	Survey No. 14183
Orphan Bell	Survey No. 14183
Ouray	Survey No. 14183
North Pole	Survey No. 14183
Peary	Survey No. 14183
Washakee	Survey No. 14183
Shavano	Survey No. 14183
Red Cloud	Survey No. 14183
Washington	Survey No. 19532
Lincoln	Survey No. 19532
Michigan	Survey No. 7837
Weems	Survey No. 20125
Weaver	Survey No. 20125
Ashley	Survey No. 20125
Sanders	Survey No. 20125
Paragon	Survey No. 733
Lillian	Survey No. 20443

and all of the ore and tailing dumps on the above described properties belonging to the Lessor.

ADDRESS OF OWNERS — WEEMS WEAVER, CORP.
C/o ARAD RIGGS
ALLIN, RIGS & FIENCKE
50 EAST 42nd St.
NEW YORK, N.Y. 10017

TO HAVE AND TO HOLD THE ABOVE DESCRIBED PREMISES, for the purpose of mining thereon under the terms of this Agreement of Lease and Option to Purchase for the term of 20 years from the date first hereinbefore written, and expiring at noon on the 1st day of June, 1988, unless sooner forfeited through violation of any covenant or promise hereinafter set forth.

(1) IN CONSIDERATION OF THE DEMISE AFORESAID, the Lessee hereby covenants and agrees with the Lessor as follows:

To enter into and upon said mining premises, and when and if working said mine, to work it in mine fashion, in a manner necessary to good and economical mining with due regard to the development and preservation of all of said property as a workable mine in the future. The Lessee may construct roads on the demised property at his expense, and may enter timber land and remove timber therefrom for mining purposes on the demised premises.

(2) To pay all mineral production taxes on the minerals mined from the premises when same are due, as is hereinafter provided.

(3) To well and sufficiently timber said mine at all points where proper in accordance with good mining and to repair old timbers wherever the same may be necessary by reason of the work done by the Lessee.

(4) To allow the Lessor and its agents, at reasonable times, to enter upon and into all parts of said mining property for the purpose of inspection, sampling, surveying, etc., and the Lessee will render unto the Lessor all reasonable assistance.

(5) To comply with all the rules and regulations of the Commissioner of Mines and the laws of the State of Colorado, as regards the operation of metalliferous mines now in force or which may hereafter be enacted.

(6) To occupy and hold all veins, spurs, feeders, crosslodes, parallel lodes or mineral deposits of every kind which may be discovered by the Lessee or any person or persons working under him in any manner, by working within or upon said premises, as the property of the Lessor and as part of the premises demised, and not to allow any person or persons, not in privity with the parties hereto, to take hold of or hold possession of the demised premises or any part thereof, under any pretense whatsoever. Lessee does not agree to protect the legal title to any of the demised premises in any litigation.

(7) All permanent buildings and other permanent improvements erected or constructed on the demised property shall, upon the termination of this Agreement for any cause whatever, be and become the property of the Lessor.

(8) No lien of any kind whatsoever will be created by the Lessee upon or against the premises herein demised.

(9) The Lessee will at all times keep and maintain, posted in conspicuous places near each and every entrance to the mine and on the principal building, a Notice in clear legible characters, in substance as follows:

N O T I C E

NOTICE IS HEREBY GIVEN to all parties performing labor or furnishing skill, materials, machinery or other fixtures or supplies of any kind, in, to or for the use of the Lessee, on any part or portion of this leased mining property, being a part on which this NOTICE is posted, that the undersigned, the owner of the property will not be responsible for any labor performed, or any skill, materials, machinery, fixtures, or supplies of any kind, furnished to or for the benefit of the Lessee, nor shall any interest of the owner, be subject to any lien for the same, and all persons are hereby notified that these premises and the contiguous claims have been and are now leased to Dwight M. Rounds, George P. Bates, George S. Abrams and John O. Flender d/b/a U. S. Silver Mining Company, a limited partnership, and their permitted assigns, to whom all persons must look for their compensation and pay.

DATED June 1, 1968

WEEMS-WEAVER MINING
CORPORATION

and any deliberate failure at any time so to keep and maintain posted such notices, or any of them, as herein required, shall at the option of the Lessor, constitute a forfeiture of this Agreement and Lease and the Lessee will thenceforth be a trespasser upon the demised property, and he may be proceeded against for unlawful detainer, or shall and will be considered without further rights in the demised property, all subject to the 45 day notice, Provision of Paragraph 20 hereafter set forth.

(10) The Lessee will not be considered the Agent of the Lessor in any manner connected with the use and operation of the demised property, except where such agency is expressly stated herein.

(11) To assume all responsibility for and to save the Lessor harmless for any accidents to the Lessee or any of his employees, agents, associations or visitors upon the property of the Lessor, or being conveyed to or from the demised premises by the Lessee, his Agents, servants, or employees, or any person or persons, other than the Lessor, its visitors, agents or persons acting for the Lessor. And if necessary for the protection of the Lessor, to forthwith post and at all times keep posted at the main workings upon the demised premises a conspicuous notice stating that the premises are leased to the Lessee and that the Lessor will not, under any circumstances, be liable for damages on account of accident, and the Lessor will not, under any circumstances, be liable to the Lessee, his Agents, licensees, employees, associates, visitors, or any person acting under the Lessee on account of any accident and, for the further protection of the Lessor, the Lessee agrees that he will comply in all respects with the Workmen's Compensation Laws of the State of Colorado now in force or which may hereafter be enacted for the protection of the employees working on the demised premises.

(12) The Lessee further agrees that he will not use, or permit to be used, any part of the demised premises for any purpose in violation of the laws of the United States of America, or the laws of the State of Colorado, and he will not do, or permit to be done by any person or persons under his direction or control, any act or thing that will endanger the buildings and cabins on the demised premises, nor such as would invalidate any insurance that may be or has been placed thereon. The Lessee agrees to this as one of the conditions precedent to the use of the demised premises.

(13) The Lessee, at his option may use either of the following two milling methods; he may keep all ores broken and mined separate and distinct from all ore and other products by him broken and mined in other property, and shall keep the same under distinct markings and in separate storage equipment, and shall ship the same in lots separate and distinct from all other ores, and the Lessee will at reasonable times permit the Lessor and its authorized Agents to examine and check the methods in use in so handling such ore at all places where the same may be; or he may mix ores from various sources and apply the following formula: The said Lessee will pay to the Lessor, upon all ore, concentrates and other products, mined, shipped or sold, from the demised premises, a royalty of 10% on Lessor's proportion of weight of crude ore is to the total net smelter returns.

	e-g			
	Net Smelter Return		$10,000	
	Total Crude Ore		200 Tons	
Mine #1=	50 Tons of Crude or 1/4	$ 2,500.00	Royalty	$ 250.00
Mine #2=	50 Tons of Crude or 1/4	2,500.00	Royalty	250.00
Mine #3=	100 Tons of Crude or 1/2	5,000.00	Royalty	500.00
Totals	200 Tons	$10,000.00		$1,000.00

An accurate monthly itemized statement of weight on crude ore, mined shall be sent to Arad Riggs, Esq., or any other person in Colorado or New York designated by the Lessor by notice in writing given to the Lessee, not later than the 10th of the month following the monthly report. Statement should show tonnage involved in any concentrate ore shipment.

~~All of the above royalties are to be paid on the net value per ton less the actual cost of truck or wagon haulage from the mine to the required shipping point.~~

(14) The Lessee will make the necessary arrangements for the ore or concentrate purchasing agency to send to Arad Riggs, Esq., whose address is 50 East 42nd Street, New York, N. Y. 10017, or any other person in Colorado or New York designated by the Lessor by notice in writing given to the Lessee, complete copies of all the settlement sheets, which settlement sheets will show the tonnage shipped, the grade and content of the ore or concentrates shipped, together with a draft in payment of all royalties due the Lessor on each shipment.

(15) The said Lessee will make a payment in cash on the execution of this Agreement as set forth in the "Option to Purchase" clause (25) hereof, and thereafter the Lessee, will pay a royalty of 10% on Lessor's proportionate weight of crude ore, or direct calculation of Lessor's ore milled, as set forth in alternative provisions above.

(16) The Lessor hereby consents to two assignments of this lease by the said Lessee, Dwight M. Rounds, George P. Bates, George S. Abrams and John O. Flender d/b/a U. S. Silver Mining Company, a limited partnership, upon the express condition, that the said Lessee, Dwight M. Rounds, George P. Bates, George S. Abrams and John O. Flender, d/b/a U. S. Silver Mining Company, a limited partnership, will at all times be and remain responsible and liable to

the Lessor for such assignee's complete and faithful compliance with all of the agreements, covenants, terms and conditions, of this Agreement of Lease and Option to Purchase, provided however, the said Lessee will notify Arad Riggs, Esq., in writing in advance of any intention to make such an assignment. No other or further assignments of this lease will be made without the written consent of the Lessor. The said Lessee will not mortgage or otherwise encumber this lease, and said Lessee will not mortgage or otherwise encumber the demised premises.

(17) All of the above royalties are to be paid on the net value per ton, less the actual cost of railroad freight, truck or wagon haulage, from the mine, if any, milling costs and the smelter or other ore-purchasing agency treatment charges, and after a two percent deduction is made to apply upon, and to create a reserve for the payment of, the production taxes assessed against the output of the demised properties.

(18) The Lessee will furnish the Lessor with paid receipts from the State Compensation Insurance Fund showing that Lessee's Workmen's Compensation Insurance is paid and in effect. The Lessee will protect the Lessor and save it harmless as to any litigation or damage, including attorney's fees and costs, of and controversy or suit relative to the disposal of any class of tailings or waste water resulting from the operation, by the Lessee, in either the mines or from the mill upon said premises, said Lessee agrees to keep all dams and tailing ponds in reasonable repair at all times during the term of this lease.

(19) Any machinery or equipment of a temporary nature installed upon the premises by the Lessee may be removed at any time before the termination of this lease.

Any other machinery or equipment installed by the Lessee upon the demised premises can, within ninety days after the termination of this lease, cancellation or forfeiture, be removed from the premises by the Lessee, provided, however, that the Lessee is not indebted to the Lessor under the terms of this lease. No permanent improvement, track, air pipe or buildings, will be removed at any time, by the Lessee or by any person or persons acting for or under the Lessee.

(20) The Lessee will deliver to the Lessor the premises and property with the appurtenances and all of the improvements in good order and condition. At any termination, or forfeiture of this lease, and subject to the 45 day provision set forth below, the Lessor, and the Lessor's Agents may thereupon enter into and upon said premises and dispossess all persons occupying the same, with or without process of law, or at the option of the Lessor, the said Lessee and all persons found in occupancy or found thereon, may be proceeded against as guilty of unlawful detainer, PROVIDED, HOWEVER, if this lease is forfeited by or upon election of the Lessor by reason of the failure of the Lessee to perform any of the covenants or conditions of this lease, the Lessor shall give the Lessee 45 days notice by registered mail, return receipt requested, and addressed to the Lessee at such address of such failure to perform, and upon the failure of the Lessee within 45 days, to remedy such failure, all of the Lessee's rights herein and to said property will thereupon cease and terminate and the Lessor's rights to take possession of all of said property shall immediately vest and may be immediately asserted and exercised.

(21) The said Lessee agrees that he will pay, promptly and when due, the general and real estate taxes assessed against, or levied upon, all of the properties herein demised. The Lessor agrees that all general and real estate taxes are current except for the 1968 real estate tax which is not payable until 1969. Lessor agrees to pay his proportionate share of the 1968 tax when the same is due.

(22) ~~Operations under~~ This lease may be terminated by the Lessee at any time during its term without any penalty or obligation, except damages caused by Lessee previous to such termination, by violation of any of the terms hereof.

(23) Each and every agreement, covenant, clause, term and condition of this lease will be binding upon the heirs, administrators, executors, successors and permitted assignees of the parties hereto.

(24) In the event any law shall be enacted in the State of Colorado making mining property subject to a lien or liability incurred by the Lessee, then and thereupon the Lessee will immediately make arrangements, satisfactory to the Lessor, to protect and indemnify the Lessor against any such lien or liability, and in the event of the failure of the Lessee to furnish such protection and indemnity, this lease can be cancelled by the Lessor upon notice as in case of forfeiture, at any time after such law becomes effective.

(25) OPTION TO PURCHASE: The said Lessee will pay to the Lessor $2,000. upon the execution of this agreement and $2,000. on June 1, 1969 and a like sum on the first day of June in each and every year thereafter during the term of this agreement.

The Lessee may deduct any royalties paid to Lessor during the 12 months, immediately preceding June 1 in any year, from said $2,000 annual minimum payment and pay only the balance of said $2,000, if any. If the 10% royalty payments in any given year exceeds $2,000 the amount in excess shall be credited to the payment due in the next subsequent year or years as the case may be. In consideration of the full and faithful performance of and compliance with each and all of the agreements, covenants, terms and conditions, of this demise by the said Lessee, the said Lessee shall have and is hereby given the exclusive right to purchase the property herein demised for the total purchase price of $40,000 provided said sum is paid to the Lessor, without interest, on or before noon of the 1st day of June, 1978.

It is agreed that all royalties paid pursuant to the terms of this lease and any minimum annual cash payments in excess of royalties paid pursuant to the terms of this option shall apply upon the purchase price if the Option to Purchase is exercised by the Lessee or its assigns. Upon payment in full of said purchase price of $40,000, the said Lessor will make, execute and deliver a good and sufficient Mining Deed conveying to the said Lessee, or its permitted assigns, all of the property herein demised. At the time of the delivery of said Mining Deed, the Lessor will deliver all maps, abstracts and other materials in its possession that will be of assistance to the said Lessee, or his permitted assigns, in the operations of the premises herein demised.

If the Option to Purchase is not exercised by June 1, 1978 by the payment of the purchase price of $40,000, then all annual payments of $2,000 or less which

shall be payments for continuing the Option to Purchase shall be forfeited to Lessor and the Lessee hereby renounces any right to reimbursement therefor and the Lessee will thereafter on June 1, 1978 pay the minimum sum of $2,000 to the Lessor on June 1, 1978 and continue to pay a like minimum sum on the first day of June in each and every year thereafter to and including June 1, 1987 with the continuing credits for Royalty payments hereunder against said annual minimum payments, without any obligation on the Lessor to permit the Lessee or its permitted assigns to purchase the leased premises.

IN WITNESS WHEREOF, the said Lessor has caused these presents to be signed by its proper officers and attested under its corporate seal, and Dwight M. Rounds, George P. Bates, George S. Abrams and John O. Flender, d/b/a U. S. Silver Mining Company, a limited partnership, have hereunto set their hands and seals, all in duplicate, the day and year first hereinabove written.

WEEMS-WEAVER MINING CORPORATION,
Lessor

(Seal)

By _____
President

Attest:

_____
Secretary

Dwight M. Rounds, George P. Bates, George S. Abrams and John O. Flender, d/b/a U. S. Silver Mining Company, a limited partnership.

By Dwight M. Rounds

By _____

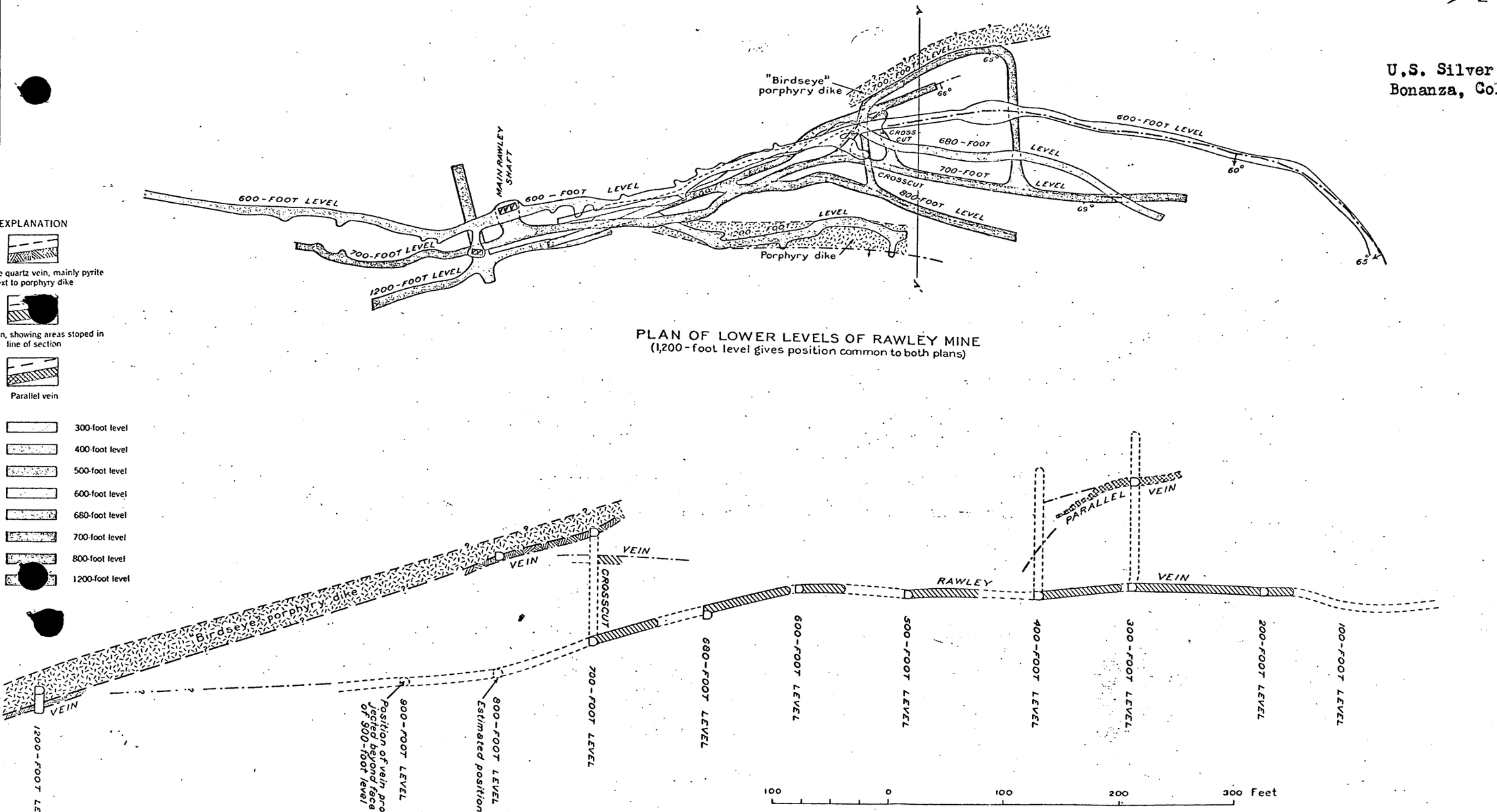
By George S. Abrams

By John O. Flender

OFFICIAL
O. No. E.
COPY
RECEIVED
JUN 9 1969
INITIALS CO-E

D

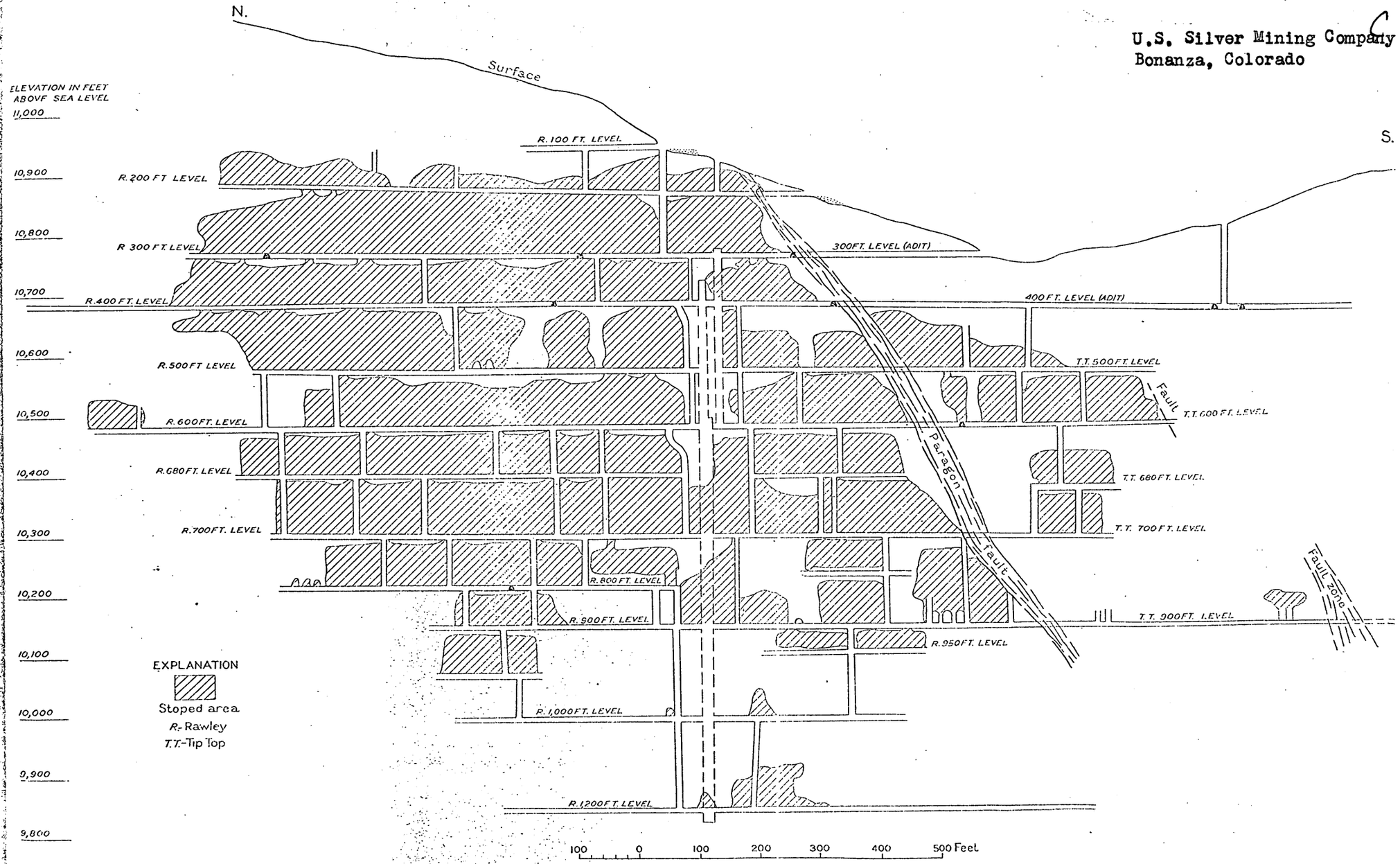
U.S. Silver Mining Co.
Bonanza, Colorado



GEOLOGIC PLANS AND SECTION OF PART OF THE RAWLEY VEIN
1931

OFFICIAL
COPY
U. M. E.
RECEIVED
JUN 9 1969
INITIALS CODE

U.S. Silver Mining Company
Bonanza, Colorado



LONGITUDINAL SECTION OF RAWLEY MINE

United States Department of the Interior
GEOLOGICAL SURVEY
BOX 25046 M.S._____
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

IN REPLY REFER TO:

April 1, 1983

M E M O R A N D U M

To: Branch of Financial Reports

From: Chief, Office of Minerals Exploration

Subject: Recording of realized loss under OME contracts

Write-off of realized losses on the contract listed below is hereby authorized:

Contract	Docket	Operator	Write-off
2294	6797	United States Silver Mining Company	$66,575.48

J. William Hasler

J. William Hasler

JWH:js

cc: A. T. Ovenshine
C. H. Thorman

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 933
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

IN REPLY REFER TO

March 31, 1983

Mr. W. R. Moran, Vice President, Exploration
Molycorp, Inc.
Union Oil Center
461 So. Boylston St.
Los Angeles, California 90017

Re: OME 6797 (gold-silver-copper)
U.S. Silver Mining Company
June, Antero, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Moran:

The terms of OME Contract 2294 and the Certification of Possible Production under an Exploration Contract dated November 13, 1973, cover the following:

Royalty payment is due on all minerals mined or produced from March 22, 1971 to March 22, 1983, or until the total amount contributed by the Government under the contract ($35,956.70, subject to audit) (whichever comes first) is fully repaid with interest at the rate of 8 percent per annum. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claims or lien against the property subject to the contract or any production therefrom. We therefore, are closing our books and records on this contract.

Sincerely yours,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

WJH:js

cc: Arad Riggs, Vice President, Weems-Weaver Mining Corp., 50 E. 42nd St. NYC
George P. Bates, Shield Chemical Company, 21 University Rd., Canton. Mass.
Robert H. Ruggeri and E. J. Mayhew, Utah-Wyoming Consolidated Oil Co., Moab, UT
A. T. Ovenshine, Reston
C. H. Thorman, Denver
Robert Edwards, Reston

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 933
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

April 8, 1982

Re: OME 6797 (gold-silver-copper)
U.S. Silver Mining Company
June, Antero, and Poverty Claims
Saguache County, Colo.
Contract 2294

Mr. W. R. Moran
Vice President, Exploration
Molycorp, Inc.
Union Oil Center
4615 Boylston St.
Los Angeles, CA 90017

Dear Mr. Moran:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
OR PROJECT UNDER ROYALTY AGREEMENT

1. Since March 24, 1981, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

Is the option agreement between Molycorp. and Utah-Wyoming Consolidated Oil Company still in effect? YES

2. Since March 24, 1981, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value
N/A		

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore	N/A		
Concentrates	N/A		
Other	N/A		

3. Since N/A workings (*see* , has any production been transported through *of contract*)? Yes ☐ No ☐

If so, state quantity, value, and disposition of material. N/A

Disposition of Material	Quantity	Value
N/A		

Submitted by:

Name Molycorp, Inc. Stanley E. Anthony	*Title* Regional Land Manager
Address P. O. Box 3976 Englewood, CO 80155	*Date* May 26, 1982

tickle march 1982

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 933
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

IN REPLY REFER TO:

March 24, 1981

Mr. W. R. Moran, Vice President, Exploration
Molycorp, Inc.
Union Oil Center
461 S. Boylston St.
Los Angeles, CA 90017

Re: OME-6797 (gold-silver-copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Moran:

The Utah-Wyoming Oil Company furnished this office with a copy of a memorandum of Exploration Right and Option to Purchase Claims presently under lien to the Government resulting from work completed under the above referenced contract.

Enclosed is a copy of the Government Certification of Possible Production under an exploration contract, as well as a copy of the contract.

The provisions of the OME contract and instructions set forth in the letter of certification apply to any production from the claims in the contract and will continue in effect until March 22, 1983, when the period of obligation for royalty payments will terminate.

We will send you annually a form MME-63 requesting information on the status of the property and any production therefrom in the previous year. The response from this assists us to maintain current records on the OME contract.

Should you have any questions about the contract or obligations to it, please do not hesitate to contact us.

Very truly yours

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

JWH:js

cc: Mr. Arad Riggs, Vice President
Weems-Weaver Mining Corporation

Utah-Wyoming Consolidated Oil Co.
George P. Bates, et al

OMR - A.T. Ovenshine CMR - R.B. Taylor

United States Department of the Interior
GEOLOGICAL SURVEY
BOX 25046 M.S. 933
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

IN REPLY REFER TO:

March 24, 1981

Mr. W. R. Moran, Vice President, Exploration
Molycorp, Inc.
Union Oil Center
461 S. Boylston St.
Los Angeles, CA 90017

Re: OME-6797 (gold-silver-copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

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The provisions of the OME contract and instructions set forth in the letter of certification apply to any production from the claims in the contract and will continue in effect until March 22, 1983, when the period of obligation for royalty payments will terminate.

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Should you have any questions about the contract or obligations to it, please do not hesitate to contact us.

Very truly yours

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

JWH:js

cc: Mr. Arad Riggs, Vice President
Weems-Weaver Mining Corporation

Utah-Wyoming Consolidated Oil Co.
George P. Bates, et al

OMR - A.T. Ovenshine CMR - R.B. Taylor

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 933
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

Re: OME 6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

Messrs. Robert H. Ruggeri and
E. J. Mayhew
Box 310
Moab, Utah 54352

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
OR PROJECT UNDER ROYALTY AGREEMENT

1. Since June 13, 1979, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes [X] No [ ]

An Option Agreement has been entered into with Molycorp and a synopsis of the agreement is enclosed herewith

2. Since November 16, 1973, has there been any production from the land subject to the contract? Yes [ ] No [X]

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings (*see* , has any production been transported through *of contract*)? Yes [ ] No [X]

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Utah-Wyoming Consolidated Oil Company By: William Riggs	*Title* -President Owner
Address Box 310, Moab, Utah 84532	*Date* February 23, 1981

RECEIVED
MAR 2 1981

RECORDING REQUESTED BY AND

AFTER RECORDATION RETURN TO: MOLYCORP, INC.
1846 W. Grant Road, Suite 105
Tucson, Arizona 85705
Attention: Land Department

MEMORANDUM OF EXPLORATION RIGHT AND OPTION TO PURCHASE

NOTICE IS HEREBY GIVEN that ELDON J. MAYHEW, also known as E.J. Mayhew and being one and the same person, and HELEN MAYHEW, husband and wife of Lakewood, Colorado, hereinafter for convenience referred to as "Mayhew", ROBERT H. RUGGERI and ARLEEN T. RUGGERI, husband and wife, of Moab, Utah, hereinafter for convenience referred to as "Ruggeri", and UTAH-WYOMING CONSOLIDATED OIL COMPANY, a Utah corporation, hereinafter for convenience referred to as "Utah-Wyoming Consolidated Oil Company", all of whom are Optionors and are collectively referred to herein as "Optionors", and MOLYCORP, INC., a Delaware corporation authorized to do business in Colorado, (hereinafter called "Molycorp"), have entered into an Exploration Right and Option to Purchase, dated February 1, 1980, by the terms of which the parties have agreed as follows:

For a period ending at midnight, December 31, 1985, and subject to the terms and provisions of the above-mentioned Exploration Right and Option to Purchase, Molycorp has an Exploration Right and Option to Purchase of, and Optionors do hereby grant to Molycorp, the exclusive option to purchase the following described property more particularly described in "EXHIBIT A", parts I, II, and III, attached hereto and by reference made a part hereof.

The terms and provisions of said Exploration Right and Option to Purchase of February 1, 1980, are hereby incorporated by reference in this Memorandum of Exploration Right and Option to Purchase.

This Memorandum shall be binding upon the assignees and successors in interests of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Exploration Right and Option to Purchase as of February 1, 1980.

E.J. Mayhew

Helen Mayhew

Robert H. Ruggeri

Arleen T. Ruggeri

UTAH-WYOMING CONSOLIDATED OIL COMPANY

ATTEST:

By

Secretary

MOLYCORP, INC

ATTEST:

By

H. M. RAINEY
ATTORNEY-IN-FACT

Secretary

STATE OF UTAH)
: ss.
COUNTY OF GRAND)

The foregoing instrument was acknowledged before me this 3 day of March, 1980, by Robert H. Ruggeri and Arleen T. Ruggeri.

Notary Public

My Commission Expires:

7-11-1983

STATE OF UTAH)
: ss.
COUNTY OF GRAND)

The foregoing instrument was acknowledged before me this 3rd day of March, 1980 by William Z. Ruggeri, President of Utah-Wyoming Consolidated Oil Company.

Phyllis J. Millers
Notary Public
Residing at Moab, Utah 84532

My Commission Expires:

7-11-1983

STATE OF COLORADO)
: ss.
COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this 25 day of February, 1980, by E.J. Mayhew and Helen Mayhew.

Roger M. Sabin
Notary Public

My Commission Expires:

June 29, 1981

STATE OF CALIFORNIA)
: ss.
COUNTY OF LOS ANGELES)

The foregoing instrument was acknowledged before me this _____ day of _____, 1980, by _____ on behalf of the corporation, Molycorp, Inc.

_____
Notary Public

My Commission Expires:

_____

STATE OF CALIFORNIA)
)
) ss.
COUNTY OF LOS ANGELES)

On this 19th day of March, 1980, before me, a Notary Public in and for the above named county and state, personally appeared H. M. RAINEY, known to me to be the person whose name is subscribed to the within instrument, as the Attorney-in-Fact of Molycorp, Inc., and acknowledged to me that he subscribed the name of Molycorp, Inc. thereto as principal and his own name as Attorney-in-Fact.

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

OFFICIAL SEAL
GLORYN G. McKEE
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Expires April 19, 1980

Gloryn G. McKee
Notary Public for the
State of California

"EXHIBIT A"

TO

MEMORANDUM OF EXPLORATION RIGHT AND OPTION TO PURCHASE

The following patented and unpatented lode mining claims located in the Kerber Creek and/or Bonanza Mining District, Township 47 North Range 7 East and Township 47 North Range 8 East New Mexico Principal Meridian, Saguache County, Colorado.

For the purpose of simplification only "Exhibit A" is divided into three parts:

PART I. Claims owned by Robert H. Ruggeri and Eldon J. Mayhew

Part II. Claims owned by Eldon J. Mayhew and Utah-Wyoming Consolidated Oil Company

Part III. Claims owned by Weems-Weaver Mining Corporation and/or Spencer F. Weaver, Jr., and Clifton S. Weaver, Trustees, which are under Agreement of Lease and of Purchase with Robert H. Ruggeri and E.J. Mayhew

EXCEPTIONS AND RESERVATIONS

O.M.E. LIEN

On or about the 22nd day of March, 1971, George P. Bates, John O. Flender and Dwight M. Rounds, d/b/a U.S. Silver Mining Company, a co-partnership, and with the consent of Weems-Weaver Mining Company, executed and delivered to the United States of America an Exploration Contract secured by O.M.E. Lien 6797 on the following described patented lode mining claims:

NAME OF CLAIM	MINERAL SURVEY NO.	PATENT NO.
Rawley	980	7810
June	1364	22770
Orphan Bell	14183	34964
Poverty	938	9735
Peary	14183	34964
Antoro	937	16739
Independence	14183	34964
North Pole	14183	34964
Ouray	14183	34964

The terms of the O.M.E. Lien provides in part as follows:

> "Royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from March 22, 1971 to March 22, 1983, or until the total amount contributed by the Government under the contract (35,956.69, subject to audit) is fully repaid with interest at the rate of 8 percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom."

A copy of the O.M.E. loan agreement has been delivered to Molycorp, Inc. and is hereby receipted for.

OBLIGATION TO WEEMS-WEAVER MINING CORPORATION AND/OR SPENCER F. WEAVER, JR. AND CLIFTON S. WEAVER

Agreement of Lease and of Purchase dated June 30, 1978, between Weems-Weaver Mining Corporation as Lessor and Eldon J. Mayhew and Robert H. Ruggeri as Lessees and Purchasers.

Agreement of Lease and of Purchase dated June 30, 1978, between Spencer F. Weaver, Jr. and Clifton S. Weaver as Successor Trustees of Trust created by S. Fullerton Weaver for Spencer F. Weaver, Jr. under Agreement dated April 14, 1923, and Spencer F. Weaver, Jr. and Clifton S. Weaver as Successor Trustees of Trust created by S. Fullerton Weaver for Clifton S. Weaver, under Agreement dated April 14, 1923, as Lessors, and Eldon J. Mayhew and Robert H. Ruggeri as Lessees and Purchasers. Principal balance of $19,600.00 from Robert H. Ruggeri, and a principal balance of $19,600.00 from Eldon J. Mayhew, together with accrued interest at the rate of 6 percent per annum from June 30, 1978, until paid. Payment due June 30, 1980.

A copy of these two Agreements of Lease and of Purchase have been delivered to Molycorp, Inc. and is hereby receipted for.

RIGHTS RESERVED TO GEORGE P. BATES, ET AL.

That reservation made to George P. Bates and Nancy B. Bates, husband and wife, and Cynthia B. Bates, Stephen B. Bates and Sara B. Bates, or the survivor of any of them of that portion of the Dovedale No.'s 4 and 5 that is occupied by the dwelling and outhouse adjacent to the buildings knows as the Change House and Warehouse Building, together with reasonable access thereto, and together with the right of reasonable access in, on or across these conveyed premises to existing water and electrical power systems, in that certain Deed dated August 23, 1978, from George P. Bates and Nancy B. Bates, husband and wife and John O. Flender and Mary G. Flender, husband and wife, to Robert H. Ruggeri and E.J. Mayhew, which said deed is recorded in the office of the County Clerk and Recorder of Saguache County, Colorado in Book 384, pages 693 and 694.

GENERAL

Taxes, if any, which may constitute a lien, but which are not yet due and payable.

Rights of way, if any, for roads, telephone and telegraph lines and pipe lines of record in the office of the Clerk and Recorder of Saguache County, Colorado and other easements and rights of way, however evidenced.

Reservations contained in the United States Patents.

PART I

DEEDED CLAIMS

The following patented and unpatented lode mining claims located in the Kerber Creek and/or Bonanza Mining District, Township 47 North Range 7 East and Township 47 North Range 8 East New Mexico Principal Meridian, Saguache County, Colorado.

PATENTED CLAIMS:

NAME OF CLAIM	MINERAL SURVEY NO.	PATENT NO.
Legal Tender	6013	19270
Stem Winder	14586	35478
Memphis	17178	42331
Four Percent, (1/2 Interest)AKA Four Per Cent	927	22689
Hortense	909	25833
Great Eastern	2304	16743
Portland	15951	37996
Senator 2, AKA Senator No. 2	16306	38997
President	18825	144734
Vini Vici Vici, AKA Veni Vidi Vici	18825	144734
New York	2290	16646
Mammoth	639	25202
Bonapart	13598	33811
Bachus, AKA Backus	13598	33811
Bob Burdette	1052	9953
Baltimore	15099	36726
Bernice	6011	19112
Wheel of Fortune, (1/2 Interest)	597A	22687
Shawmut, (1/2 Interest)	1272	10111
Mine Heart, AKA Minehart	1503	22004
Chicago 2, AKA Chicago No. 2	18392	8299
Chicago 11, AKA Chicago No. 11	18392	8299
Chicago 16, AKA Chicago No. 16	18392	8299
Midnight	6015	19271
Pochantas, AKA Pochaontas 2nd	17177	42332
Camp Bird	1624	15624
Glenbrook Lode, AKA Glennbrook	2190	11747
Cincinnati	2267	16683
Fair Play AKA Fairplay	5358	18788
Senator	16306	38306
Juretta	16861	43094
Vice President	18825	144734
Golden Age	18825	144734
Empress Josephine	625	23209
Mariposa	13570	33633
Columbus	13598	33811

NAME OF CLAIM	MINERAL SURVEY NO.	PATENT NO.
Alice	16861	43094
Ophir	15951	37996
Baltimore 2, AKA Baltimore No. 2	15099	36726
Mineral King, (1/2 Interest)	594	22155
Wide Awake, (1/2 Interest)	598	18409
Illinois Lode, (3/4 Interest), AKA Illinois	945	144831
Crain Boy	1502	10917
Chicago 8, AKA Chicago No. 8	18392	8299
Chicago 14, AKA Chicago No. 14	18392	8299

UNPATENTED CLAIMS

Name of Claim	Notice of Location Recorded in Saguache County, Colorado in Book	Page	Bureau of Land Management Serial Number
Now What-Amended	63	452	91089
Silver Spur	128	55	91092
Tip Top	128	56	91093
Alice	128	66	91094
Oversight	128	67	91095
Oversight No. 1	128	221	91090
Oversight No. 2	128	220	91091

PART II

DEEDED CLAIMS

The following patented and unpatented lode mining claimslocated in the Kerber Creek and/or Bonanza Mining District, Township 47 North Range 7 East and Township 47 North Range 8 East New Mexico Principal Meridian, Satuache County, Colorado.

PATENTED CLAIMS

NAME OF CLAIM	MINERAL SURVEY NO.	PATENT NO.
Rawley	980	7810
Erie (1/3 Interest)	13580	33745
Demming	1016	7103
Helen Segar	7515	24099
Tip Top	14689	36043
Zero	14689	36043
Foster	15513	37822
Wainwright	18791	214575
Ethelyn	19033	259646
Golden Fleece	1931	27296
Little Pittsburg	1686	29442
Sosthenis (3/8 Interest)	2548	17353
Norah	1416	9257
Cora	6014	19269
Cabin	17834	45038
Radcliff	616	7889
Little Jennie	771	22443
Glennevis	16744	40526
Ontario	1933	27298
Lawrence	966	284062
Coronet	7515	24099
Park	14584	35547
Townsend	14689	36043
Hyde	15499	37886
Simonds	18791	214575
Burnes	19033	259646
Huron	1932	27297
Black Bess	19582 Am.	561302
Atlantic	7820	24152
Vallejo (3/8 Interest)	14110	34654
Unitah, AKA Uintah	18611	164342
General Hancock	6016	19268
Jupiter	17251	42927
Payson	787	22241
Bright, AKA Brighton	16744	40526
Mt. Joy, AKA Mount Joy	16744	40526

UNPATENTED CLAIMS

The following unpatented lode mining claims the names of which, together with the book and page of recordation of the Notices of Location recorded in the office of the County Recorder of Saguache County, Colorado as follows:

NAME OF CLAIM	BOOK	PAGE	BUREAU OF LAND MANAGEMENT SERIAL NUMBER
Belmont	286	119	88286
Halifax, Halifax 1	286	121-122	88287, 88288
Piedmont	286	124	88290
Red Top	286	126	88292
Silver Cloud 1	286	128	88294
Airdale 1-3	288	406-408	88307-88309
Avondale 1-5	288	414-418	88310-88314
Edendale 1-5	288	424-428	88320-88324
Nidderdale 1-3	288	432-434	88328-88330
Southend 1-5	288	438-442	88334-88338
Teesdale 1-3	288	446-448	88342-88344
Weardale 1-4	288	452-455	88348-88351
Belmont 1	286	120	88285
North Star	286	123	88289
Piedmont 1	286	125	88291
Silver Cloud	286	127	88293
Last Chance 1-7	286	129-135	88295-88301
Apendale 1-5	288	409-413	88302-88306
Dovedale 1-5	288	419-423	88315-88319
Glendale 1-3	288	429-431	88325-88327
Northend 1-3	288	435-437	88331-88333
Swaledale 1-3	288	443-445	88339-88341
Tynedale 1-3	288	449-451	88345-88347
Yoredale 1-3	288	456-458	88352-88354

(For each of the foregoing lodes see Book 288, page 405

Captain Warwick 2	208	120	88355
Superior	128	463	88356
AgAu	348	957-958	88357
Quad 1-24	348	909-956	88358-88381

PART III

PROPERTIES UNDER LEASE AND OPTION TO PURCHASE

The following patented lode mining claims located in the Kerber Creek and/or Bonanza Mining District, Township 47 North Range 7 East and Township 47 North Range 8 East New Mexico Principal Meridian, Saguache County, Colorado.

NAME OF CLAIM	MINERAL SURVEY NO.	PATENT NO.
Antoro	937	16739
June	1364	22770
Independence	14183	34964
Orphan Bell, AKA Orphan Belle	14183	34964
North Pole	14183	34964
Washakee	14183	34964
Red Cloud	14183	34964
Lincoln	19532	19611
Weems	20125	1008649
Ashley	20125	1008649
Paragon	733	22995
Blue Bell No. 2	20445	1073696
Crown Point	1788	11311
Minnesota	19535	449823
Equalizer	14347	43854
Ennes F	14347	43854
Success	14347	43854
Great Mogul	14347	43854
Lone Star	19144	259645
Crescent	19144	259645
Crescent No. 2	19144	259645
Cretone	19144	259645
Crevet	19144	259645
Cobalt	19144	259645
Burlington	19552	771670
Japan	19552	771670
Cross	19552	771670
Jackson	20364	1060015
Sherman	20364	1060015
Lee	20364	1060015
Denver	20364	1060015
Salida	20364	1060015
Sheridan	20364	1060015
Daisy	20366	1054583
Columbine	20366	1054583
Larkspur	20366	1054583
Blue Bell	20365	1038686
Dictator	2011	14843
Lucky Bill	2013	16335
Lake Linden	2015	14841

NAME OF CLAIM	MINERAL SURVEY NO.	PATENT NO.
Poverty	938	9735
Artic, AKA Arctic	14183	34964
Ignacio	14183	34964
Ouray	14183	34964
Peary	14183	34964
Shavano	14183	34964
Washington	19532	19611
Michigan	7837	24098
Weaver	20125	1008649
Sanders	20125	1008649
Lillian	20443	1054726
Iroquis	7152	21737
Ajax	1332	10560
Itasca	1350	10148
Pueblo	17850	46433
Pueblo 2, AKA Pueblo No. 2	17850	46433
Divide	19611	496579
Continental	19611	496579
Timberline	19611	496579
Dandy	19611	496579
Cracker Jack	19611	496579
Great Depth	19611	496579
Great Depth No. 2, AKA Great Depths No.2	19611	496579
Big Manitou	1321-A	10147
Little Manitou	1351-A	12038
American Eagle	1388	10275
Emma	1319	12036
Green Bay	1349	16812
Columbus	1348	10146
Grand View	1320	12037
Katie	6036	20404
Sunshine	20471	1053813
Forest	20364	1060015
Grant	20364	1060015
Mead, AKA Meade	20364	1060015
Pemberton	20364	1060015
Flagstaff	2012	14839
Wide West	2014	14842
Black Diamond	2016	14840

PATENTED MILL SITE

Little Manitou Mill Site	1351-B	12038

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 933
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

Re: OME 6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

Messrs. Robert H. Ruggeri and
E. J. Mayhew
Box 310
Moab, Utah 54352

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since June 13, 1979, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☐

2. Since November 16, 1973, has there been any production from the land subject to the contract? Yes ☐ No ☐

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings (*see* , has any production been transported through *of contract*)? Yes ☐ No ☐

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name	*Title*
Address	*Date*

HK 9/13/79

617.828.6660

SHIELD CHEMICAL CO., INC.

CUSTOM PACKAGING

15 UNIVERSITY ROAD
P. O. BOX H
CANTON
MASSACHUSETTS 02021

August 22, 1979

Miss Gail P. Wiegand, Secretary
Office of Minerals Exploration
U.S. Geological Survey
953 National Center
Reston, Virginia 22092

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Miss Wiegand:

In accordance with your request of August 3, 1979 I am sending you herewith two more copies of the signed deed covering the sale of mining property in Saguache County, Colorado.

Sincerely yours,

George P. Bates

George P. Bates
U.S. Silver Mining Company

- DEED -

THIS DEED made and entered into this 23rd day of August, A.D., 1978, from GEORGE P. BATES and NANCY B. BATES, husband and wife, and JOHN O. FLENDER and MARY G. FLENDER, husband and wife, Grantors, to ROBERT H. RUGGERI and E. J. MAYHEW, Box 310, Moab, Utah 84532, Grantees.

- WITNESSETH:

That for and in consideration of the sum of Ten Dollars ($10.00) and other good, valuable and adequate consideration, receipt whereof is hereby acknowledged, Grantors do hereby grant, bargain, sell and convey unto said Grantees, their heirs, successors and assigns forever, all of the right, title, interest and estate of Grantors in and to the following patented and unpatented lode mining claims in Saguache County, Kerber Creek Mining District, Colorado, to-wit:

PATENTED CLAIMS

NAME OF CLAIM	SURVEY NO.	NAME OF CLAIM	SURVEY NO.
Rawley Group:			
Rawley	980	Ontario	1933
Erie (1/3 interest)	13580	Lawrence	966
Demming	1016	Coronet	7515-2
Helen Segar	7515-1	Park	14584
Tip Top	14689-3	Townsend	14689-2
Zero	14689-1	Hyde	15499
Foster	15513	Simonds	18791-1
Wainwright	18791-2	Burnes	19033-1
Ethelyn	19033-2	Huron	1932
Golden Fleece	1931	Black Bess	19582 Am
Little Pittsburg	1686	Atlantic	7820
Sosthenis (3/8 interest)	2548	Vallejo (3/8 int.)	14110
Norah	1416	Unitah	18611
Cora	6014	General Hancock	6016
Cabin	17834	Jupiter	17251
Little Jennie Group			
Radcliff	616	Payson	787
Little Jennie	771	Brighton	16774-1
Glennevis	16774-3	Mt. Joy	16774-2

UNPATENTED CLAIMS

The following unpatented lode mining claims, the names of which, together with the Book and Page of recordation of the Notices of Location recorded in the office of the County Recorder of Saguache County, Colorado, to-wit:

NAME OF CLAIM	BOOK	PAGE	NAME OF CLAIM	BOOK	PAGE
Belmont	286	119	Belmont 1	286	120
Halifax	286	121	Halifax 1	286	122
North Star	286	123	Piedmont	286	124

NAME OF CLAIM	BOOK	PAGE	NAME OF CLAIM	BOOK	PAGE
Piedmont 1	286	125	Red Top	286	126
Silver Cloud	286	127	Silver Cloud 1	286	128
Last Chance 1 thro 7	286	129-135	Airdale 1 thro 3	288	406 - 408
Apedale 1 thro 5	288	409-413	Avondale 1 thro 5	288	414 - 418
Dovedale 1,2,3	288	419-421	Edendale1 thro 5	288	424 - 428
Glendale 1,2,3	288	429-431	Nidderdale 1,2,3	288	432-434
Northend 1,2,3,	288	435-437	Southend 1 thro 5	288	438 - 442
Swaledale 1,2,3,	288	443-445	Teesdale 1,2,3	288	446 - 448
Tynedale 1,2,3,	288	449-451	Weardale 1 thro 4	288	452 - 455
Yoredale 1,2,3	288	456-458			
(For each of the foregoing lodes see Book 288, page 405)					
Mateer 1 thro 5	283	236-245	Captain Warwick 2	208	120
Superior	128	463	Captain Warwick 2	291	245 - 246
Empire	128	103	Empire 1 thro 4	106	233 - 236
Empire	208	71	Empire 1 thro 4	208	101 - 103
Quad 1 thro 24	348	909-956	AgAu	348	957 - 958

TOGETHER with all and singular the minerals, lodes, and veins within the lines of said mining claims and all dips and spurs and all rights and privileges, and all buildings, improvements, water rights, rents, issues, tenaments, hereditaments and appurtenances thereto belonging. Also together with any and all right, title and interest hereafter acquired by Grantors, or by anyone for the benefit of Grantors, in and to said patented and unpatented lode mining claims, or the lands covered thereby whether under and by virtue of Notices of Location or any other Notices of Location or Amended Notices of Location or otherwise.

TO HAVE AND TO HOLD the same unto said Grantees, their heirs, successors and assigns forever.

Grantors covenant and agree with Grantees that they will, at any time and from time to time, execute and deliver to Grantees such further deeds or formalities as may be necessary or desirable to fully vest in Grantees any present or after-acquired title to Grantors in and to said premises.

Grantors warrant that the hereby conveyed patented and unpatented lode mining claims are not subject to any prior sale, deed, assignment, option, agreement, lien, or other encumbrance by them and Grantors warrant said mining claims against the lawful claims and demands of every person claiming or to claim the same, by, through, or under Grantors, but not otherwise, save and except the lien of the Office of Minerals Exploration, Geological Survey, United States Department of the Interior on the Rawley claim, Survey Number 980.

IN WITNESS WHEREOF, Grantors have hereunto executed these presents the day and year first above written.

George P. Bates

George P. Bates

John O. Flender

Mary G. Bates

Mary G. Bates

Mary G. Flender

Mary G. Flender

STATE OF Rhode Island)
: ss.
COUNTY OF Washington)

On this 24th day of August A.D., 1978, personally appeared before me George P. Bates and Nancy B. Bates, husband and wife, the signers of the above and foregoing who each duly acknowledged to me that they executed the same.

My Commission Expires:

June 30, 1981

Linda D. Tucker
Notary Public
Residing at: [illegible]

STATE OF MASSACHUSETTS)
: ss.
COUNTY OF DUKES)

On this 26th day of August A.D., 1978, personally appeared before me John O. Flender and Mary G. Flender, husband and wife, the signers of the above and foregoing who each duly acknowledged to me that they executed the same.

My Commission Expires:

[illegible]

Notary Public
Residing at: Tisbury, Mass

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VA. 22092

In Reply Refer To:
Mail Stop 953

June 13, 1979

Mr. George P. Bates
Shield Chemical Co., Inc.
15 University Road
P.O. Box H
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County Colorado
Contract 2294

Dear Mr. Bates:

On October 30, 1978, we returned the two copies of the deed to the property you had recently sold and asked for signatures and dates on pages 2 and 3, and that the copies be returned to this office. To date we have not heard from you.

At your earliest convenience, please complete the copies of the deed with signatures and dates and return them to this office. Thank you.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

One Hundred Years of Earth Science in the Public Service

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

In Reply Refer To:
Mail Stop 953

October 30, 1978

Messrs. Robert H. Ruggeri
and E. J. Mayhew
Box 310
Moab, Utah 84532

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Gentlemen:

We have received a letter dated October 24, 1978, from George P. Bates regarding sale to you of mining claims owned by U.S. Silver Mining Company, and enclosing a copy of the deed transferring the property.

No doubt you are aware of the Government's interest in the Rawley patented claim, Survey No. 980 for possible royalty on production under provisions of the subject OME exploration contract. A copy of the Certification of Possible Production dated November 13, 1973, is enclosed for your attention and information. The provisions of the OME contract and instructions set forth in the letter of certification apply to any production from the Rawley claim, and will continue in effect until March 22, 1983, when the period of obligation for royalty payments will terminate.

We will send you annually a form MME-63 requesting information on the status of the property and any production therefrom in the previous year. The response from this assists us to maintain current records on the OME contract.

Should you have any questions about the contract or obligations to it, please do not hesitate to contact us.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure
Copy to: George P. Bates
Copy of incoming from Bates
sent to Hasler 11/6/78
HK

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

In Reply Refer To:
Mail Stop 953

October 30, 1978

Mr. George P. Bates
15 University Road
P.O. Box H
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

Thank you for your letter of October 24, 1978, informing us of the sale of your mining claims, and enclosing two copies of the deed.

A copy of our letter to the new owner is enclosed. In the event the new owner fails to pay royalties we would look to U.S. Silver Mining Company for payment. We hope this is an unlikely development.

We return the copies of the deed and ask that signatures and dates be inserted in pages 2 and 3. Dates may be obtained from your copies of the document, and signatures may be entered and initialled by you to indicate that they appear on the original document or true copy thereof. When completed, please return the two copies of the deed to this office.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosures
2 copies of deed
Copy of letter to Messrs. Ruggeri and Mayhew

617-828-6660

SHIELD CHEMICAL CO., INC.

CUSTOM PACKAGING

15 UNIVERSITY ROAD
P. O. BOX H
CANTON
MASSACHUSETTS 02021

Oct. 24, 1978

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
Mail Stop 953
Geological Survey
Reston, Virginia 22092

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Kirkemo:

I am writing to inform you that John Flender and I have recently sold the mining claims originally owned by the U.S. Silver Mining Company to Mayhew and Ruggeri. I have enclosed two copies of the deed for your reference. The only claim in question is the "Rawley", and you will note that the lien of the Office of Minerals Exploration is specifically mentioned in the last paragraph of the deed on page two.

If you have any questions about this matter, do not hesitate to contact me.

Very truly yours,

George P. Bates

George P. Bates

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

IN REPLY REFER TO: Office of Minerals Exploration
Mail Stop 953

March 22, 1978

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Mr. George P. Bates
U.S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Dear Mr. Bates:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo. Chief
Office of Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since June 19, 1973, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☐

2. Since June 19, 1973, has there been any production from the land subject to the contract? Yes ☐ No ☐

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since , has any production been transported through workings *(see of contract)*? Yes ☐ No ☐

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name	*Title*
Address	*Date*

United States Department of the Interior
GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

P. O. Box 25046 - Building 53 - MS 953

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 3 1976
INITIALS | CODE
HK

July 30, 1976

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antero and Poverty Claims
Saguache County, Colorado
Contract 2294

An annual inspection of the subject property was made on June 24, 1976. A contract was executed on March 22, 1971 to explore for gold, silver, copper ore by drifting, raising and long-hole drilling on the 200 level of the Rawley Mine, Bonanza Mining District. The vein is a steeply dipping fissure vein in andesites of Tertiary age. Exploration of some 643 feet of drifting was completed on the Rawley vein which resulted in the discovery of some 50,400 tons of ore having a gross value of $1,950,000.00 at 1973 prices. A certification of possible production was issued on November 13, 1973 and royalty payments on any production from the property under lien and subordination are in effect until March 22, 1983.

There has been no production and the mine is presently idle. The Operator has had some recent inquiries about the property, but nothing more than that has transpired to date.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

✓
HJL

P. O. Box 25046 - Building 53 - Mail Stop 953

June 4, 1976

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antero, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

It was good to talk with you yesterday and to know that you have had some interesting inquiries about the Rawley mine of late.

The Office of Minerals Exploration does not have any new funds this fiscal year for contractural obligations for exploration assistance, however the U. S. Geological Survey has requested that some changes be made that will improve the OME program and these requested improvements are presently being considered by the Department of the Interior.

We are not accepting any new applications at the present time, but we are administering contracts that are still in effect.

Sincerely yours,

cc: Chief, OME
OME chron
Mr. Hasler
"B"

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

U. S. Silver Mining Company
21 University Road
Canton, Mass. 02021

January 18, 1974

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
United States Department of the Interior
National Center, Mail Stop 920
12201 Sunrise Valley Drive
Reston, Virginia 22092

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Kirkemo:

I am in receipt of your letter dated November 30, 1973 concerning the balance due us in the amount of $200.00. I still have not received this payment and I wonder if you could let me know the present status of this situation.

Sincerely yours,

George P. Bates

George P. Bates
U.S. Silver Mining Company

GPB/rmf

Called Brian Flynn, said he'd pay him right away. Took correspondence cc's to him 1/22/74
DLO

FILE COPY

GEOLOGICAL SURVEY
National Center, Mail Stop 920
12201 Sunrise Valley Drive
Reston, Virginia 22092

November 30, 1973

Memorandum

To: Chief, Office of Financial Management

From: Chief, Office of Minerals Exploration

Subject: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Instead of resuming work on this contract by June 15, 1973, as stated in Amendment No. 5, the contract was terminated effective June 15, 1973, by mutual agreement of the Government and the Operator, an acceptable Operator's Final Report was received July 2, 1973, and a Certificate of Possible Production was issued by the Government on November 13, 1973.

The $200.00 withheld from the Operator's voucher for November 1972 may now be paid to the Operator.

Harold Kirkemo

Harold Kirkemo

cc:
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo
Region III

HKirkemo/gpw

FILE COPY

GEOLOGICAL SURVEY
National Center, Mail Stop 920
12201 Sunrise Valley Drive
Reston, Virginia 22092

November 30, 1973

Mr. George P. Bates
U.S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antero, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

Thank you for your letter of November 19, 1973, and the reminder that the $200.00 withheld from your voucher for November 1972 had not been released. We are instructing the Office of Financial Management to do so as soon as possible. You should receive a check in this amount in the near future.

We regret that we had overlooked releasing this money.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

cc:
DRP

MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo
Region III
HKirkemo/gpw

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RECEIVED
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U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

November 19, 1973

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey
Washington, D. C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Kirkemo:

I am in receipt of your recent letter dated November 13th with which I am in agreement. According to my records, however, we have not yet received the full amount of $35,956.69 to which you refer in the second paragraph of this letter. $200.00 was withheld from our last payment. I wonder if it is now in order for you to authorize this final payment.

Thank you for your continued help in this matter.

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Mr. Arad Riggs, Vice President
Weems-Weaver Mining Corporation
50 East 42nd Street
New York, New York 10017

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Riggs:

Enclosed is a copy of a certification of possible production issued to the Operator as a result of the exploration program under the subject contract. This relates to the Lien and Subordination Agreements signed by you on August 13, 1971.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the certification. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom, and to furnish this office with two true copies of such notice.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

cc: DRF
MR Rdg.
OME Rdg./OME Files
Mr. Kirkemo
Region III
130

HKirkemo/gpw 11-13-73

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Final Field Report

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By J. William Hasler

November 6, 1973

1. OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2292

Operator: George P. Bates, John O. Flender and Dwight ~~N.~~ M. Rounds, d/b/a, U. S. Silver Mining Company, a partnership, 21 University Road, Canton, Massachusetts 02021

Property: "The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of nine (9) patented lode mining claims in Section 18, T. 47 N., R. 8 E., Kerber Creek Mining District, Saguache County, Colorado. These claims are shown on Figure 1, entitled "Poverty, June, and Antoro Claims, Saguache County, Colorado," which is attached and made part hereof."

"The patented lode mining claims are identified as:

Name	U. S. Survey No.
June	1,364
Poverty	938
Antoro	937
Independence	14,183
Ouray	14,183
Peary	14,183
North Pole	14,183
Orphan Bell	14,183
Rawley	980

Ownership: "The Operator is in possession of all of these claims except the Rawley under terms of an Agreement of Lease and Option to Purchase executed June 1, 1968 from the owner, Weems Weaver Mining Corporation.

The Operator is in possession of the Rawley patented claim under terms of a Quit Claim Deed executed September 3, 1969 from the owner, American Industrial Leasing Company.

A Performance Bond in lieu of Lien and Subordination Agreements in the amount of $39,500.00 was furnished by the Operator, and attached and made part hereof.

2. Purpose of Project: The purpose of the project was to explore by drifting, raising and long hole drilling on the 200-foot level of the Rawley mine for gold-silver-copper-bearing ore bodies in a steeply dipping fissure vein in andesite.

3. Contract: Date - March 22, 1971, for a period of 9 months.
Original contract amount - $63,200.00.
Government participation 62-1/2 percent, $39,500.00.

Amendments - No. 1 - August 26, 1971. 1. Article 6(e) of the contract, reading as follows, is reinstated: Lien for payment -- To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or if fully paid." 2. "Article 14 of the contract entitled Changes and added provisions is deleted." 3. In Annex I of the contract, the fourth and final paragraph is deleted and the following paragraph is substituted in lieu thereof: "A Lien and Subordination Agreement, dated August 13, 1971, executed by Weems-Weaver Mining Corporation is attached and made a part hereof."

No. 2 - December 30, 1971, provided that (a) work under the Contract may be suspended during the period beginning January 1, 1972, and ending no later than May 1, 1972, and 2. The date fixed by Article I(a) of the Contract for completion of the work is extended from nine (9) to seventeen (17) months from the date of the Contract, or until August 22, 1972. 3. The maximum period for royalty payments as provided in Article 6(b) of the Contract and for the lien to secure payment thereof as amended by Amendment No. 1 is extended from ten (10) to eleven (11) years from the date of the contract.

No. 3 - March 9, 1972, provided for the conversion of portions of raising, long-hole drilling, and assaying funds to additional drift footage and supervision.

No. 4 - August 15, 1972, amended the contract to extend the date fixed for completion of the work from seventeen (17) months to twenty-one (21) months from the date of the Contract, or until December 22, 1972.

3. Contract:

Amendments (Continued) - No. 5 - December 21, 1972 amended the Contract to allow for a work suspension period beginning December 15, 1972, and ending no later than June 15, 1973. The amendment also allowed for an extension of time to allow for the completion of the work from twenty-one (21) months to thirty-three (33) months from the date of the contract, or until December 22, 1973. The maximum period for royalty payments was also extended from eleven (11) years to twelve (12) years from the date of the Contract. There was a revision in the Fixed Unit Costs that increased the amount of long hole drilling from 560 feet to 740 feet, and to decrease the amount of assaying from 131 samples to 100 samples.

4. Project Work: Started May 25, 1971. Terminated May 24, 1973.

Cost Items Fixed Unit Costs 1/, 2/	Authorized 3/ Units	Rate	Amount	Completed Units	Amount
Drilling, including timbering	600 ft.	$64.00/ft.	$38,400.00	643 ft.	$41,152.00
Raising, including timbering	100 ft.	$90.00/ft.	$9,000.00	25 ft.	$2,250.00
Long-hole drilling	1,800 ft.	$1.33 ft.	$2,394.00	617 ft.	$820.61
Supervision	9 mo.	$800.00/mo.	$7,200.00	12 mo.	$9,600.00
Geologic Consultant	20 da.	$75.00/da.	$1,500.00	18.5 da.	$1,387.50
Consultant's Travel	3,000 mi.	$0.12¼ mi.	$360.00	680 mi.	$81.60
Office Expense	9 mo.	$50.00/mo.	$450.00	9 mo.	$450.00
Payroll, taxes, insurance	$7,200.00	15%	$1,080.00	12 mo.	$1,440.00
Assaying	331	Au-Ag @ $2.50 per sample Cu, Pb, Zn $1.50 per each	$2,316.00	36	$240.00
Total Fixed Unit Costs			$63,200.00		$57,530.71
Gov't participation @ 62-1/2% (less $200 withheld on Nov. 1972 voucher)			$39,500.00		$35,756.70
Refund ~~for submitting final report~~ of funds withheld pending resumption of work.					$200.00
Total Gov't participation @ 62-1/2%					$35,956.70

1/ Included all costs whatsoever, such as mobilization, demobilization, labor, equipment, materials and supplies, and services.

2/ The Government retains no equity in any of the equipment or materials.

3/ As amended, in Amendment Nos. 3 and 5.

Effectiveness of the Work - The work completed under the contract adequately explored the target area, however, I would have liked to see the Operator complete the long-hole drilling, crosscutting and drifting to more adequately explore the hangingwall split off the main Rawley vein, and in this way explore the "copper winze vein" at depth as well as along strike. However, the vein on the Rawley 200 Level was

adequately explored for a distance of some 523 feet and was found to contain ore grade material for a distance of 200 feet.

Efficiency of Operation - The project was efficiently supervised and operated.

5. Reports:

Operator's Final Report - An acceptable Final Geologic and Engineering Report, was received in this office June 28, 1973.

Cost Review - Since the contract was on a Fixed Unit Cost basis, no report of review was requested, nor has been made.

Royalty Review - There has been no production of metals from the mine since the Termination Agreement was executed consequently there will be no request for a Royalty Review by the Field Officer, Region III, OME.

6. Project Results Discovery: - The project work resulted in the discovery of minable gold-silver-copper ore. Maps and assay data were attached to the monthly vouchers. Ore reserves estimated by the Operator as of June 19, 1973, were included in his final engineering and geologic report.

The Operator estimates a tonnage of 21,600 tons of ore based on a 3-foot vein width, 200 feet in length and a projection of 100 feet above, and 100 feet below the Rawley 200-Level. The gross value of this ore based on metal prices as of 6/19/73 ($91.67 per ton) would be $1,980,000.00.

If the bulk sample assays were used as criteria there would be a tonnage estimated at 50,400 tons, using a drift width of 7 feet, a length of 360 feet, and a projection of 100 feet each above and below the Rawley 200 Level. The gross value of this ore based on metal prices as of 6/19/73 ($38.74 per ton) would be $1,950,000.00.

Certification

- Certificiation was recommended, on August 22, 1973, in a memorandum from the Field Officer, Region III to the Chief, Office of Minerals Exploration. Certification was recommended on the basis of the ore discovered by the OME work, however, a Certification of Possible Production has not yet been issued by Washington as of the date of this report, November 7, 1973. Only a termination agreement has been effected thus far.

P.S. Certification of Possible Discovery issued Nov. 13, 1973.

Production

- There is a stockpile of some 794 tons of ore grade material lying outside the portal of the Rawley 200 Level. None of this stockpile has been shipped, to date. The stockpile material assayed as follows:

.04 oz. Au @ $35.00/oz.	=	$1.40
4.88 oz. Ag @ $1.48/oz.	=	$7.22
0.93% Cu, 18.6 lbs. $0.50/lb.	=	$9.30
1.17% Pb = 23.4 lbs. @ .1450¢/lb	=	$3.39
1.68% Zn = 33.6 lbs @ 17¢/lb.	=	$5.71
		$27.02

(Prices prevailing as of 6/19/73) (except for gold)

Gross value of the 794 tons at the quoted price of $27.02/ton will be $21,453.88.

Royalties

- There has been no production reported as having been sold as of the date of this report, and no royalties have been paid to the Government.

7. Geologic Summary

- The purpose of the contract was to explore by drifting, crosscutting, raising, and long-hole drifting on the 200 level of the Rawley Mine for gold-silver-copper bearing ore bodies in a steeply dipping fissure vein in andesite.

OME exploration work started at Station 23 + 41 feet. The first 97 feet was driven in altered andesite with some weakly mineralized faults and scattered veinlets. The vein was intercepted at OME + 97 feet, and had a thickness of nearly 4 feet, and was striking N. 15° E., and dipping 70° to the east. The vein contained considerable quartz, was quite pyritic, and contained chalcopyrite, galena, sphalerite and some other copper minerals. The vein was explored for a distance of some 250 feet.

Throughout this distance the vein pinched, swelled occasionally but generally maintained a thickness of at least 35 feet. Near station 2 - 28 the drift was driven into the hanging wall partly because of the nature of the ground. The andesite became somewhat less altered, several long holes were drilled into the footwall and the vein appeared to be some 10 to 15 feet west of the drift. A crosscut was driven westerly off the main drift, beyond station 2-30 (see mine map 2-72 by M. T. Evans with vouchers). The vein was penetrated by a crosscut at about 15 feet, and was followed northward for 18 feet, where vein was found to have a thickness of only 6-inches and contained only minor Cu, Pb and Zn sulphides. The hanging wall drift was continued for some 80 feet however a seemingly weak, steeply dipping structure crossed the drift 15 feet north of the short stub drift. Beyond this structure the andesite was fresh, and dense, and contained no vein material, bearing out previous studies that show that the veins are strong and productive in certain areas of alteret andesite, and are completely non-productive in the fresh dense unaltered andesite.

An attempt was made to intersect a strong hangingwall split off the Rawley vein, that appears to extend into or is the so-called "Copper vein", however the ground was highly altered, and heavy making drifting or crosscutting hazardous. The work was terminated at this time, partly due to heavy ground, but due mostly to a change in the financial structure of the Operator, precluding his doing further exploration work under the subject contract.

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

Office of Minerals Exploration
Building 53 Room 28

cc/120 MW
AR 120

August 22, 1973

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2292

The Operator transmitted four copies of his final geologic and engineering report which arrived in this office June 28, 1973. A copy of that report was sent to you at your request.

In a memorandum to you dated May 22, 1973 I reviewed the contract generally, and specifically replied to the Operator's letter of May 18th requesting termination of the contract. The exploration work completed under the subject contract resulted in the discovery of gold, silver, lead, and zinc ore bodies totalling some 21,600 tons of vein material calculated to have a value of $93.97 per ton, that will gross $2,029,752.00 at current prices (8-21-73) thus constituting a significant discovery of new and undiscovered ore.

Pursuant to Article 6 and 14 of the referenced contract, as amended, I certify that mineral or metal production may be possible as a result of the exploration work, and I therefore recommend that a certification of possible production under the subject contract be made and that royalties be paid the Government, as provided in the contract on all production from the land described in the contract. The Operator should be notified.

The Operator submitted a satisfactory final geologic and engineering report, and a final Office of Minerals Exploration report will be submitted at an early date.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

JWA 7/9/73

To Bill Hasler | At OME-6797

Subject Dear Bill: | Date 7-7-73

I have sent the final Report on our OME project to George Bates for submission to you. In it we put a paragraph expressing appreciation to you and the O.M.E. Staff. But I wanted to thank you personally for your cooperation and help on the Project in which my brother Bill joins me. Also, please give our thanks to Mary.

We felt we were treated very well by all concerned.

Best regards,

Reid Johnston

PLEASE REPLY TO → Signed

Date | Signed

Rediform 4S 469

SEND PARTS 1 AND 3 WITH CARBONS INTACT.
PART 3 WILL BE RETURNED WITH REPLY.

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6/29/73

Original + one copy retained in Denver Omr for field officer's return July 5.

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U.S. SILVER MINING COMPANY

Final Exploration Report

O.M.E. Contract No. 2294

Docket No. OME - 6797

June 19, 1973

O.M.E. Region III
RECEIVED
JUN 28 1973
Denver, Colorado

O.M.E. Contract No. 2294 was entered into by O.M.E. and U.S. Silver Mining Company on March 22, 1971. U.S. Silver Mining Company is a limited partnership composed of George P. Bates, John O. Flender and Dwight M. Rounds. The partnership owns or controls the following mining claims:

Claim	Pat. No.
June	1366
Poverty	938
Independence	14183 (1)
Ouray	14183 (5)
Peary	14183 (3)
North Pole	14183 (2)
Orphan Belle	14183 (9)
Rawley	980
Antoro	937

All are located in the Kerber Creek Mining District, Saguache County, Colo. These claims were pledged to the government for a royalty lien to provide for repayment to the government of the amount expended for exploration work on the claims.

The purpose of the exploration project was to explore by drifting, raising and long hole drilling on the 200 ft. level of the Rawley Mine for gold - silver - copper bearing ore bodies in a steeply dipping fissure vein in andesite. The original contract called for 600 ft. of drifting, 100 ft. of raising and 1800 ft. of long hole drilling with provision for overhead costs for supervision, consulting expense, office expense, payroll taxes and insurance, and assaying expense for a total amount of $63,200 with government participation of 62½% or $39,500. The original term of the contract was for nine months.

The term of the contract was later extended to December 22, 1973 by various amendments. Also, since during the course of the work it became apparent that greater benefit could be obtained by a re-allocation of funds within the total amount originally provided for, the contract was amended to revise the drifting footage from 600 ft. to 710 ft., the raising from 100 ft. to 25 ft. and the long holing from 1800 ft. to 700 ft.

The work was suspended for a winter recess as of November 30, 1972. As of that date the amount of funds expended on the exploration contract is detailed below:

Description	Units	Unit Cost	Total Cost
Drifting, including timbering	643 ft.	64.00	41,152.00
Long Hole Drilling	617 ft.	1.33	820.61
Supervisor	12 mos.	800.00	9,600.00
Office Expense	9 mos.	50.00	450.00
Payroll Taxes, Insurance	12 mos.	120.00	1,440.00
Assaying	36	Var.	240.00
Outside Consultant	18.5 days	75.00	1,387.50
Travel, outside consultant	680 mi.	0.12	81.60
Per diem, outside consultant	4.36	25.00	109.00
Raising, including timbering	25 ft.	90.00	2,250.00
Total Cost			$57,530.71

Relationship of Actual to Estimated Costs

The total cost of the project incurred by the operator were somewhat greater than those allowed for in the contract. A detailed cost accounting system was not maintained to provide an accurate comparison. However, the greater portion of the excess costs were caused principally by delays and difficulties with substantial water flow in the drifting. Fairly extensive rehabilitation of the 200 ft. level was required before the exploration work could begin. Other delays were occasioned by: the ventilation problem which required introduction of outside air by blowers and vent line to the face, the pinching and splitting of the ore body which caused time lost in

getting amendments and approval for changing direction, bad weather, labor problems, new safety regulations, etc.

Under ordinary circumstances the operator feels that the estimated costs provided for in the contract would come fairly close to actual costs for this type of project and prevailing mine conditions, taking into account length of haulage, size of haulage, type of equipment etc.

Narrative Review of Work

Although the effective date of Contract No. 2294 was 3-22-71, actual work under the contract was not commenced until 5-28-71. The period from 3-22-71 to 5-28-71 was spent in rehabilitation and other work pending execution of a bond for the contract. The starting point of the work was the old face of the "East Drift" of the Rawley 200 level located 41 ft. from station 23 on Davis Engineering Co. map of the workings.

The first 97 ft. of the drift was through altered andesite featuring some weakly mineralized cross faults and scattered veinlets through the rock. As the drift advanced the flow of water increased enough to make good progress very difficult. Two long holes were drilled in this section. One to the west for a total depth of 50 ft. at point OME +38', and one to the east at OME +47' to a depth of 28 ft. Neither of these holes cut any recognizable mineralized material.

At OME +97' a strong vein of ore was encountered, striking N 15°E with a dip of 70° E. The material is a quartz based ore, very pyritic, containing chalcopyrite with some other copper minerals, galena and aphalerite. The drift was turned from a heading of N 2° E to an average N 15° E to follow the structure.

The vein was followed from OME +97' to 338' or a distance of 241 ft. Throughout this length the structure has a marked tendency to pinch and swell, sometimes very abruptly. It also shows a tendency for the ore to

split into streaks separated by weakly mineralized waste. It seems to be a fairly wide fissure zone with the ore deposition somewhat irregular through the fissure. Generally speaking the footwall of the structure is rather well defined, although in several places it is quite gougy and features a "false" footwall of from several inches to a foot or more in width that sloughs readily to slips behind it. In almost all cases the hanging wall tends to be blocky and broken. Some of the long holes drilled in the walls of the drift verified that the altered, mineralized zone is several feet wide with some narrow ore streaks encountered before the rock becomes harder.

Because of the ravelly nature of the ore and the strong flow of water from the vein, the drift was driven in the hanging wall with the ore kept on the west rib of the drift from OME +312' to OME +338'. This system backfired at the 338' point with the main strand apparently continuing on a westward course and the drift went too far out in the hanging wall. When this became obvious the drift was turned back in an attempt to get on structure. Meanwhile, the vein had evidently split and drifting continued on two of the eastern splits of the vein from OME +394 to 450ft. (Refer to M. Evans Geological Map submitted with November, 1972 Report of Progress.)

At OME +448 to 456 ft. a non-mineralized fissure was encountered that cut off all mineralization in the direction the drift was heading (N 24° E). The drift was not turned at that time, however, because the possible down dip extension of the "850" structure exposed in the Antoro level some 400 ft. vertically above the Rawley 200 level presented a possible target. Drifting continued on the northeast heading to OME +523'. The section from 456' to 523' was entirely in fresh andesite with the exception of a

small weakly mineralized fault crossed at the 500 ft. mark striking N 40° W dipping 24° to the northeast.

An examination of the property in February, 1972 by Max Evans, consulting geologist, and J.W. Hasler of O.M.E. resulted in a decision to drive a short crosscut to the west at OME +428 to again pick up the vein left at 338'. This was done in March, 1972. The vein was cut at 28' in the crosscut. Where first intersected the ore was 2 ft. wide, but pinched rather rapidly to 6 in. in the face at 42 ft. See Evans Geologic Map of Drifting.

After another examination in April, 1972 of both the Rawley 200 ft. level and Antoro level it was agreed that the balance of the drifting footage allowed in the contract would best be utilized in a crosscut to the east to explore for the down dip extension of an ore shoot exposed in the Antoro level known as the "Copper Winze" ore. An amendment was applied for to provide for this crosscut.

While waiting for the amendment a short raise of 25 ft. was driven up dip on the vein at station 2 - 28. Splitting of the ore into streaks was very pronounced in the raise. Although such a short raise cannot be considered conclusive, it does point to problems that could be encountered in mining of the ore body. The ground was most incompetent. The rock is soft, highly altered and sloughs in slabs. Should the splitting of the ore into streaks be prevalent throughout the vein it is possible that some type of volume mining method would have to be devised so that cheaper mining costs would offset a decrease in grade through dilution.

Following approval from O.M.E. a x-cut to the east was started at 28 ft. from station 2 - 21. Purpose being to find the extension of the copper winze vein referred to above. This work was started the latter part of September, 1972. The x-cut was driven 78 ft. when it intersected

a fault zone correlating to the fault at station 2 - 23 in the main drift. This zone is featured by very bad ground consisting of gouge and altered andesitic porphyry. It caved about 15 ft. above the back of the x-cut during installation of square sets to catch the ground.

Before proceeding with the x-cut an examination was made by Mr. Hasler of O.M.E. and Mr. Evans in November, 1972 to determine the best approach for the balance of the work. It was decided that two long holes should be drilled to attempt to locate the copper winze structure and to test rock conditions in case a run around would be required.

Long Hole #17 was drilled on a Brunton bearing of S 55° E for a total depth of 57 ft. It was a blank. Long Hole # 18 was drilled on a bearing of N 73° E to a total depth of 60 ft. The rock softened at 46' in the hole and passed into heavy gouge material between 50 and 51 ft. Panning of the gouge revealed mineralization. Particles of Galena, Sphalerite and Chalcopyrite were identified in the drillings. Alteration was evident in the hole from 51 to 55 ft.

From the results of this hole it appeared logical to assume a structure does exist, roughly conforming to the copper winze vein. Accordingly, a decision was made to timber the fault zone at whatever cost to avoid losing any footage remaining on the contract, and continue the x-cut.

However, severe weather in late November and early December caused a request for recess of the work until the spring of 1973.

Circumstances developing after the date of recess caused the Partnership to put the mill and mining equipment up for sale and place the property on a standby basis. It is, therefore, requested that the contract be closed, and this be the final report covering the work.

Estimation of Ore Reserves

Attached hereto as separate exhibits are assay details covering bulk and channel samples taken of the ore found.

Referring again to Evans Geologic Map, it would be safe to say that the strike length of the ore shoot is at least 360 ft. From previous stoping experience on the 200 ft. level a conservative estimate of stoping backs would be 100 ft. above the level and 100 ft. below. Rounding off the average width of the channel samples of vein material to 3 ft. wide would yield 60 tons per dip foot, using a factor of 10 cu. ft. per ton for simplicity in estimation (3 x 200 ÷ 10). Or a total of 21,600 of indicated ore.

Gross ore values using current metal prices (6 - 19 - 73) are as follows:

.04 oz. Au @ 120.00/oz.	4.80
11.77 oz. Ag @ 2.50/oz.	29.43
2.19% Cu - 43.8 lbs @ .60/lb.	26.28
3.2 % Pb - 64 lbs @ .165/lb	10.56
5.15% Zn - 103 lbs @ .20/lb.	20.60
Total	$91.67

Total gross value of indicated ore - - - $1,980,000.

If the bulk sample assays were used as criteria, the reserve tonnage would become 50,400 tons. The bulk samples represent drift width - 7 ft. This would change the tonnage to 140 tons per dip foot (200 x 7 ÷ 10 multiplied by 360 ft. strike length). Again using current metal prices gross ore values would be:

.04 oz. Au @ 120.00/oz.	4.80
4.88 oz. Ag @ 2.50/oz.	12.20
.93 % Cu - 18.6 lbs @ .60/lb.	11.16
1.17 % Pb - 23.4 lbs @ .165/lb	3.86
1.68 % Zn - 33.6 lbs @ .20/lb	6.72
Total	$38.74

Total gross value of indicated ore on this basis - - - $1,950,000.

Possible ore reserves could be much greater based on geological experience in the district. For instance, ore is exposed in the Antoro level 400 ft. vertically above the 200 ft. level. Should this shoot hold up for that distance there would be approximately 400 ft. of stoping back above the level. About 1,000 ft. south of this work the vein went down to the Rawley 1200 ft. level. This could mean an additional 900 dip feet of ore below the level.

Conversely, the district is also known for an abrupt termination of ore bodies. Should this be the case either up or down dip the reserve estimates would be overstated. Additional development work is necessary to prove the figures.

The operator would like to take this opportunity to express appreciation to the staff of O.M.E. for the consideration and cooperation shown on the project. Particular thanks go to Mr. Kasler of the Denver Office and Mr. Kirkemo of the Washington Office. This can also be considered to be an endorsement from an operational standpoint of the O.M.E. program.

PLEASE NOTE:

M.T. Evans' "Geologic Map of Drifting Under O.M.E. Contract 2294" dated November, 1972 covers all work to date, and should become the final map for attachment to this report. The map was submitted with the Monthly Progress Report for November, 1972.

OME-6797 U. S. OIL & MINING CO. RAWLEY MINE 200' LEVEL

SAMPLES OF VEIN MATERIAL RAWLEY 200' LEVEL

Sample No.	Location	Width	Au oz.	Ag oz.	Cu%	Pb%	Zn%
5	OME+ 101'	1.0'	0.14	34.0	11.0	2.6	0.50
OME (H)	110'	3.0'	0.06	20.94	1.6	2.5	2.05
6	150'	0.5'	0.08	3.21	2.4	4.6	11.60
7	150'	0.8'	0.02	12.25	1.2	16.0	20.0
9	162'	1.2'	0.01	6.13	5.0	2.2	6.4
23	170'	3.7'	0.05	4.0	0.80	3.0	3.70
24	190'	4.6'	0.017	18.2	1.40	7.0	3.90
18	197'	2.5'	0.012	3.50	1.8	3.1	3.5
25	210'	3.0'	0.018	3.0	1.40	2.0	1.20
19	215'	2.5'	0.02	8.10	2.2	1.2	2.6
OME (H)	215'	2.5'	0.04	31.10	3.70	4.0	5.25
26	230'	3.0'	0.035	11.7	0.95	2.7	5.80
20	235'	2.5'	0.043	11.0	2.6	2.0	2.9
27	250'	3.0'	0.18	4.7	0.55	1.7	2.2
21	255	3.0'	0.01	3.4	2.1	0.76	2.6
OME (H)	267'	3.0'	0.01	3.83	0.50	1.00	3.95
28	270'	4.0'	0.022	4.7	0.46	2.0	1.6
22	275'	2.0'	0.017	8.00	0.95	2.4	6.2
29	290'	4.0'	0.082	21.8	1.50	2.0	6.0
30	318'	5.2'	0.070	20.0	1.70	2.7	2.1
Average		2.7'	0.04	11.77	2.19	3.2	5.15

OMM-6797 U. S. Silver Mining Company

Bulk and grab samples

Sample No.	Location	No. Cars	Au oz.	Ag oz	Cu%	Pb%	Zn%
2	96 - 100	17 cars	.086	1.0	0.225	0.36	.52
3	Same as #2	17 cars	.065	7.05	0.90	0.71	1.25
4	102 - 107	9	.04	10.82	1.54	1.13	0.30
14	Car grab	142 - 146	0.02	1.40	1.10	2.65	0.45
8	grab	muck pile	0.03	4.08	0.44	1.2	1.7
10	169 - 174	muck pile	0.01	3.06	1.04	1.08	2.15
11	177 - 182	muck pile	0.005	4.67	0.75	1.50	3.40
12	186 - 190	muck pile	0.01	2.95	0.52	1.65	2.05
13	214 - 219	muck pile	0.01	3.75	0.64	1.15	1.35
14	231 - 254	muck pile	0.25	4.47	0.89	0.98	1.10
15	270	grab	.015	4.2	1.45	0.48	3.0
16	290	grab	.019	8.2	1.2	1.5	2.9
17	318	grab	.045	7.8	1.5	.88	1.7
(13)			.525	63.45	12.19	15.29	21.87
Average			.040	4.88	.93	1.17	1.68

794 cars @ 1 ton each = 794 tons of ore grade material in stockpile:

.04 oz. Au @ $35.00/oz.	=	$1.40
4.88 oz. Ag @ $1.48 oz.	=	$7.22
.93% Cu = 18.6 lbs. @ 50¢/lb.	=	$9.30
1.17% Pb = 23.4 lbs. @ .1450¢/lb.	=	$3.39
1.68% Zn = 33.6 lbs. @ 17¢/lb.	=	$5.71
		$27.02

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

617-828-6660

21 University Road
Canton
Massachusetts 02021

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 1 1973

INITIALS	CODE
Cat	120
HK	120

May 29, 1973

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
United States Department of the Interior
Washington, D.C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Kirkemo:

The Termination Agreement is satisfactory and you will find enclosed three (3) signed copies.

I will send you three (3) copies of a final report as soon as possible. Thank you very much for your continued help in this matter.

Sincerely yours,

George P. Bates

George P. Bates
U.S. Silver Mining Company

GPB/rmf

Encs. - 3

Plant Locations

Piscataway, N. J.
08854

Canton, Mass.
02021

Chino, Calif.
91710

MMS Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

MAY 24 1973

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

We are sorry to learn of the death of Mr. Rounds. This is indeed a tragic event both for his family and the partnership.

We regret that the U. S. Silver Mining Company will be unable to resume operations on the subject contract, and that the contract must be terminated. The findings on the main structure indicated sufficient grade and quantity of ore to warrant the work necessary to find extensions of the same vein, and possibly locate other veins from the 200-foot level.

In accordance with the request in your letter of May 18, 1973, to the Field Officer, OME, Region III, we have prepared a proposed Termination Agreement to the subject contract. We enclose the original and three copies (one page each) signed for the Government. If the proposed agreement is satisfactory to you, please sign the four copies as the authorized representative of the partnership, retain the Operator's copy, and return the other three signed copies to this office.

If any part of the proposed agreement does not have your approval, the original and all copies should be returned to us together with the proposed changes for consideration.

Final settlement of your account will be made upon receipt of your final report on the project.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's reading file
Mineral Resources
OME reading file
Region III
Mr. Kirkemo
HKirkemo/cac 5/24/73

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

Office of Minerals Exploration
Building 53 Room 28

May 22, 1973

OFFICIAL COPY
C. M. E.
RECEIVED
JUN 7 1973

INITIALS	CODE
Coe	120
HK	~~120~~

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Mr. George P. Bates, Managing Partner, U. S. Silver Mining Company, informed this office in a letter dated May 18, 1973 that the subject company is requesting termination of the above-cited contract.

The Operator cites several reasons for terminating the contract as follows: "First, that we do not feel that the amount of ore we have found is sufficient or consistent enough to justify further expenditures."

"Second, new safety regulations will require us to spend substantial additional amounts of money to continue our exploration, development and mining."

Finally, the death of my major partner, Dwight Rounds, and the fact that his wife does not want to invest more money in this enterprise has dried up our source of money."

I am sympathetic to some of the reasons the Operator gives requesting termination of the subject contract, namely the death of Mr. Dwight Rounds, senior partner of the U. S. Silver Mining Company, and partly because of the expenditures that would be required of the company to comply with new Colorado Safety regulations. I do not agree with Mr. Bates in his statement that the amount of ore found is not sufficient or consistent enough to justify further expenditures. I feel that the amount of new ore discovered on and above the 200 level of the Rawley tunnel as a result of the exploration work performed under the subject contract is commensurate with the Operator's expenditures, and I would like to see him complete the exploration work. However, there is only a balance of $5,669.29 left, out of the estimated $63,200.00. The Government's

participation of the balance left under the contract, if it were spent, would only be $3,543.30. A certification of discovery will be made. Consequently, I recommend termination of the contract at this time.

A rough calculation from some of the Operator's quoted data, using a mining width of 7 feet, a strike distance of 200 feet, and projecting the vein 100 feet above and below the Rawley 200 level, there is an estimated 12,700 tons of ore that will average 5.0 oz. Ag, 1.5% copper, 3.0% Pb and 3.0% Zn. The value of this ore at current prices ($2.43 Ag, .60¢ cu, 16-1/2¢ Pb and .20-1/4¢ Zn, would total $52.10 per ton. The 12,700 tons would gross some $660,400.00.

The OME exploration work has, however, explored the Rawley vein for a distance of some 250 feet. This would develop some 31,800 tons of vein material that would gross $1,653,600 at $52.00 per ton. Further exploration on the copper winze vein which may be a hanging wall split of the Rawley vein may discover large additional new reserves of gold, silver and copper in the steeply dipping fissure vein in andesite. (See Hasler memorandum of June 30, 1972.)

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

May 22, 1973

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Justification for Termination Agreement

The purpose of this project was to explore for gold-silver-copper orebodies in the Rawley mine by drifting, raising, and long hole drilling from the 200-foot level. The total estimated cost of the contract was $63,200.00, with the Government's share at 62½ percent totalling $39,500.00.

Most of the work planned for this project was completed for an approved total cost of $57,530.71, of which the Government's share was $35,956.69.

The work disclosed a mineralized structure about 250 feet in length, averaging 2.7 feet in width, and averaging 11.8 ounces silver and 0.04 ounces gold per ton, 2.19 percent copper, 3.2 percent lead, and 5.15 percent zinc. The tonnage and grade potential for this material warrants certification of possible production.

Unfortunately, the structure did not persist along strike very far beyond this ore shoot. Exploration during the last several months preceding the start of the current recess was directed to intersect projected splits of the vein, and projections of parallel veins.

The project was recessed effective December 15, 1972, because of severe winter weather conditions, and was expected to resume on or about June 15, 1973. The Operator, in a letter dated May 18, 1973, to the Field Officer, Region III, requested termination of the contract for the following reasons:

1. Death of Dwight M. Rounds, one of the partners in the U. S. Silver Mining Company, and a principal financial supporter of the company. The family does not wish to continue the support.

2. Additional cost to the Operator to comply with mine safety regulations.

3. Quantity of ore discovered to date by contract work does not warrant preparations to undertake production.

Under these circumstances and because only $3,543.31 of Government funds remain on the contract, I concur in the Field Officer's recommendation to mutually terminate the contract.

Harold Kirkemo

Harold Kirkemo

cc: Director's reading file
Mineral resources
OME reading file
Mr. Kirkemo

HKirkemo/cac 5/23/73

DRAFT 5/22/73

Received 5-23-73
G.L.S.

EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797

Termination Agreement

It is agreed this_____day of _____, 1973, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and (George P. Bates, John O. Flender and Dwight M. Flounder, d/b/a) U. S. Silver Mining Company, (a partnership,) hereinafter called the "Operator," parties to that certain exploration Contract No. 2294 (OME-6797), dated March 22, 1971, as amended, hereinafter called the "Contract," that:

1. Effective June 15, 1973, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the allowable costs incurred prior to December 15, 1972.

3. The Operator shall promptly complete all winding-up and settlement actions provided for in the Contract, including furnishing to the Government (over→)

4. All rights of the Government provided for in the Contract with respect to a certification of possible production, royalty on production, and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

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

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

THE UNITED STATES OF AMERICA

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

three copies of a final report (in addition to the final monthly report) which shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs thereof.

U. S. SILVER MINING COMPANY

By_____

Title_____

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

617-828-6660

21 University Road
Canton
Massachusetts 02021

OME Region III
RECEIVED
MAY 22 1973
Denver, Colorado

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 24 1973
INITIALS CODE
Cal 120M
HK 120

May 18, 1973

Mr. J. William Hasler
Office of Minerals Exploration
U.S. Geological Survey
Denver Federal Center
Building 53, Room 28
Denver, Colorado 80225

Re: OME-6797
Contract No. 2294
U.S. Silver Mining Company

Dear Mr. Hasler,

I would like to notify you that we are hereby requesting termination of our contract. According to my records and my most recent report to you for the month of November, 1972, we have expended a total of $57,530.71, leaving a difference of $5,669.29 out of the total contract which is for $63,200.00. We do not expect to spend any part of this balance of $5,669.29. I would also like to remind you that you have withheld $200.00 due us pending a determination of our intentions.

I have been forced to make this difficult decision for several reasons. First, we do not feel that the amount of ore we have found is sufficient or consistent enough to justify further expenditures. Second, new safety regulations will require us to spend substantial additional amounts of money to continue our exploration, development and mining. Finally, the death of my major partner, Dwight Rounds, and the fact that his wife does not want to invest more money in this enterprise has dried up our source of money.

Thank you for your help in this matter. We will be submitting a final report before long. Do not hesitate to ask me any questions you may still have. I will try to get together with you on my trip to Colorado in June.

Sincerely yours,

George P. Bates

George P. Bates
Managing Partner
U.S. Silver Mining Company

Standard Form No. 1048
7 GAO 5000
1048-104

MEMORANDUM

PUBLIC VOUCHER FOR REFUNDS

04947A

OME 2294

Voucher No. 04947A

U. S. Department of the Interior, Geological Survey
(Department or Establishment, Bureau or Office)

Location: Reston, Virginia 22092

Appropriation or Fund: 14X6875(08) Suspense, Geological Survey

PAID BY

To
Address: U. S. Silver Mining Company
21 University Road
Canton, Mass. 02021

Withheld
~~XXXXXXXXXXXXXXXX~~d from the above-named depositor on February 3, 1973

~~XXX~~ For From voucher for November 1972 pending resumption of work in June 1973.

has been applied as herein stated and the balance indicated is returned herewith:

Amount of ~~XXXXXXX~~ withheld	$ 200.00
Applied as explained in "Remarks" below	-0-
	-0-
Balance authorized to be refunded	$ 200.00

Remarks:

As the contract was terminated effective June 15, 1973, by mutual agreement of the Government and the Operator, and an acceptable Operator's Final Report received on July 2, 1973, the $200.00 withheld from the November 1972 voucher may be paid.

Ref: Memorandum from Chief, Office of Minerals Exploration, 11/30/73.

January 24, 1974

Refund by
Check No.
Cash, $ on
Other method, $, (Describe)

☆ U.S. GOVERNMENT PRINTING OFFICE : 1960 O—572727

Standard Form No. 1048
7 GAO 5000
1048–104

MEMORANDUM

04947A

OME 2294

PUBLIC VOUCHER FOR REFUNDS

Voucher No. Ø4947A

U. S. Department of the Interior, Geological Survey
(Department or Establishment, Bureau or Office)

Location: Reston, Virginia 22092

Appropriation or Fund: 14X6875(08) Suspense, Geological Survey

PAID BY

To Address
U. S. Silver Mining Company
21 University Road
Canton, Mass. 02021

Withheld from the above-named depositor on February 3, 1973
for From voucher for November 1972 pending resumption of work in June 1973.

has been applied as herein stated and the balance indicated is returned herewith:

Amount of withheld	$ 200.00
Applied as explained in "Remarks" below	-0-
	-0-
Balance authorized to be refunded	$ 200.00

Remarks:

As the contract was terminated effective June 15, 1973, by mutual agreement of the Government and the Operator, and an acceptable Operator's Final Report received on July 2, 1973, the $200.00 withheld from the November 1972 voucher may be paid.

Ref: Memorandum from Chief, Office of Minerals Exploration, 11/30/73.

January 24, 1974

Refund by
- *Check No.* ____
- *Cash, $* ____ *on* ____
- *Other method, $* ____, ____ (Describe)

☆ U.S. GOVERNMENT PRINTING OFFICE : 1960 O—572727

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

January 10, 1973

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 15 1973
Cal 20 mw
ga 130
HK 120
Rmw gw

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

Transmitted herewith is an original and two copies of the Operator's Monthly Voucher for the month of November 1972 with an accompanying narrative report, map and a supporting statement from the Operator's Consulting Geologist. The costs claimed herein are allowable under the subject contract as Amended (No. 5), therefore I recommend payment, but suggest that $200.00 be withheld pending the Operator's resumption of work in June of 1973.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

SHIELD CHEMICAL CO., INC.
AEROSOL & PRESSURE PACKAGING

617-828-6660

21 University Road
Canton
Massachusetts 02021

OME Region III
RECEIVED
JAN 9 X 1973
Denver, Colorado

January 5, 1973

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Denver Federal Center
Building 53, Room 28
Denver, Colorado 80225

Re: OME-6797
Contract No. 2294
U. S. Silver Mining Company

Dear Mr. Hasler:

Enclosed you will find a report for November. I have also enclosed four (4) copies of the invoice we have received from Max Evans to substantiate that part of our expenses.

Thank you very much for your continued help and best wishes for the New Year.

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Encs.

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME Region III RECEIVED JAN 9 X 1973 Denver, Colorado

HK 1/23/73
Raw 1/23/73

OPERATOR'S MONTHLY VOUCHER

For Month of November 1972

Docket No. OME- 6797
Contract 14-08-0001 2294
Contract Amount $63,200.00
Gov't. Participation 62½ $39,500.00

Operator's Name U. S. Silver Mining Company
Address 21 University Rd., Canton, Mass. 02021

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
		$		$		$		$
Drifting including timbering			643	41,152.00	—	—	643	41,152.00
Long hole drilling	117	155.61	617	820.61	117	155.61	617	820.61
Supervisor			12	9,600.00	—	—	12	9,600.00
Office expense			9	450.00	—	—	9	450.00
payroll taxes, insurance			12	1,440.00	—	—	12	1,440.00
Assaying			36	240.00	—	—	36	240.00
Outside Consultant	2	150.00	18.5	1,387.50	2	150.00	18.5	1,387.50
Travel, outside consultant			680	81.60	—	—	680	81.60
Per diem, outside consultant	1	25.00	4.36	109.00	1	25.00	4.36	109.00
Raising, including timbering			25	2,250.00	—	—	25	2,250.00
TOTALS		$330.61		$57,530.71		$330.61		$57,530.71

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

Date 1/2/73 *Payee George P. Bates U.S. Silver Mining Company

Per George P. Bates Title Partner

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature J. William Hosler OME Field Officer Date 1/10/73

206.63 (63) 14X0804
200.00 14X6875 (08)

Approved for: $ 6.63 NET TO PAYEE
(SUBJECT TO AUDIT)

Signature BM7

Date FEB 8 1973 Vou. No. 03890A

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS
RECEIVED U.S. GEOLOGICAL SURVEY JAN 26 12 46 PM '73 BUDGET & FINANCE	Withheld $200.00 pending completion of work in June 1973

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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

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

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

617-828-6660

21 University Road
Canton
Massachusetts 02021

OME Region III
RECEIVED
JAN 9 X 1973
Denver, Colorado

January 5, 1973

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Denver Federal Center
Building 53, Room 28
Denver, Colorado 80225

Re: OME-6797
Contract No. 2294
U. S. Silver Mining Company

Dear Mr. Hasler:

Enclosed you will find a report for November. I have also enclosed four (4) copies of the invoice we have received from Max Evans to substantiate that part of our expenses.

Thank you very much for your continued help and best wishes for the New Year.

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Encs.

U.S. SILVER MINING COMPANY

Report of Progress

Month of November 1972

O.M.E. Contract No. 2294

Timbering was commenced to catch the bad ground resulting from the fault zone encountered at 68 to 78 ft. in the east x cut referred to in the progress report for October, 1972. During the first part of the month the rock was still caving and sloughing as water coursed down the slick footwall slip of the fault. The first two square sets were put up without difficulty, but while blocking to the back on the third a large slab caved off and wiped the set out.

At this point it seemed that while the area could be eventually controlled, the expenditure of time and material involved would off set a new course of the x cut to get around the area. Also the effect of the fault and its influence on ore deposition was an unknown quantity. Accordingly, an examination of the x cut by Mr. William Hasler of the O.M.E. Denver office and Max Evans, consulting geologist, was arranged for November 15, 1972.

During the examination the east x cut was surveyed and mapped and a decision was made to drill two long holes from a drill location with bearings as shown on Evans' map. Purposes of the holes being to try to locate the copper winze structure and to test the rock conditions in case a run around would be required.

Long Hole #17 was drilled on a Brunton bearing of S 55°E. The first 30 ft. of the hole was in medium hard rock, probably due to the influence

of the fault, but from 30 ft. to its total depth of 57 ft. the rock became quite hard. The hole was abandoned at 57 ft. because the drilling machine would not rotate the string of steel. Some deflection of the string was undoubtedly caused by slips angling across the hole.

Long Hole #18 was drilled on a bearing of N 73° E. The fault zone shown on the geologic map was encountered from 16 ft. to 20 ft. in the hole. Thereafter the rock became hard and continued hard to 46 ft. At 46 ft. the rock softened considerably and between 50 and 51 ft. heavy gouge material was struck. This gouge caused much trouble by plugging the steel and, after several unsuccessful attempts to drill through it, a 1" pipe was inserted into the hole to clean the gouge. This was done three times and then the hole was flushed with water. During these operations some of the gouge was panned and the mineral glass reveals fairly heavy mineralization in the gouge. Galena, Sphalerite and Chalcopyrite particles were identified in the drillings. A sample has been saved of the gouge cleaned out with the pipe, as well as samples of each rod. The rod samples may not be very conclusive, however, due to contamination in the hole clearly revealed during the flushing of the hole.

After flushing, the hole was reentered and drilled to 60 ft. total depth. Alteration was evident in the drillings from 51 ft. to 55 ft. after which the hole passed back into country rock. While no "solid" ore was cut in the hole, it seems conclusive that there is a structure out there roughly conforming to the down dip extension of the Copper Winze of the Antoro.

A decision was made to timber the fault zone at whatever cost and extend the x cut to avoid losing any footage remaining on the contract. However, a major snowstorm on December 4th and 5th coming on top of several previous storms in November blocked the road from the 1200 level to the 200 level, and it seemed best to apply for a recess of the work until spring.

Copies of Mr. Evans' report and map covering the latest examination of the project are attached hereto.

Summary of work for month of November, 1972:

	Nov.	Total to Date
Mill ore dumped on stockpile	-0-	924 cars
Drifting and x cutting	-0-	643 ft.
Raising	-0-	25 ft.
Long Holes	117	617 ft.

GEOLOGICAL REPORT
RAWLEY MINE 200 LEVEL
OME PROJECT - CONTRACT NO. 2294
November, 1972

A one day geological examination was made on the 200 Level O.M.E. project at the Rawley Mine during November, 1972. The examination was made with Mr. William Hasler, field officer for the United States Government Office Of Minerals Exploration.

Purpose of the examination was to map the underground geology of the crosscut drifting recently completed on the 200 Level of the Rawley Mine. The crosscutting had been completed to explore for the down dip extension of the Copper Winze Ore shoot on the 200 Level.

Extremely bad ground composed of altered andesitic porphyry was encountered in the crosscut drift at a point forty five (45) feet in from the right rib of the main existing drift. Caving conditions required timbering of the drift from the forty five foot point to the existing face. A N 70 degree West fault zone with flat paralell fractures on the south hanging wall block caused the drift back to cave some fifteen (15) feet above the track elevation. At the time of examination the drift timbers were broken and the drift segment near the face was full of cave material.

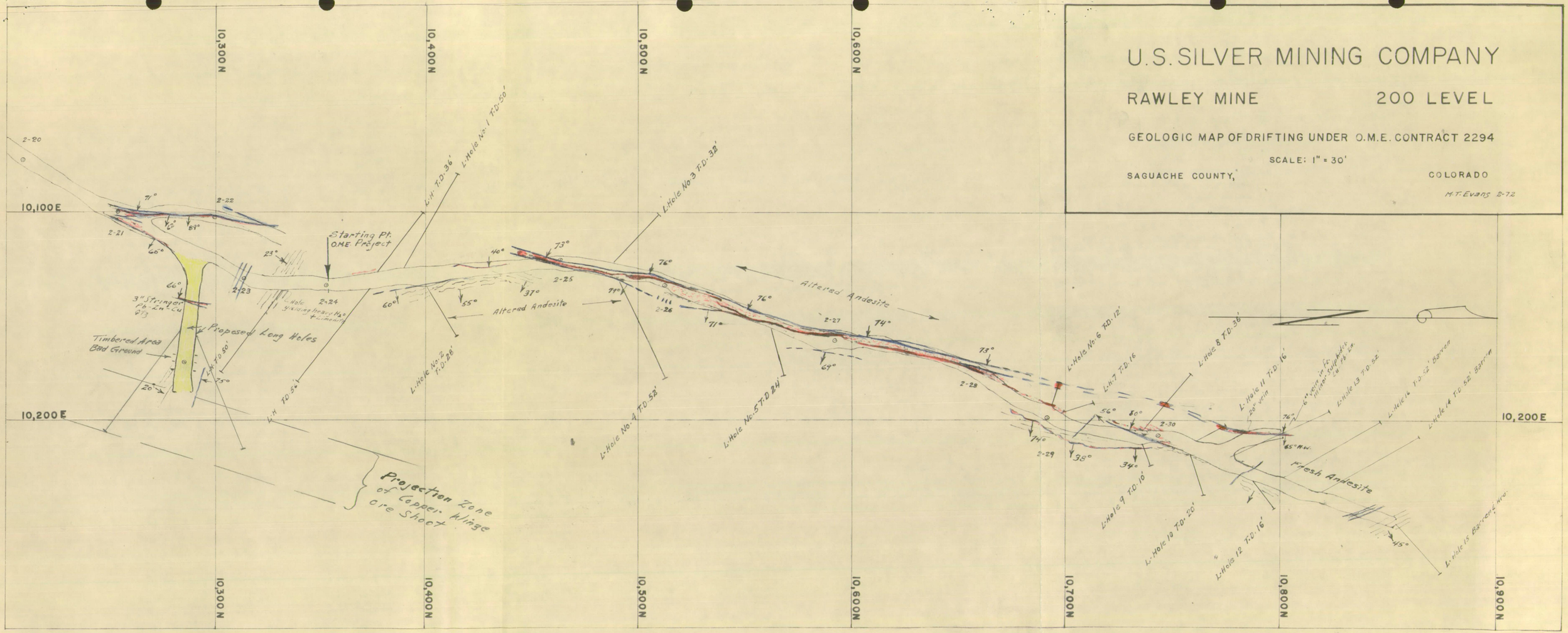
Due to the bad ground conditions encountered and the fact the existing face was in near proximity to the projected position of the vein, a decision was made to drill two long holes for possible location of the vein and also to test for better ground conditions in the event a run around would be required.

It is strongly recommended that the proposed long holes be drilled no less than 60 feet in depth to test the possibility of a flattening in dip on the projected vein structure. (See Attached Map)

Respectfully submitted,

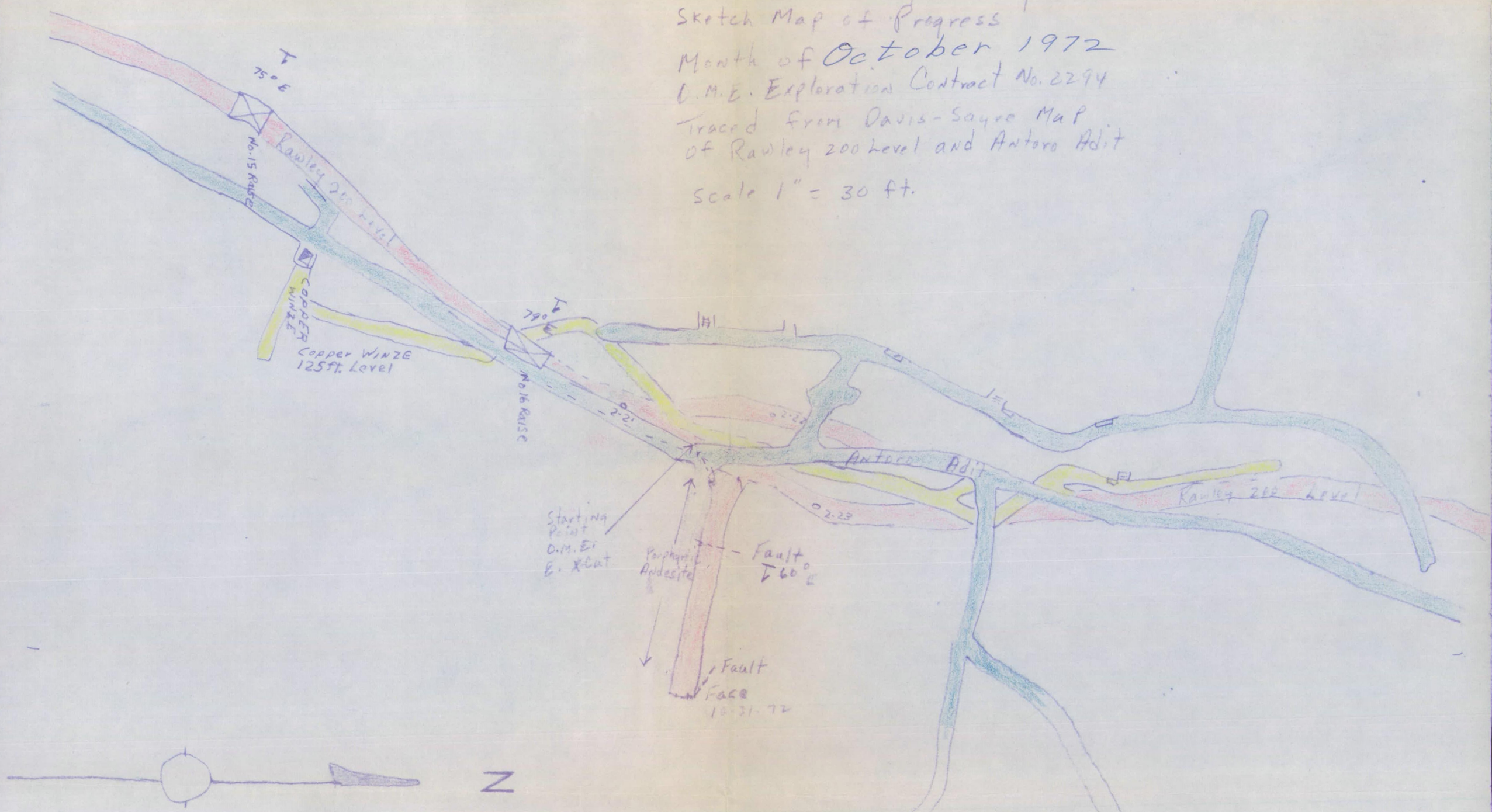
Max T. Evans - Consulting Ming. Geol.
P. O. Box 407
Crested Butte, Colorado 81224

Att: Geological Map


U.S. SILVER MINING COMPANY
RAWLEY MINE
200 LEVEL
GEOLOGIC MAP OF DRIFTING UNDER O.M.E. CONTRACT 2294
SCALE: 1" = 30'
SAGUACHE COUNTY,
COLORADO
M.T. Evans 2-72
10,300 N
10,400 N
10,500 N
10,600 N
10,700 N
10,800 N
10,900 N
10,100 E
10,200 E
Starting Pt. O.M.E. Project
L.H. T.D. 36'
L. Hole No. 1 T.D. 50'
L. Hole No. 3 T.D. 32'
L. Hole No. 2 T.D. 28'
L. Hole No. 4 T.D. 52'
L. Hole No. 5 T.D. 24'
L. Hole No. 6 T.D. 12'
L.H. 7 T.D. 16
L. Hole 8 T.D. 36'
L. Hole 9 T.D. 10'
L. Hole 10 T.D. 20'
L. Hole 11 T.D. 16'
L. Hole 12 T.D. 16'
L. Hole 13 T.D. 52'
L. Hole 14 T.D. 52' Barren
L. Hole 15 Barren
L.H. T.D. 50'
L.H. T.D. 60'
Proposed Long Holes
Timbered Area Bad Ground
3" Stringer Pb-Zn-Cu
Altered Andesite
Fresh Andesite
Projection Zone of Copper Wings Ore Shoot
2-20
2-21
2-22
2-23
2-24
2-25
2-26
2-27
2-28
2-29
2-30

U.S. Silver Mining Company
Sketch Map of Progress
Month of October 1972
U.M.E. Exploration Contract No. 2294
Traced from Davis-Sayre Map
of Rawley 200 Level and Antoro Adit

Scale 1" = 30 ft.



Crested Butte, Colorado
December 18, 1972

To: Mr. Reid Johnston - Operator Rawley Mine

From: Max T. Evans

Subject: Statement For Geological Consulting Services On Rawley Mine OME Project.

Underground geological Work On November 15, 1972	.....	$75.00
Expenses Per Day	.....	25.00
One day map preparation & report	.....	75.00
Map Prints	.....	2.47
Total Amount Due	.....	$177.47

Respectfully submitted,

Max T. Evans

Max T. Evans - Consulting Ming. Geol.
P. O. Box 407
Crested Butte, Colorado 81224

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee:

U.S. Silver Mining Company
21 University Road
Canton, Mass. 02021

Amount Claimed:	Differences (Explained Below)	Amount Approved
$ 330.61	$ 200.00 Govt. Participation	$ 330.61 206.63 (62.5%) 200.00 Withheld 6.63
Bu. Voucher No.	Payee's Invoice No. Docket #6797 Contract #2294	Period November 1972

EXPLANATION

$ 200.00 withheld pending resumption of work in June 1973.

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

bmf

Branch of Budget and Finance

617-828-6660

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

21 University Road
Canton
Massachusetts 02021

December 27, 1972

OFFICIAL COPY
O. M. E.
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JAN 5 1973
INITIALS | CODE
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HK | 120
BW | 130
Zla

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Kirkemo:

Thank you very much for taking care of the Amendment to our Contract. You will find three (3) signed copies enclosed.

Sincerely,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Encs. - 3

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/21/72		120
		220

December 21, 1972

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

Enclosed are the original and three copies of proposed Amendment No. 5 (two pages) which have been signed for the Government.

If the proposed amendment is satisfactory to you, please sign all four copies as the authorized representative of the other Partners, retain the Operator's copy, and return the other three signed copies to this office.

If any part of the proposed amendment does not have your approval, please return the original and all copies to this office together with the proposed changes for consideration.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Region III w/extra copy of amendment
Mr. Kirkemo
130

GLAult/a 12-21-72

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225
Office of Minerals Exploration
Building 53 Room 28

IN REPLY REFER TO:

December 29, 1972

COPY
E.
RECEIVED
22 1972

INITIALS	CODE
Cac	120
[illegible]	120
HK	120
Rlwl	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June Antoro, andPoverty Claims
Saguache County, Colorado
Contract 2292

The Operator, in a letter dated December 15, 1972 has requested that the work under the subject contract be recessed from December 15, 1972 until June 15, 1973 as a result of continued heavy winter snows, essentially preventing access to the Rawley 200 level whose portal lies at an elevation of 10,870 feet above sea level. This was discussed in my interim inspection report of November 29, 1972.

The Operator also requested, at our suggestion that an estimated $240.00 be transferred from assaying to long-hole drilling to allow for 180 feet of long hole drilling to explore for a portion of the hanging wall from the crosscut near survey station 2-23, also as discussed in the interim inspection report referred to above.

Amendment No. 4 to the subject contract stipulates that "The date fixed by Article I(a) of the Contract for completion of the work, as amended by Amendment No. 2, is further extended from seventeen (17) months to twenty-one (21) months from the date of the Contract or until December 22, 1972."

I recommend that the contract be so amended, as the exploration work yet to be completed may enhance the project insofar as a significant discovery of ore is concerned.

J. William Hasler

J. William Hasler, Field Officer
Region III
Office of Minerals Exploration

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/19	Weeks	

DEC 19 1972

Memorandum

To: The File

From: Robert A. Weeks

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Justification for Amendment No. 5

Completion of work under this Contract has been delayed by severe weather. A recess of the work has been recommended by the Field Officer, together with an extension of time, and a transfer of money to permit more long-hole drilling. The money will be transferred from the amount allowed for assaying samples.

Results to date indicate that a certification of possible production will be made on this contract. It is in the best interest of the Government and the Operator that all allowable work on the Contract be completed as additional ore reserves may be discovered by such work.

I concur with the Field Officers recommendations for extension of time, recess, and transfer of funds to permit more long-hole drilling.

Robert A. Weeks

Robert A. Weeks

cc: Director's reading file
Mineral Resources
OME reading file
Mr. Weeks

RWeeks:cac 12/19/72

Weeks
12-19-72
120 HR 12/20/72
RWeeks
120M

EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797

AMENDMENT NO. 5

It is agreed this_____day of_____, 197 , between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and George P. Bates, John O. Flender, and Dwight M. Rounds, d/b/a U. S. Silver Mining Company, a partnership, hereinafter called the "Operator," that Exploration Contract 2294, (OME-6797), dated March 22, 1971, as amended, is further amended effective December 15, 1972 as follows:

1. (a) Work under the Contract may be suspended during the period beginning December 15, 1972, and ending no later than June 15, 1973.

(b) The Government shall not contribute to any costs incurred during the period of suspension.

(c) The Government shall not contribute to or be liable for any costs of rehabilitation or repair or any other costs which would not have occurred if there had been no suspension of work, or which may arise out of this suspension.

(d) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed by Article 1(a) of the Contract for completion of the work, as amended by Amendment No. 4, is further extended from twenty-one (21) months to thirty-three (33) months from the date of the Contract, or until December 22, 1973.

3. The maximum period for royalty payments as provided in Article 6(b) of the Contract as amended by Amendment No. 2 and for the lien to secure payment thereof as amended by Amendment No. 1 is extended from eleven (11) years to twelve (12) years from the date of the Contract.

4. In Exhibit A of the Contract under the heading Estimated Costs of the Work, Fixed Unit Costs, as amended by Amendment No. 3, the section is revised to read as follows:

"Fixed Unit Costs 1/ 2/

Drifting, including timbering, 710 feet at $64.00/foot	$45,440.00
Raising, including timbering, 25 feet at $90.00/foot	2,250.00
Long-hole drilling 740 feet at $1.33/foot (rounded)	985.00
1 Supervisor 12 months at $800.00/month	9,600.00
1 Outside Consultant, 20 days at $75.00/day	1,500.00
Travel, Outside Consultant 3,000 miles at $0.12/mile	360.00
Per diem, Outside Consultant, 20 days at $25.00/day	500.00
Office Expense, 9 months at $50.00/month	450.00
Payroll taxes, insurance $9,600 at 15%	1,440.00
Assaying, 100 samples Gold and silver at $2.50/sample Copper, lead, zinc at $1.50/each (rounded)	675.00
Total Estimated Cost of the Work	$63,200.00
Government participation at 62-½%	$39,500.00

1/ Includes all costs whatsoever such as mobilization and demobilization, labor, equipment, materials and supplies, and services.

2/ The Government retains no equity in any of the equipment or materials used."

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

Except as herein amended, Exploration Contract 2294 (OME-6797), dated March 22, 1971, shall remain in full force and effect.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

U. S. SILVER MINING COMPANY

By_____

Title_____

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

Office of Minerals Exploration
Building 53 Room 28

November 29, 1972

OFFICIAL COPY
O. M. E.
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INITIALS	CODE
Cae	120
Gla	130
HK	120
Ami	B-W

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2292~~4~~

An interim inspection on the subject property was made November 15th and 16th. The examining geologist was accompanied by the Operator's Mine Superintendent, Mr. Reid Johnston, and the Operator's Consulting Geologist, Mr. Max Evans.

The recommended crosscut off the Rawley 200 level to explore the projected hanging wall split of the main Rawley vein to the east was begun 28 feet beyond Survey Station 2-21 in order not to interfere with the frog at the junction of the two drifts at Station 2-21. (See attached map).

An essentially north striking 1-foot wide vein was intersected some 23 feet in the crosscut. This vein was sampled by the examining geologist, however, the assay results are not yet available. Beyond this vein the country rock is predominantly andesite, and as the crosscut was advanced eastward the andesite became progressively altered, and more porphyritic nearer the face. Several bedding plane slips became flatter between 50 - 68 feet in the crosscut and a prominent flat fault plane dipping 20° east was penetrated at 68 feet. The fault was very gougy and the surrounding country rock is increasingly decomposed. Near 78 feet in the drift the flat fault appeared to join a strong west-northwest striking fault and fracture zone that appears to be an extension of the fracture zone in the main drift between station 2-23 and 2-24. The strong fault strikes N. 73° W. and dips 75° south.

It was recommended by the consulting and examining geologists to drill at least two long-holes northeast, and southeast from a point in the crosscut (see enclosed map) across the projected hanging wall split to test for its projection. If these two holes do not intersect the structure then a long hole south 30° east near station 2-21 for about 60 feet should be drilled to test the hanging wall structure in rocks known to be favorable for ore deposition. The main vein becomes tight and nonproductive northward from survey station 2-25, however the stopes off the copper vein or hanging wall split of the Rawley vein strongly projects into the area of the proposed exploration even though the projection is a long one. There could be a flattening of the vein, or the rocks within this area may be similar to those non-productive, intensely silicified portions of the main vein, as the portion just mentioned, or similar to the fresh, highly silicified andesite encountered beyond the structure 45 feet beyond the survey station 2-30, at which point the vein can be seen but it is tight and just plain non-productive.

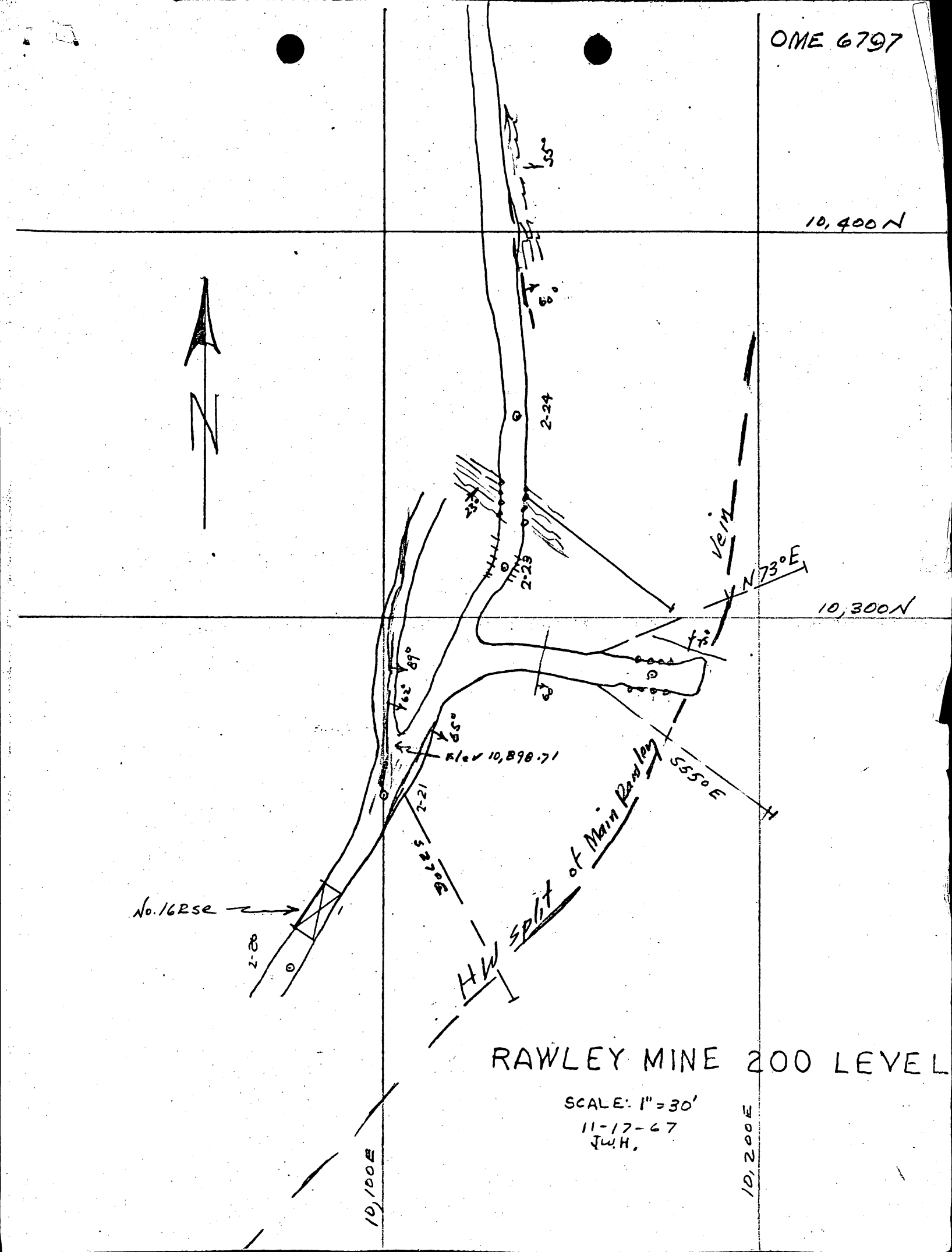
The Operator has some 60 feet of long-hole drilling left that is allowable, and he will need at least 180 feet of additional long hole drilling to adequately test the hanging wall vein. This footage can be obtained by transferring that amount of money from assay costs as there is a surplus here. These funds can be used without endangering the project in any way. The transfer of $240.00 from assaying will still leave a balance of $435.00 for assays, and that much sampling should not now be needed. The Operator has been advised to request the transfer of these funds by an amendment to the contract as well as to ask for an extension of time, as the date for completion of the work is December 22, 1972. Additional time may be required to reach the objective, and heavy winter snows may seriously hamper the project, as the Rawley 200 level portal lies at an elevation of 10,870 feet above sea level. His request will be proposed and submitted to us for consideration.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

OME 6797



RAWLEY MINE 200 LEVEL

SCALE: 1" = 30'
11-17-67
J.W.H.

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

Office of Minerals Exploration
Building 53 Room 28

IN REPLY REFER TO:

November 17, 1972

OFFICIAL COPY
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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: Travel, Interim Inspection
OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

Per diem in lieu of subsistence for 2-3/4 days covering the period from November 14, 1972 through November 16, 1972 totalling $57.75 was incurred. Costs for the use of a Government owned 4 x 4 four-wheel drive International Carryall totalled $40.46:

Mileage - 379 miles @ $0.085¢ per mile

3 days at $2.75/day

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of MInerals Exploration

65
57
122

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

Office of Minerals Exploration
Building 53 Room 28

November 10, 1972

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O. M. E.
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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Transmitted herewith is an original and two copies of the Operator's Monthly Voucher for the month of October, 1972 with accompanying narrative and maps substantiating the exploration work completed during the period referred to. I recommend payment for the funds incurred with Government participation at 62-1/2 percent.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

HK 11/3/72
Rcvd 11/13/72

RECEIVED NOV 8 - 1972

OPERATOR'S MONTHLY VOUCHER

For Month of October 1972

Voucher No. OME- 6797
Contract 14-08-0001 2294
Contract Amount $63,200.00
Gov't. Participation 62½ $ 39,500.00

Operator's Name U.S. Silver Mining Company
Address 21 University Rd., Canton, Mass. 02021

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
		$		$		$		$
drifting, including timbering	78	4992.00	643	41,152.00	78	4,992.00	643	41,152.00
long hole drilling			500	665.00	—	—	500	665.00
supervisor	1	800.00	12	9,600.00	1	800.00	12	9,600.00
office expense			9	450.00	—	—	9	450.00
payroll taxes, insur.	1	120.00	12	1,440.00	1	120.00	12	1,440.00
assaying			36	240.00	—	—	36	240.00
outside consultant			16.5	1,237.50	—	—	16.5	1,237.50
travel, outside consultant			680	81.60			680	81.60
per diem, outside consultant			3.36	84.00			3.36	84.00
raising, including timbering			25	2,250.00			25	2,250.00
TOTALS		$ 5,912.00		$ 57,200.10		$ 5,912.00		$ 57,200.10

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

Date 11/6/72 *Payee George P. Bates
U.S. Silver Mining Company

By George P. Bates Title Partner

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature J. William Hooker OME Field Officer Date 11/10/72

(63) 14X0804

Approved for: $ 3,695.00
(SUBJECT TO AUDIT)

Signature 8m7 03576A [redacted]

Date NOV 17 1972 Vou. No.
(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

FOR GOVERNMENT USE

REMARKS

059135

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U.S. GEOLOGICAL SURVEY

NOV 14 2 03 PM '76

BUDGET & FINANCE

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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

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

U.S. SILVER MINING COMPANY

Report of Progress
Month of October, 1972

O.M.E. Contract No. 2294

Work was resumed on Exploration Contract No. 2294 the latter part of the month of September, 1972. Approval having been granted by O.M.E. to spend the rest of the drifting footage left on the contract for a cross cut to the east to explore the possible down dip extension of the hanging wall split of the Rawley vein known as the Copper Winze vein.

The x-cut was started 28 ft. from station 2 - 21. A switch was laid to provide continuing access to the drifting previously done on the O.M.E. Project. A fairly sharp turn to the east was constructed in order to get on the proper bearing as quickly as possible. The x-cut was turned to a heading of 100° to intersect the vein in the heart of the stoping area exposed in the Antoro level.

From the beginning the country rock was porphrytic andesite, which in the first 25 ft. of the x-cut was exceedingly blocky and made initial going very difficult because of the rock falling and breaking into big slabs and wedges.

At 30 ft. into the x-cut a small mineralized fault was encountered. The fault strikes N 15° E and dips to the east 60°. As exposed the fissure is only about 6" wide, with 3" to 4" of mineralized material. It is gougy and a small amount of water in drips issue from it.

After the fault was passed the ground became somewhat less blocky with the rock becoming even more porphrytic and softer. The bedding planes of the flows dipping from 40° to 50° to the east from 30 ft. to 50 ft.

These slips became increasingly flatter from 50 to 68 ft. with a flat fault plane showing a 20° dip to the east at 68 ft. This flat fault was very gougy and the rock above and below it soft and decomposed.

As the x-cut progressed down dip on the flat fault the green gouge became more massive and the rock more soft and ground up. This situation became more pronounced from 68 to 73 ft. From 73 to 78 ft. the north rib of the x-cut which was composed of the granulated rock caved off to expose an apparent junction of the flat fault with one striking to the northwest.

The area requires timbering which is in progress. Brunton readings of strike and dip are not available at month end. However, it is felt that this fault correlates with one exposed in the main drift immediately beyond station 2 - 23. Verification and plotting will be reported in the report for November, 1972.

Representative samples were taken of each round during the month and are on file in duplicate. Since no significant mineralization was crossed none of the samples were sent to be assayed.

Summary of work for month of October, 1972:

	October	Total to Date
Mill ore dumped on stockpile	-0-	924 cars
Drifting and x-cutting	78 ft.	643 ft.
Raising	-0-	25 ft.
Long Holes	-0-	500 ft.

617-828-6660

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

21 University Road
Canton
Massachusetts 02021

COPY
U. M. E.
RECEIVED
AUG 22 1972

INITIALS	CODE
Cee	120
HK	~~120~~
Rw	~~Blueks~~
Efa	130

August 18, 1972

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D.C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Kirkemo:

Thank you very much for extending our contract. You will find enclosed three (3) signed copies of the Amendment.

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Enc. - 3

Piscataway, N. J.
08854

Plant Locations
Canton, Mass.
02021

Chino, Calif.
91710

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/15	Weeks	
8/15/72	Kirkemo	
8/15	Erickson	

AUG 15 1972

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

Enclosed are the original and three copies of proposed Amendment No. ~~4~~ 5 (two pages) (one page) which have been signed for the Government.

If the proposed amendment is satisfactory to you, please sign all four copies as the authorized representative of the other Partners, retain the Operator's copy, and return the other three signed copies to this office.

If any part of the proposed amendment does not have your approval, please return the original and all copies to this office together with the proposed changes for consideration.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's reading file
Mineral Resources
OME reading file
Region III with extra copy of amend.
Mr. Kirkemo
130

HKirkemo/cac 8/15/72

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/9	Weeks	
8/9/72	Kirkemo	

August 9, 1972

Memorandum

To: The File

From: Robert A. Weeks

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Justification for Amendment No. 4

Several unavoidable interruptions to the current exploration work have delayed completion by August 22, 1972, of the work required under the terms of the contract. The Operator has diligently prosecuted work at the property, but has been delayed waiting for geological work to be performed and reported, and by necessary modifications required by the new Mine Safety Laws.

Results to date indicate that a certification of possible production will be made on this contract. It is in the best interest of the Government and the Operator that all allowable work on the contract be completed as additional ore reserves may be discovered as work continues.

The Operator has requested and the Field Officer recommends an extension of time, and I concur.

Robert A. Weeks

cc: Director's reading file
Mineral Resources
OME reading file
Mr. Kirkemo
Mr. Weeks

RWeeks:cac 8/9/72

DRAFT 8/9/72 RWeeks

EXPLORATION CONTRACT
U.S. SILVER MINING COMPANY
OME-6797
AMENDMENT NO. 4

It is agreed this_____day of _____, 1972, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government", and George P. Bates, John O. Flender, and Dwight M. Rounds, d/b/a U. S. Silver Mining Company, a partnership, hereinafter called the "Operator", that Exploration Contract 2294, (OME-6797), dated March 22, 1971, as amended, is further amended effective as of August 22, 1972, as follows:

~~1.~~ The date fixed by Article I(a) of the Contract, (as amended by Amendment No. 2) ~~Item 2 of Amendment No. 2~~ for completion of the work is further extended from seventeen (17) months to twenty-one (21) months from the date of the contract, or until December 22, 1972.

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

Except as amended herein Exploration Contract 2294 (OME-6797) dated March 22, 1971, shall remain in full force and effect.

Executed in quadruplicate the day and year first written above.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration

U.S. SILVER MINING COMPANY

By_____

Title_____

RECEIVED

AUG 9 1972

MINERAL RESOURCES AND
GENERAL LEGAL SERVICES

648

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY M. E. RECEIVED 3 1972

INITIALS CODE CAC 120 HR 424 CB

OK-Rlw 7-25-72 GHR

JUN 16 1972

OPERATOR'S MONTHLY VOUCHER For Month of April & May 1972

Operator's Name U. S. Silver Mining Company

Address 21 University Rd., Canton, Mass. 02021

Docket No. OME- 6797

Contract 14-08-0001-2294

Contract Amount $ 63,200.00

Gov't. Participation % 62½ $ 39,500.00

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
		$		$		$		$
tifting including timbering			565	36160.00	—	—	565	36,160.00
ong hole drilling			500	665.00	—	—	500	665.00
l supervisor	1	800.00	11	8800.00	1	800.00	11	8,800.00
office expense			9	450.00	—	—	9	450.00
payroll taxes, insurance	1	120.00	11	1320.00	1	120.00	11	1,320.00
assaying	6	42.00	36	240.00	6	42.00	36	240.00
outside consultant	8	600.00	16.5	1237.50	8	600.00	16.5	1,237.50
Travel, outside consultant			680	81.60	—	—	680	81.60
Per diem, outside consultant	3	75.00	3.36	84.00	3	75.00	3.36	84.00
Raising, including timbering	25	2250.00	25	2250.00	25	2,250.00	25	2,250.00
		$3887.00		$51,288.10				
TOTALS		~~$6888.00~~		~~$9088.10~~		$3887.00		$51,288.10

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

Date 6/14/72 *Payee George P. Bates U.S. Silver Mining Company

Per George P. Bates Title Partner

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature J. William Hasler 6/28/72
OME Field Officer Date

(63) 14X0804

Approved for: $ 2,429.37
(SUBJECT TO AUDIT)

Signature BMT

Date AUG 4 1972 Vou. No. 8058A

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

FINANCIAL REPORTS
RECEIVED
JUL 25 1972
BRANCH OF BUDGET AND FINANCE

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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

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

Crested Butte, Colorado
June 6, 1972

To: Mr. Reed Johnston

From: Max T. Evans - Consulting Geologist

Subject: Statement For Geological Consulting Services On Rawley Mine OME Project.

Underground Geological Work March 9, 1972	$75.00
Expenses Per Day	25.00
Underground Geological Work April 5, 1972.....	75.00
Expenses Per Day	25.00
Underground Geological Work May 23, 1972	75.00
Expenses Per Day	25.00
Two (2) days drafting maps, printing maps and reports dated May 4, 1972 - 2 days @ $75.00per day.....	150.00
Three (3) days drafting, printing, coloring 12 maps and preparing reports. 3 days @ $75.00 per day.....	225.00
Map Prints	~~6.57~~ 5.37
Total Amount Due.....	~~$681.57~~ $680.37

Respectfully submitted,

Max T. Evans

Max T. Evans - Consulting Mining Geologist
P. O. Box 407
Crested Butte, Colorado 81224

OME-6797 U. S. SILVER MINING CO. RAWLEY MINE 200' LEVEL

SAMPLES OF VEIN MATERIAL RAWLEY 200' LEVEL

Sample No.	Location	Width	Au oz.	Ag oz.	Cu%	Pb%	Zn%
5	OME+ 101'	1.0'	0.14	34.0	11.0	2.6	9.50
OME (H)	110'	3.0'	0.06	20.94	1.6	2.5	2.05
6	150'	0.5'	0.06	3.21	2.4	4.6	11.60
7	150'	0.8'	0.02	12.25	1.2	16.0	20.0
9	162'	1.2'	0.01	6.13	5.0	2.2	6.4
23	170'	3.7'	0.05	4.0	0.80	3.0	3.70
24	190'	4.6'	0.017	18.2	1.40	7.0	3.90
18	197'	2.5'	0.012	3.50	1.8	3.1	5.5
25	210'	3.0'	0.0188	5.0	1.40	2.0	1.20
19	215'	2.5'	0.02	8.10	2.2	1.2	2.6
OME (H)	215'	2.5'	0.04	31.10	3.70	4.0	3.25
26	230'	3.0'	0.035	11.7	0.95	2.7	5.80
20	235'	2.5'	0.043	11.0	2.6	2.0	2.9
27	250'	3.0'	0.18	4.7	0.55	1.7	2.2
21	255	3.0'	0.01	3.4	2.1	0.76	2.6
OME (H)	267'	3.0'	0.01	3.83	0.50	1.00	3.95
28	270'	4.0'	0.022	4.7	0.44	2.0	1.6
22	275'	2.0'	0.017	8.00	0.95	2.4	6.2
29	2-28 290'	4.0'	0.082	21.8	1.60	2.0	6.0
30	318'	5.2'	0.070	20.0	1.70	2.7	2.1
Average		2.7'	0.04	11.77	2.19	3.2	5.15

OME-6797 U. S. Silver Mining Company

Bulk and grab samples

Sample No.	Location	No. Cars	Au oz.	Ag oz	Cu%	Pb%	Zn%
2	96 - 100	17 cars	.006	1.0	0.225	0.36	.52
3	Same as #2	17 cars	.065	7.05	0.90	0.71	1.25
4	102 - 107	9	.04	10.82	1.54	1.15	0.30
14	Car grab	142 - 146	0.02	1.40	1.10	2.65	0.45
8	grab	muck pile	0.03	4.08	0.44	1.2	1.7
10	169 - 174	muck pile	0.01	3.06	1.04	1.08	2.15
11	177 - 182	muck pile	0.005	4.67	0.75	1.50	3.40
12	186 - 190	muck pile	0.01	2.95	0.52	1.65	2.05
13	214 - 219	muck pile	0.01	3.75	0.64	1.15	1.35
14	231 - 254	muck pile	0.25	4.47	0.89	0.98	1.10
15	270	grab	.015	4.2	1.45	0.48	3.0
16	290	grab	.019	8.2	1.2	1.5	2.9
17	318	grab	.045	7.8	1.5	.88	1.7
	(13)		.525	63.45	12.19	15.29	21.87
Average			.040	4.88	.93	1.17	1.68

794 cars @ 1 ton each = 794 tons of ore grade material in stockpile:

.04 oz. Au @ $35.00/oz.	=	$1.40
4.88 oz. Ag @ $1.48 oz.	=	$7.22
.93% Cu = 18.6 lbs. @ 50¢/lb.	=	$9.30
1.17% Pb = 23.4 lbs. @ .1450¢/lb.	=	$3.39
1.68% Zn = 33.6 lbs. @ 17¢/lb.	=	$5.71
		$27.02

June 9, 1972

Mr. J. William Hasler
Office of Mineral Exploration
U.S. Geological Survey
Bldg. 54
Denver Federal Center
Denver, Colorado

Re: OME-6897 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Hasler:

Transmitted herewith is the report of progress for the months of April and May, 1972 together with the Operator's monthly voucher. Also enclosed are copies of a geological report and map compiled by Max Evans of Crested Butte, Colo., an independent geological consultant.

The geological report recommends application of the funds remaining on our exploration contract towards exploration of the North East split of the Rawley Vein known as the Copper Winze Ore.

We do, therefore, request permission to divert the balance of some 145 ft. of drifting left on the contract to construction of a cross cut some 70 ft. to the east to intersect the down dip projection of the Copper Winze Vein, the x cut to be continued to the intersection of the vein with any footage remaining from the 145 ft. to be used in drifting northward on the vein. Of course, the down dip extension is a projection based on geological evidence from work on the Antoro level. If for some reason, such as faulting or rock changes, the vein does not appear in the projected footage then we request the entire 145 ft. be used on the east x cut to explore the area.

This request does not require any additional funding on the contract. Purposes of the request are to verify the vein system in regard to its splits, and the possible increase in probable ore reserves. The Rawley 200 level is approximately 270 ft. vertically below the stoped area in

the Antore, which yielded some 12,000 tons of ore at a gross value of $90.00 per ton based on current metal prices. Possible potential ore could be 270 x 150 x 4, based on 270 ft. of stoping back, by strike length of 150 ft. x 4 ft. average width or 16,000 tons using a 10 cu. ft. tonnage factor, for a total gross value of $1,440,000.

We would very much appreciate your prompt consideration of this application. Work on the contract is at a standstill pending your approval, and we would like to have time to finish before the contract expiration date of 8-22-72.

Thanks for your cooperation.

Very truly yours,

George P. Bates

George Bates
Managing Partner
U.S. Silver Mining Company

RECEIVED
JUN 16 1972
Denver, Colorado

GEOLOGICAL REPORT
RAWLEY MINE 200 LEVEL
OME PROJECT - CONTRACT NO. 2294
June 1, 1972

A recent geological examination was made on the 200 Level O.M.E. project at the Rawley Mine. The examination was made with Mr. William Hasler, field officer for the United States Government Office Of Minerals Exploration.

In duplication of my report dated May 4, 1972, I feel there would be little, if anything gained, by continuing to drift for the remaining 145 feet on the footwall Rawley vein structure. Long hole drilling has proven the structure to be essentially barren ahead of the crosscut drift face.

It is my recommendation that the remaining drift footage be utilized to explore for the down dip projection of the hanging wall split of the Rawley vein on the 200 Level of the Rawley Mine. This exploration project would be under the copper winze area as shown on the attached composite plan map and related cross section. The proposed project would require a 70 foot crosscut drift to reach the Rawley Hanging Wall vein structure and thence drifting north for 75 feet along the vein.

Former operators of the Rawley Mine report that 12,000 tons of ore were mined from the Hanging Wall Rawley vein located some 250 feet up dip above the 200 Level. Reported average assays from the ore shoot are as follows:

oz. Au.	oz. Ag	%Pb	% Zn	%Cu
.02	5.75	9.79	11.82	1.25

I feel the proposed exploration project would greatly enhance the value of the property.

Respectfully submitted,

Max T. Evans

Max T. Evans - Consulting Ming. Geol.
P. O. Box 407
Crested Butte, Colorado 81224

Att: Composite Plan Map & Section

U.S. SILVER MINING COMPANY

Report of Progress
Months of April and May, 1972

O.M.E. Contract No. 2294

After completion of the west cross cut referred to in the progress report for March it had been mutually agreed to drive a short raise up on the vein to check its mineralogical character up dip. This was done during the latter part of the month of April and finished in May.

The raise was located at station 2 - 28. The ore in the drift back was 5 ft. wide at that point, and a channel sample taken across that width had shown very good ore values. In accordance with the contract the raise was divided into a chute and manway, timbered with 8 x 8 stulls, and the chuteway lagged off with 3 in. lumber. At the point of beginning it is 6 ft. wide by 9 ft. long and stays within a foot or two of these dimensions for its height of 25 ft. Dip of the raise is approximately 75°.

The vein was consistent only for the first 4 ft. It started splitting into first two, from 4 to 8 ft., then three different strands at 10 ft. each separated by considerable weakly mineralized waste rock. Each of these streaks pinched severely from 10 to 15 ft. with the middle strand widening gradually from 15 to 20 ft. The middle streak at 20 ft. was approximately 1 ft. wide showing good ore and a channel sample was taken at that point to check the values. From 15 to 20 ft. the footwall streak ranged from 1 ft. to 2 ft. wide, but the ore was very loose and not very solidly mineralized. From 20 to 25 ft. the middle strand pinched as did the hanging wall and foot wall streaks.

The ground throughout the raise length was very incompetent. The rock is soft, highly altered, and tends to slough in slabs. A false footwall lying upon gouge further complicates the situation, and caused

some dilution of the ore.

The results of four samples taken from the west x cut and two samples from the raise are shown on the attached detail. Copies of the assay certificates are also attached.

Summary of work for months of April and May, 1972:

	April and May	Total to Date
Mill ore dumped on stockpile	85 cars	924 cars
Drifting	-0-	565 ft.
Raising	25 ft.	25 ft.
Long Holes	-0-	500 ft.

U.S. SILVER MINING COMPANY

Detail of Assays

Months of April and May, 1972

O.M.M. Contract 2294

Sample No.	Description	Location	Au oz/T	Ag oz/T	Cu %	Pb %	Zn %
34	Grab Sample 33' to 38'	W. x-cut	.003	1.2	0.25	0.96	0.73
35	Grab Sample 38' to 42'	W. x-cut	.002	1.8	0.85	1.00	0.59
36	2.0' Channel Sample	32' W. x-cut	.02	8.7	0.70	1.20	2.4
37	1.0' Channel Sample	37' W. x-cut	.004	2.3	0.90	0.46	0.60
38	Grab Sample - 38 cars	0 to 14' in Raise	.017	4.0	0.78	0.76	1.25
39	1.0' Channel Sample Middle Ore Stream	20 ft. in Raise	.005	6.0	4.95	3.1	3.6

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

REPORT OF ANALYSIS

Job No. M-1490
May 17, 1972

Mr. Reid Johnston
P.O. Box 749
Salida, Colorado 81201

1 Rock Chip Sample

Sample Number	Au (oz/T)	Ag (oz/T)	Cu (%)	Pb (%)	Zn (%)
OME-38 (grab)	.017	4.0	.78	.76	1.25

Charles E. Thompson
Chief Chemist

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

REPORT OF ANALYSIS

Job No. M-1502
May 26, 1972

Mr. Reid Johnston
P. O. Box 749
Salida, Colorado 81201

2 Rock Chip Samples

Item	Sample No.	Fire Assay Au oz/T	Ag oz/T	Cu (%)	Pb (%)	Zn (%)
1.	Raise Ore OME-39	.005	6.0	4.95	3.1	3.6
2.	~~Pass Creek~~ Not O.M.E.	.039	.90	1.45	*	*

* - indicates that analysis was not requested.

Charles E. Thompson
Chief Chemist

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

REPORT OF ANALYSIS

Job No. M-1461
April 24, 1972

Mr. Reid Johnston
P.O. Box 749
Salida, Colorado 81201

Analysis of 4 Rock Chip Samples

Item	Sample No.		Au (oz/T)	Ag (oz/T)	Cu (%)	Pb (%)	Zn (%)
1.	OME-34	33-38'	.003	1.2	.25	.96	.73
2.	OME-35	38-42'	.002	1.8	.85	1.0	.59
3.	OME-36	32'	.02	8.7	.70	1.2	2.4
4.	OME-37	37'	.004	2.3	.90	.46	.60

Charles E. Thompson
Chief Chemist

GEOLOGICAL REPORT
RAWLEY MINE 200 LEVEL
OME PROJECT - CONTRACT NO. 2294
May 4, 1972

On March 9, 1972 an examination of the OME project on the 200 level of the Rawley Mine was made with Mr. William Hasler, field officer for the office of minerals exploration, and Mr. Reed Johnston, operator of the mine.

After careful examination of the OME drifting to date, geological mapping and drill hole data, a decision was reached by Mr. Hasler to run a short crosscut drift to the west under long hole No. 13 to take a visual look at the mineralization and vein structure encountered in the long hole.

Upon completion of the crosscut, a geological examination and mapping was completed on April 5, 1972. The main vein structure showing in long holes Nos. 8 and 6 was encountered in the crosscut drift. The strength and mineralization of the vein where encountered on the south wall looks encouraging, but the continuity of the vein pinches to about six inches of width in the drift face and shows very minor amounts of mineralization.

Since long holes Nos. 14 and 16 show no mineralization, there appears to be no logic in paralelling or duplicating the drifting already completed in the main drift heading. (See Attached Map)

A decision was made by the operators to stop the crosscut drift and commence a short raise up dip on ore previously encountered in the main drift to the south.

Geological mapping and a brunton compass - tape survey was made on a long crosscut drift and laterals in the Antoro Tunnel. These workings had not previously been shown on any of the mine maps. The results of this work are currently being compiled on a large composite map and will be forthcoming.

Respectfully submitted,

Max T. Evans - Consulting Mining Geol.
P. O. Box 407
Crested Butte, Colo. 81224

ATT: Geologic Map

WE

828-6660

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

OME Region 10
RECEIVED
MAR 20 1972
Denver, Colorado

21 University Road
Canton
Massachusetts 02021

March 16, 1972

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Denver Federal Center
Building 53, Room 28
Denver, Colorado 80225

Re: OME-6797
Contract No. 2294
U. S. Silver Mining Company

Dear Mr. Hasler:

Enclosed you will find copies of the bills that we received from Davis Engineering and Max Evans in support of our expense voucher for January and February 1972.

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf
Encs.

Crested Butte, Colorado
February 15, 1972

Division of
RECEIVED
MAR 20 1972
Denver, Colorado

To: Mr. Reed Johnston

From: Max T. Evans - Consulting Mining Geologist

Subject: Statement For Geological Consulting Services On Rawley Mine CME Project.

Period February 9, 10, and 12, 1972
Three (3) days @ $100.00 per day.....$300.00

One and one half ($1\frac{1}{2}$) days preparing maps
and report @ $75.00 per day.....$112.50

Mileage - three trips from Crested Butte, Colorado
to Poncha Springs, Colorado & return = 528 miles
@ .12¢ per mile.....$ 63.36

Meals for three days.....$ 9.00

Map prints .....$ 3.17

Total Amount Due..... $488.03

Respectfully Submitted,

Max T. Evans

Max T. Evans - Consulting Mining Geologist.
P. O. Box 407
Crested Butte, Colorado 81224

Crested Butte, Colorado
February 15, 1972

OME Region VI
RECEIVED
MAR 20 1972
Denver, Colorado

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Total Amount Due..... $488.03

Respectfully Submitted,

Max T. Evans

Max T. Evans - Consulting Mining Geologist.
P. O. Box 407
Crested Butte, Colorado 81224

Crested Butte, Colorado
February 15, 1972

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Map prints .....$ 3.17

Total Amount Due..... $488.03

Respectfully Submitted,

Max T. Evans

Max T. Evans - Consulting Mining Geologist.
P. O. Box 407
Crested Butte, Colorado 81224

Crested Butte, Colorado
February 15, 1972

OME Region U.S.
RECEIVED
MAR 20 1972
Denver, Colorado

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Total Amount Due..... $488.03

Respectfully Submitted,

Max T. Evans

Max T. Evans - Consulting Mining Geologist.
P. O. Box 407
Crested Butte, Colorado 81224

DEL NORTE, COLO., March 2 19 72

DAVIS ENGINEERING SERVICE, INC.

CIVIL, MINING AND IRRIGATION ENGINEERING
SURVEYING, DRAFTING AND REPRODUCTION

576 SPRUCE . . . 657 - 2297

DEL NORTE, COLORADO

RECEIVED
MAR 20 1972
Denver, Colorado

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

DATE	HRS.	ITEM	RATE	COST
		Account No. 72006		
1/17/72		Engineering Services: Survey Conf., Field Survey (2 men), Mileage, Survey Calcs., Computer on Line and Local, Survey Drafting, Plotting and Mapping, Surv. Corres., 175 Sq. Ft. B.L. Prints, Typing Corres.,		$442.99

DEL NORTE, COLO., March 2 19 72

DAVIS ENGINEERING SERVICE, INC.

CIVIL, MINING AND IRRIGATION ENGINEERING
SURVEYING, DRAFTING AND REPRODUCTION

576 SPRUCE . . . 657 - 2297

DEL NORTE, COLORADO

OME Region 10
RECEIVED
MAR 20 1972
Denver, Colorado

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

DATE	HRS.	ITEM	RATE	COST
		Account No. 72006		
1/17/72		Engineering Services: Survey Conf., Field Survey (2 men), Mileage, Survey Calcs., Computer on Line and Local, Survey Drafting, Plotting and Mapping, Surv. Corres., 175 Sq. Ft. B.L. Prints, Typing Corres.,		$442.99

DEL NORTE, COLO., March 2 19 72

O.M.E. Region 10
RECEIVED
MAR 20 1972
Denver, Colorado

DAVIS ENGINEERING SERVICE, INC.

CIVIL, MINING AND IRRIGATION ENGINEERING
SURVEYING, DRAFTING AND REPRODUCTION
576 SPRUCE . . . 657 - 2297
DEL NORTE, COLORADO

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

DATE	HRS.	ITEM	RATE	COST
		Account No. 72006		
1/17/72		Engineering Services: Survey Conf., Field Survey (2 men), Mileage, Survey Calcs., Computer on Line and Local, Survey Drafting, Plotting and Mapping, Surv. Corres., 175 Sq. Ft. B.L. Prints, Typing Corres.,		$442.99

DEL NORTE, COLO., March 2 19 72

RECEIVED
MAR 20 1972
Denver, Colorado

DAVIS ENGINEERING SERVICE, INC.

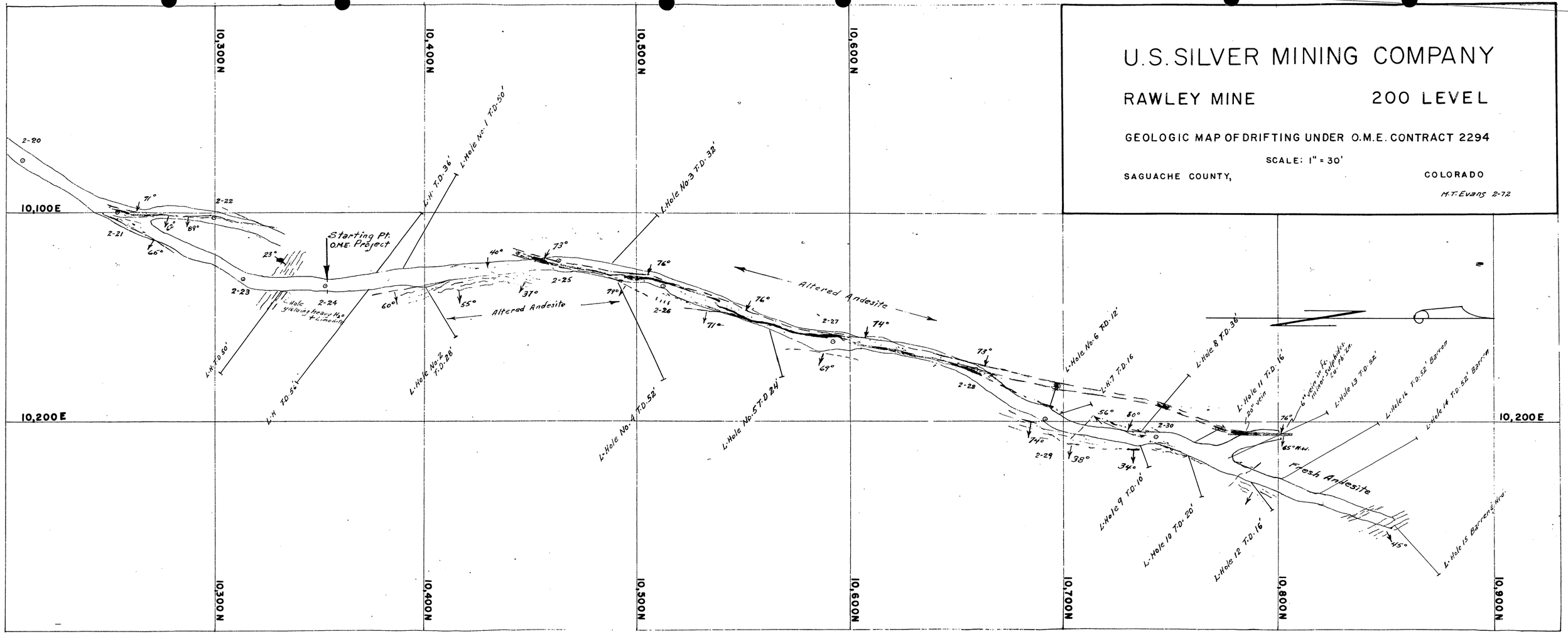
CIVIL, MINING AND IRRIGATION ENGINEERING
SURVEYING, DRAFTING AND REPRODUCTION

576 SPRUCE . . . 657 - 2297

DEL NORTE, COLORADO

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
~~Canton, Massachusetts 02021~~

DATE	HRS.	ITEM	RATE	COST
		Account No. 72006		
1/17/72		Engineering Services: Survey Conf., Field Survey (2 men), Mileage, Survey Calcs., Computer on Line and Local, Survey Drafting, Plotting and Mapping, Surv. Corres., 175 Sq. Ft. B.L. Prints, Typing Corres.,		$442.99


U.S. SILVER MINING COMPANY
RAWLEY MINE
200 LEVEL
GEOLOGIC MAP OF DRIFTING UNDER O.M.E. CONTRACT 2294
SCALE: 1" = 30'
SAGUACHE COUNTY,
COLORADO
M.T. Evans 2-72
10,300 N
10,400 N
10,500 N
10,600 N
10,700 N
10,800 N
10,900 N
10,100 E
10,200 E
Starting Pt. O.M.E. Project
Altered Andesite
Fresh Andesite
L-Hole No. 1 T.D. 50'
L-H T.D. 36'
L-Hole No. 3 T.D. 32'
L-Hole No. 2 T.D. 28'
L-Hole No. 4 T.D. 52'
L-Hole No. 5 T.D. 24'
L-Hole No. 6 T.D. 12'
L-H. 7 T.D. 16
L-Hole 8 T.D. 36'
L-Hole 9 T.D. 10'
L-Hole 10 T.D. 20'
L-Hole 11 T.D. 16'
L-Hole 12 T.D. 16'
L-Hole 13 T.D. 52'
L-Hole 14 T.D. 52' Barren
L-Hole 15 Barren
L-H. T.D. 50'
L-H T.D. 5'
2-20
2-21
2-22
2-23
2-24
2-25
2-26
2-27
2-28
2-29
2-30

June 9, 1972

Mr. J. William Easler
Office of Mineral Exploration
U.S. Geological Survey
Bldg. 54
Denver Federal Center
Denver, Colorado

Re: OME-6897 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Easler:

Transmitted herewith is the report of progress for the months of April and May, 1972 together with the Operator's monthly voucher. Also enclosed are copies of a geological report and map compiled by Max Evans of Crested Butte, Colo., an independent geological consultant.

The geological report recommends application of the funds remaining on our exploration contract towards exploration of the North East split of the Rawley Vein known as the Copper Winze Ore.

We do, therefore, request permission to divert the balance of some 145 ft. of drifting left on the contract to construction of a cross cut some 70 ft. to the east to intersect the down dip projection of the Copper Winze Vein, the x cut to be continued to the intersection of the vein with any footage remaining from the 145 ft. to be used in drifting northward on the vein. Of course, the down dip extension is a projection based on geological evidence from work on the Antoro level. If for some reason, such as faulting or rock changes, the vein does not appear in the projected footage then we request the entire 145 ft. be used on the east x cut to explore the area.

This request does not require any additional funding on the contract. Purposes of the request are to verify the vein system in regard to its splits, and the possible increase in probable ore reserves. The Rawley 200 level is approximately 270 ft. vertically below the stoped area in

the Antoro, which yielded some 12,000 tons of ore at a gross value of $90.00 per ton based on current metal prices. Possible potential ore could be 270 x 150 x 4, based on 270 ft. of stoping back, by strike length of 150 ft. x 4 ft. average width or 16,000 tons using a 10 cu. ft. tonnage factor, for a total gross value of $1,440,000.

We would very much appreciate your prompt consideration of this application. Work on the contract is at a standstill pending your approval, and we would like to have time to finish before the contract expiration date of 8-22-72.

Thanks for your cooperation.

Very truly yours,

George P. Bates

George Bates
Managing Partner
U.S. Silver Mining Company

U.S. SILVER MINING COMPANY

Report of Progress
Months of April and May, 1972

O.M.E. Contract No. 2294

After completion of the west cross cut referred to in the progress report for March it had been mutually agreed to drive a short raise up on the vein to check its mineralogical character up dip. This was done during the latter part of the month of April and finished in May.

The raise was located at station 2 - 28. The ore in the drift back was 5 ft. wide at that point, and a channel sample taken across that width had shown very good ore values. In accordance with the contract the raise was divided into a chute and manway, timbered with 8 x 8 stulls, and the chuteway lagged off with 3 in. lumber. At the point of beginning it is 6 ft. wide by 9 ft. long and stays within a foot or two of these dimensions for its height of 25 ft. Dip of the raise is approximately 75°.

The vein was consistent only for the first 4 ft. It started splitting into first two, from 4 to 8 ft., then three different strands at 10 ft. each separated by considerable weakly mineralized waste rock. Each of these streaks pinched severely from 10 to 15 ft. with the middle strand widening gradually from 15 to 20 ft. The middle streak at 20 ft. was approximately 1 ft. wide showing good ore and a channel sample was taken at that point to check the values. From 15 to 20 ft. the footwall streak ranged from 1 ft. to 2 ft. wide, but the ore was very loose and not very solidly mineralized. From 20 to 25 ft. the middle strand pinched as did the hanging wall and foot wall streaks.

The ground throughout the raise length was very incompetent. The rock is soft, highly altered, and tends to slough in slabs. A false footwall lying upon gouge further complicates the situation, and caused

some dilution of the ore.

The results of four samples taken from the west x cut and two samples from the raise are shown on the attached detail. Copies of the assay certificates are also attached.

Summary of work for months of April and May, 1972:

	April and May	Total to Date
Mill ore dumped on stockpile	85 cars	924 cars
Drifting	-0-	565 ft.
Raising	25 ft.	25 ft.
Long Holes	-0-	500 ft.

U.S. SILVER MINING COMPANY

Detail of Assays

Months of April and May, 1972

O.M.M. Contract 2294

Sample No.	Description	Location	Au oz/T	Ag oz/T	Cu %	Pb %	Zn %
34	Grab Sample 33' to 38'	W. x-cut	.003	1.2	0.25	0.96	0.73
35	Grab Sample 38' to 42'	W. x-cut	.002	1.8	0.85	1.00	0.59
36	2.0' Channel Sample	32' W. x-cut	.02	8.7	0.70	1.20	2.4
37	1.0' Channel Sample	37' W. x-cut	.004	2.3	0.90	0.46	0.60
38	Grab Sample - 38 cars	0 to 14' in Raise	.017	4.0	0.78	0.76	1.25
39	1.0' Channel Sample Middle Ore Streak	20 ft. in Raise	.005	6.0	4.95	3.1	3.6

U.S SILVER MINING COMPANY

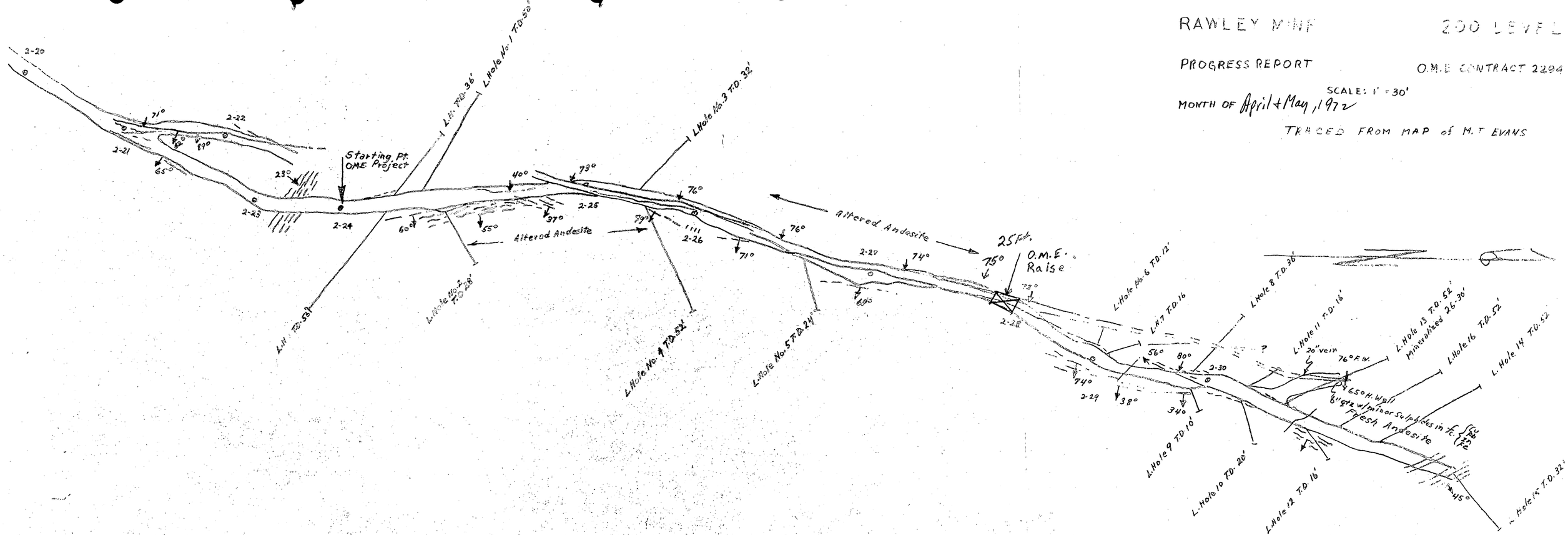
RAWLEY MINE 200 LEVEL

PROGRESS REPORT O.M.E CONTRACT 2294

SCALE: 1" = 30'

MONTH OF April & May, 1972

TRACED FROM MAP of M.T EVANS



SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

REPORT OF ANALYSIS

Job No. M-1461
April 24, 1972

Mr. Reid Johnston
P.O. Box 749
Salida, Colorado 81201

Analysis of 4 Rock Chip Samples

Item	Sample No.		Au (oz/T)	Ag (oz/T)	Cu (%)	Pb (%)	Zn (%)
1.	OME-34	33-38'	.003	1.2	.25	.96	.73
2.	OME-35	38-42'	.002	1.8	.85	1.0	.59
3.	OME-36	32'	.02	8.7	.70	1.2	2.4
4.	OME-37	37'	.004	2.3	.90	.46	.60

Charles E. Thompson
Chief Chemist

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

REPORT OF ANALYSIS

Job No. M-1490
May 17, 1972

Mr. Reid Johnston
P.O. Box 749
Salida, Colorado 81201

1 Rock Chip Sample

Sample Number	Au (oz/T)	Ag (oz/T)	Cu (%)	Pb (%)	Zn (%)
OME-38 (grab)	.017	4.0	.78	.76	1.25

Charles E. Thompson
Chief Chemist

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

REPORT OF ANALYSIS

Job No. M-1502
May 26, 1972

Mr. Reid Johnston
P. O. Box 749
Salida, Colorado 81201

2 Rock Chip Samples

Item	Sample No.	Fire Assay Au oz/T	Fire Assay Ag oz/T	Cu (%)	Pb (%)	Zn (%)
1.	Raise Ore OME-39	.005	6.0	4.95	3.1	3.6
2.	~~Pass Creek~~ Not O.M.E.	.039	.90	1.45	*	*

* - indicates that analysis was not requested.

Charles E. Thompson
Chief Chemist

GEOLOGICAL REPORT
RAWLEY MINE 200 LEVEL
OME PROJECT - CONTRACT NO. 2294
May 4, 1972

On March 9, 1972 an examination of the OME project on the 200 level of the Rawley Mine was made with Mr. William Hasler, field officer for the office of minerals exploration, and Mr. Reed Johnston, operator of the mine.

After careful examination of the OME drifting to date, geological mapping and drill hole data, a decision was reached by Mr. Hasler to run a short crosscut drift to the west under long hole No. 13 to take a visual look at the mineralization and vein structure encountered in the long hole.

Upon completion of the crosscut, a geological examination and mapping was completed on April 5, 1972. The main vein structure showing in long holes Nos. 8 and 6 was encountered in the crosscut drift. The strength and mineralization of the vein where encountered on the south wall looks encouraging, but the continuity of the vein pinches to about six inches of width in the drift face and shows very minor amounts of mineralization.

Since long holes Nos. 14 and 16 show no mineralization, there appears to be no logic in paralelling or duplicating the drifting already completed in the main drift heading. (See Attached Map)

A decision was made by the operators to stop the crosscut drift and commence a short raise up dip on ore previously encountered in the main drift to the south.

Geological mapping and a brunton compass - tape survey was made on a long crosscut drift and laterals in the Antoro Tunnel. These workings had not previously been shown on any of the mine maps. The results of this work are currently being compiled on a large composite map and will be forthcoming.

Respectfully submitted,

Max T. Evans - Consulting Mining Geol.
P. O. Box 407
Crested Butte, Colo. 81224

ATT: Geologic Map

RECEIVED
JUN 16 1972
Denver, Colorado

GEOLOGICAL REPORT
RAWLEY MINE 200 LEVEL
OME PROJECT - CONTRACT NO. 2294
June 1, 1972

A recent geological examination was made on the 200 Level O.M.E. project at the Rawley Mine. The examination was made with Mr. William Hasler, field officer for the United States Government Office Of Minerals Exploration.

In duplication of my report dated May 4, 1972, I feel there would be little, if anything gained, by continuing to drift for the remaining 145 feet on the footwall Rawley vein structure. Long hole drilling has proven the structure to be essentially barren ahead of the crosscut drift face.

It is my recommendation that the remaining drift footage be utilized to explore for the down dip projection of the hanging wall split of the Rawley vein on the 200 Level of the Rawley Mine. This exploration project would be under the copper winze area as shown on the attached composite plan map and related cross section. The proposed project would require a 70 foot crosscut drift to reach the Rawley Hanging Wall vein structure and thence drifting north for 75 feet along the vein.

Former operators of the Rawley Mine report that 12,000 tons of ore were mined from the Hanging Wall Rawley vein located some 250 feet up dip above the 200 Level. Reported average assays from the ore shoot are as follows:

oz. Au.	oz. Ag	%Pb	% Zn	%Cu
.02	5.75	9.79	11.82	1.25

I feel the proposed exploration project would greatly enhance the value of the property.

Respectfully submitted,

Max T. Evans

Max T. Evans - Consulting Ming. Geol.
P. O. Box 407
Crested Butte, Colorado 81224

Att: Composite Plan Map & Section

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 7 1972
INITIALS | CODE
Raw
HR 120

August 4, 1972

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado

Amendment No. 2, dated December 30, 1971 to the subject contract, under item 2, stipulates as follows:

"The date fixed by Article I(a) of the contract for completion of the work is extended from nine (9) to seventeen (17) months from the date of the contract, or until August 22, 1972.

The Operator does not think that the current exploration work can be completed by August 22, 1972, due to delays caused by recent geological work, and subsequent reports submitted therefrom, as well as delays caused by new mine safety laws, dictating that certain modifications be made immediately.

The Operator in a letter dated August 1, 1972, enclosed, requested that the contract be amended to extend the completion date to the end of November 1972. The extension of time will not require any additional funding to complete the work specified in the contract.

The request is a legitimate one consequently it is recommended that the subject contract be amended to extend the completion date for the work from August 22, 1972 until December 22, 1972, or from seventeen (17) months to twenty-one (21) months from the date of the contract.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

RECEIVED
AUG 3 - 1972

August 1, 1972

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Denver Federal Center
Building 53, Room 28
Denver, Colorado 80225

Re: OME-6797
Contract No. 2294
U. S. Silver Mining Company

Dear Mr. Hasler:

Our contract is due to expire August 22, 1972 and it does not look as if we will have completed our work by that date. We have been delayed from time to time waiting for certain geological work to be performed and reported. Also recently, we have been delayed while making necessary modifications required by the new Mine Safety Laws.

I would appreciate it if the contract could be extended until the end of November 1972. This time extension will not require any additional funding to complete the work specified in the contract.

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

IN REPLY REFER TO:

Oral approval given to request in last P by phone to Hartley, who passed it on to operator.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

June 30, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 5 1972

INITIALS	CODE
Law. RWalker	120 M
	Buckles

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

Transmitted herewith is an original and two copies of the Operator's Monthly Voucher for the months of April and May, 1972 with the accompanying narrative report and maps showing the exploration work completed. The costs claimed herein are allowable and are recommended for payment.

The Operator has included, with the voucher material, a request to crosscut southeastward from the Rawley 200 level a distance of approximately 70 feet to intersect the downward extension of a hanging wall split of the Rawley vein and drift northward along the vein on the 200 level for 75 feet for the purpose of exploring for new and undiscovered reserves or ore grade material that may well occur here, as ore shipped previously from the Copper Winze area some 250 feet above the Rawley 200 level may well project down dip in the area of proposed work.

Recent geologic mapping by the Operator's Consulting Geologist, indicates that the Northeast Vein, which was developed by the Copper Winze is actually a hanging wall split of the Rawley vein, or may be the main Rawley vein. The Northeast Vein occupies a strong fault zone in the Rawley andesite, that strikes N. 20° E. and dips 80° - 85° E. The ore on the so-called Northeast Vein occurs in a shoot that has been mined both horizontally and vertically for a distance of over 180 feet. The vein width ranges from 1 to 8 feet and averages about 4 feet. The reported production from the vein totalled 12,000 tons that assayed 0.02 oz. Au; 5.75 oz. Ag; 9.79% Pb; 11.82% Zn and 1.25% Cu.

The estimated gross value at current metal prices, (6-30-72) would be $95.86 per ton, or $1,150,320.00 for the 12,000 tons.

The contract states that "The purpose of the project is to explore by drifting, raising and long hole drilling on the 200-foot level of the Rawley mine for gold-silver-copper-bearing ore bodies in a steeply dipping fissure vein in andesite."

The proposed crosscutting and drifting is for the exploration of a hangingwall split of the Rawley vein on the 200 level, consequently the contract should not require an amendment to complete the work herein proposed. A verbal approval should be sufficient to allow continuance of the work on the Rawley vein.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

June 30, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 5 1972

INITIALS	CODE
Cac	120
	130
Rlw	Burke
	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

An interim inspection of the Rawley 200-Level was made May 23 and 24, 1972. The Field Officer was accompanied by Mr. Reid Johnston, Supervising Engineer and Mr. Max Evans, the Operator's consulting geologist.

The West crosscut was driven from a point of 19 feet north of survey station 2-30, northwest to north for a distance of 42 feet, for the purpose of exploring for the extension of the Rawley vein, that was partially traced by long-hole drilling, then apparently either pinched out going north or was faulted off by a steeply dipping structure that strikes N. 35° W. some 70 feet south of the present face of the Rawley 200 level. (See Hasler memorandum dated March 20, 1972).

A 25-foot raise was driven up the Rawley vein near Survey station 2-28 (map accompanying April-May 1972 voucher) to explore the vein up-dip for strength and continuity. The vein in the back of the drift at station 2-28 was nearly five feet wide and contained material that assayed 0.082 oz. Au, 21.8 oz. Ag; 1.60% Cu; 2.0% Pb and 6.0% Zn. The vein split into three strands going up dip at this particular point on the Rawley 200 level. Sampling on the vein up dip, at least the middle strand still showed good mineralization, which shows that the vein as followed along strike as well as up-dip varies in width and strength from place to place along it reflecting perhaps the effect on the vein by the country rock, because of its freshness and/or the various

degrees of alteration, and silicification. It may be assumed that good ore-grade mineralized material continues along the vein for at least 20 feet up dip for a distance of at least 240 feet. The Operator believes also that this is a reasonable projection based on the stoping along the vein from the Rawley 200 level, prior to the OME work.

The West crosscut was driven for 42 feet in a north-northwesterly direction. The vein was cut at 28 feet in the crosscut and had a width of 2 feet, but the vein narrowed in width and contained more quartz and gouge material, then pinched down to about one inch in width at the face. The country rock is more highly altered and brecciated at the face, indicating that the vein was being effected by the same structure that caused the vein to be terminated in the main drift, consequently the crosscut was terminated as no further exploration work along the bein beyond this point is warranted as the lithology of the Rawley andesite has changed in that it has become more highly silicified, dense and consequently impervious to ore bearing solutions, as I have described in my memorandum of March 20, 1972.

Additional geologic mapping of the Rawley, Antoro and Poverty workings has recently been completed and has shown that the Operator's original proposal to explore the intersection of the Antoro and Poverty veins from the Rawley 200 level is not feasible in that the intersection of those veins would lie considerably higher than the Rawley 200 level plus the fact that other geologic complications may effect these veins adversely. With the funds now remaining under the contract this objective could not possibly be undertaken, even if it were a valid target area.

The geologic mapping also showed that the vein containing the Copper Winze is actually a hanging wall split of the Rawley vein, or may even be the main Rawley vein. A downward extension of this hanging wall split may be easily explored from the Rawley 200 level by cross-cutting some 70 feet southeastward from a point approximately 50 feet southwest of survey station 2-23, then drift northeasterly 75 feet along the hangingwall split of the Rawley vein some 250 feet below the bottom of the 125 foot Copper Winze level. This proposed cross-cutting and drifting would profitably utilize the 145 feet remaining, under the contract. There is a chance of discovering a potential of some 16,000 tons of ore grade material that could gross an approximate $1,440,000.00. This would add materially to the already discovered ore grade material resulting from the OME exploration work completed to date on the Rawley 200 level. The 145 feet of proposed exploration work will not add to the total estimated cost of the contract.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

April 27, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 2 1972

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	~~130~~
HK	~~120~~

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

Transmitted herewith is the original and two copies of the Operator's Monthly Voucher for the month of March, 1972, with an accompanying narrative report and geologic map showing the work completed during the above stated period of time. The items of work completed and the costs incurred are recommended for payment as indicated.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

HK 5/4/72

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DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

RECEIVED
APR 24 1972
Denver, Colorado

OPERATOR'S MONTHLY VOUCHER

For Month of March 1972

Docket No. OME 6797
Contract 14-08-0001 2294
Contract Amount $53,200.00
Gov't. Participation 62½% $39,500.00

Operator's Name U. S. Silver Mining Company
Address 21 University Rd., Canton, Mass. 02021

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
		$		$		$		$
Drifting including timbering	42	2688.00	565	36160.00	42	2,688.00	565	36,160.00
long hole drilling			500	665.00	—	—	500	665.00
1 supervisor	1	800.00	10	8000.00	1 —	800.00 —	10 ~~8~~	8000.00* ~~7,200.00~~
office expense			9	450.00	—	—	9	450.00
payroll taxes, insurance	1	120.00	10	1200.00	1	120.00	10	1,200.00
assaying			30	198.00	—	—	30	198.00
Outside consultant			8.5	637.50	—	—	8.5	637.50
Travel, outside consultant			680	81.60	—	—	680	81.60
Per diem, outside consultant			0.36	9.00			.36	9.00
						3,608.00		47,401.10
TOTALS		$ 3608		$ 47401.10		$ ~~2,808.00~~		$ ~~46,601.10~~

* Amendment No. 3 to contract (2294) increased supervisor costs to 12 months at $800.00/month. Mr. Kirkemo OK'ed increase for 4-8-72

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

Date 4/19/72 *Payee George P. Bates U. S. Silver Mining Company

Per George P. Bates Title Partner

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature J. William Hasler 4/27/72
OME Field Officer Date

(63) 14X0804

Approved for: $ 2,255.00
(SUBJECT TO AUDIT)

Signature BMT

Date 9 MAY 1972 Vou. No. 24970

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS // Supervisor: Maximum allowed 9 months totalling $7,200.00. Disallow $800.00

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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

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

U.S. SILVER MINING COMPANY

Report of Progress
Month of March, 1972

O.M.E. Contract No. 2294

No work was done on the contract during the first half of March. Ten days were spent on retimbering of the portal which had caved. A switch that had been put down near the face in February was moved to a location 19 ft. north of survey station No. 2-30 in preparation to start a crosscut to the west to pick up the ore intercepted by Long Hole No. 13 drilled in February.

The decision was made to drive this crosscut after inspection of the area was made by Mr. Hasler of O.M.E. Denver office and Mr. Max Evans of Crested Butte, Colorado, an independent geological consultant. The purpose of the crosscut being to check the ore shown in Long Hole No. 13 and to determine the influence of the fault and rock change encountered at 456 ft.

Slabbing for the crosscut was started 19 ft. north of station 2-30. The first 28 ft. of the x-cut was in altered soft rock with three persistant mineralized flat streaks running with the direction of the x-cut at N 16° W.

At 28 ft. in the x-cut the vein was cut, first in the bottom. For the ensuing rounds it was necessary to turn sharply to the northeast to follow the strike line of N 15° E. From the point of intersection the vein was not sharply defined, and the ore is very loose and ravelly, quartzy, with quite a lot of pyrite. Where first struck the ore was 2 ft. wide, but it has pinched in successive rounds to a quartzy streak 6 inches wide in the present face, containing small amounts of sulfides.

Dip is not clearly defined as the structure is very complex, showing flat slickensides in the back with considerable gouge. The footwall dips 76° with the hanging wall at 65° both dips being to the east.

Because it had been agreed that the exploratory x-cut would be limited to about 40 ft. the work was stopped at 42 ft. Max Evans was retained to map the x-cut and make his recommendations for further work on the project. This was done on April 5, 1972. Additionally, the east x-cut on the Antoro level was surveyed with the Brunton and mapped to check the south extensions of the Antoro and Poverty veins. It was necessary to do this because the x-cut does not appear on any maps of the workings, nor does the geology show. Mr. Evans will make a composite map incorporating this information with all the existing data available. This map and his report will be included with the April progress report.

Four samples have been sent to be assayed from the west x-cut. Two channel samples of the vein and two grab samples. Results are not available at this writing and will be reported next month. As usual, representative samples were taken of each round and are on file in duplicate.

Summary of work for month of March, 1972:

	March	Total to Date
Mill Ore Dumped on Stockpile	55	839 cars
Drifting	42 ft.	565 ft.
Long Holes	- 0 -	500 ft.

U.S. SILVER MINING COMPANY

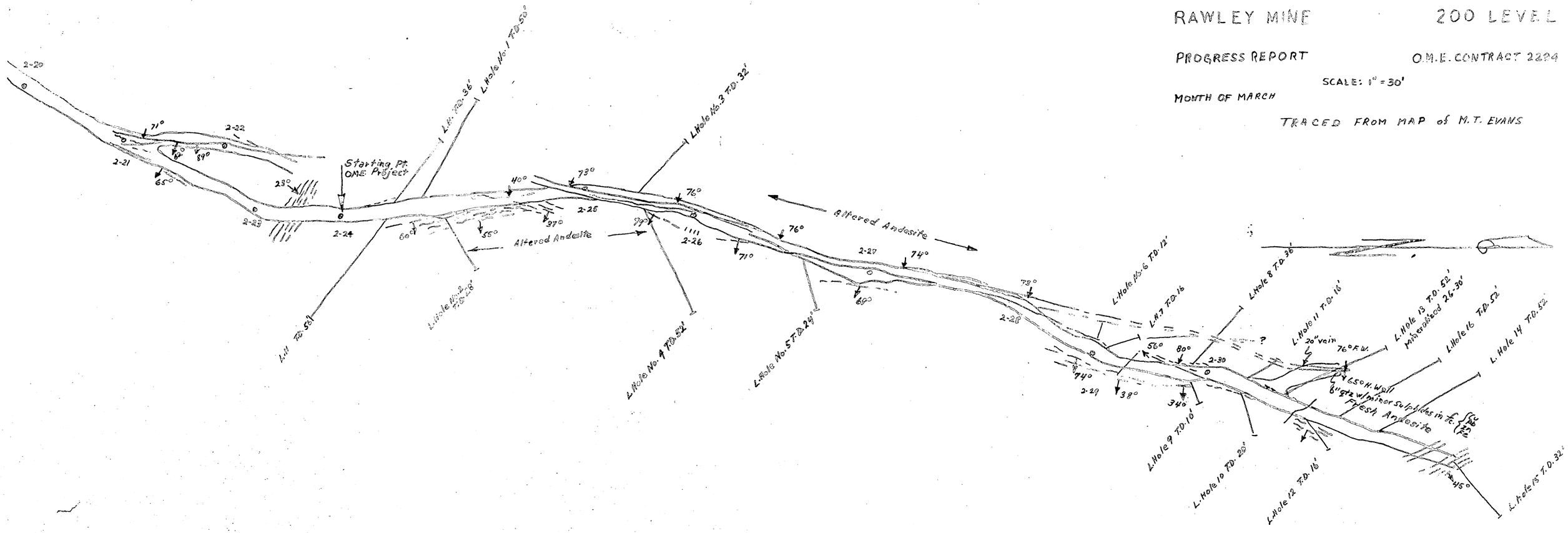
RAWLEY MINE — 200 LEVEL

PROGRESS REPORT — O.M.E. CONTRACT 2294

SCALE: 1" = 30'

MONTH OF MARCH

TRACED FROM MAP of M.T. EVANS



MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/7/72		120
		220
4/6	cw	120M

APR 6 1972

Insurance Company of North America
911 Main Street
P. O. Box 13567
Kansas City, Missouri 64199

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Gentlemen:

This is in reply to your Contract Bond Status Query on the subject contract.

Subsequent to obtaining this bond, a Lien and Subordination Agreements was obtained which made it unnecessary to continue the performance Bond. We informed Mr. Bates of this in a letter dated September 14, 1971, a copy of which is enclosed. Both copies of your form are returned herewith.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

Copy to: Mr. George P. Bates

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III
Mr. Kirkemo

HKirkemo/gla 4-6-72

PLEASE RETURN BOTH COPIES
INSURANCE COMPANY OF NORTH AMERICA

INA

CONTRACT BOND STATUS QUERY

Date 3-28-72

BOND NO.	YOUR NO.	OUR BOND ON BEHALF OF
M 596616		DWIGHT M. ROUNDS, GEORGE P. BATES & JOHN O. FLENDER, ETAL

COVERS A CONTRACT FOR

Performance Bond in connection with a loan from the office of Minerals Exploration Contract date: 3-22-71
Contract amt: $39,500.

Without prejudicing your rights or affecting our liability under our bond(s) referred to above, please furnish the information requested below. Please return both copies in the ATTACHED ADDRESSED ENVELOPE.

U.S.A.
DEPARTMENT OF THE INTERIOR
Washington, D.C.

Signed Billie Smith
Surety Department

1. HAS CONTRACT BEEN COMPLETED? .....

2. IF COMPLETED, PLEASE STATE

   a. Date of acceptance .....

   b. Total amount of completed contract? ..... $

3. IF NOT COMPLETED, PLEASE STATE

   a. Probable completion date .....

   b. Amount paid contractor to date ..... $

   c. Amount withheld as retained percentage ..... $

4. HAS WORK PROGRESSED SATISFACTORILY? .....

5. ARE THERE ANY UNSATISFIED CLAIMS OR LIENS ON FILE? ....
   Please refer to accompanying letter dated April 6, 1972.

REMARKS:

Signed Harold Kirkemo, Chief, Office of Minerals Exploration

Dated **April 6, 1972**

Title

SB-20 Printed in U.S.A. (9-70)

Standard Form 63 (rev.)
March 1959
63-103

MEMORANDUM OF CALL

Date	Time

TO—

☐ YOU WERE CALLED BY— ☐ YOU WERE VISITED BY—

TELEPHONE:	Number or code	Extension

☐ PLEASE CALL
☐ WILL CALL AGAIN
☐ RETURNING YOUR CALL
☐ IS REFERRED TO YOU BY:

☐ WAITING TO SEE YOU
☐ WISHES AN APPOINTMENT

LEFT THIS MESSAGE: _____

Received By—

U.S. GOVERNMENT PRINTING OFFICE: 1959 OF—512919

March 27. 1972
hand carried from
Ken by Mr Kekkemo

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/9/72	Kirkemo	120
3/9/72	McMurdy	
		220
		120
3/9	Cal	220
		120M

MAR 9 1972

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

Enclosed are the original and three copies of proposed Amendment No. 3 (two pages) which have been signed for the Government.

If the proposed amendment is satisfactory to you, please sign all four copies as the authorized representative of the other Partners, retain the Operator's copy, and return the other three signed copies to this office.

If any part of the proposed amendment does not have your approval, please return the original and all copies to this office together with the proposed changes for consideration.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III w/Extra copy for Field Office, amendment
Mr. Kirkemo
130

GLAult/a

OME-6797 U. S. SILVER MINING CO. RAWLEY MINE 200' LEVEL

SAMPLES OF VEIN MATERIAL RAWLEY 200' LEVEL

Sample No.	Location	Width	Au oz.	Ag oz.	Cu%	Pb%	Zn%
5	OME+ 101'	1.0'	0.14	34.0	11.0	2.6	9.50
OME (H)	110'	3.0'	0.06	20.94	1.6	2.5	2.05
6	150'	0.5'	0.06	3.21	2.4	4.6	11.60
7	150'	0.8'	0.02	12.25	1.2	16.0	20.0
9	162'	1.2'	0.01	6.13	5.0	2.2	6.4
23	170'	3.7'	0.05	4.0	0.80	3.0	3.70
24	190'	4.6'	0.017	18.2	1.40	7.0	3.90
18	197½	2.5'	0.012	3.50	1.8	3.1	5.5
25	210'	3.0'	0.018	5.0	1.40	2.0	1.20
19	215'	2.5'	0.02	8.10	2.2	1.2	2.6
OME (H)	215'	2.5'	0.04	31.10	3.70	4.0	3.25
26	230'	3.0'	0.035	11.7	0.95	2.7	5.80
20	235'	2.5'	0.043	11.0	2.6	2.0	2.9
27	250'	3.0'	0.18	4.7	0.55	1.7	2.2
21	255	3.0'	0.01	3.4	2.1	0.76	2.6
OME (H)	267'	3.0'	0.01	3.83	0.50	1.00	3.95
28	270'	4.0'	0.022	4.7	0.44	2.0	1.6
22	275'	2.0'	0.017	8.00	0.95	2.4	6.2
29	290'	4.0'	0.082	21.8	1.60	2.0	6.0
30	318'	5.2'	0.070	20.0	1.70	2.7	2.1
Average		2.7'	0.04	11.77	2.19	3.2	5.15

OME-6797 U. S. Silver Mining Company

Bulk and grab samples

Sample No.	Location	No. Cars	Au oz.	Ag oz	Cu%	Pb%	Zn%
2	96 - 100	17 cars	.006	1.0	0.225	0.36	.52
3	Same as #2	17 cars	.065	7.05	0.90	0.71	1.25
4	102 - 107	9	.04	10.82	1.54	1.15	0.30
14	Car grab	142 - 146	0.02	1.40	1.10	2.65	0.45
8	grab	muck pile	0.03	4.08	0.44	1.2	1.7
10	169 - 174	muck pile	0.01	3.06	1.04	1.08	2.15
11	177 - 182	muck pile	0.005	4.67	0.75	1.50	3.40
12	186 - 190	muck pile	0.01	2.95	0.52	1.65	2.05
13	214 - 219	muck pile	0.01	3.75	0.64	1.15	1.35
14	231 - 254	muck pile	0.25	4.47	0.89	0.98	1.10
15	270	grab	.015	4.2	1.45	0.48	3.0
16	290	grab	.019	8.2	1.2	1.5	2.9
17	318	grab	.045	7.8	1.5	.88	1.7
	(13)		.525	63.45	12.19	15.29	21.87
	Average		.040	4.88	.93	1.17	1.68

794 cars @ 1 ton each = 794 tons of ore grade material in stockpile:

.04 oz. Au @ $35.00/oz.	=	$1.40
4.88 oz. Ag @ $1.48 oz.	=	$7.22
.93% Cu = 18.6 lbs. @ 50¢/lb.	=	$9.30
1.17% Pb = 23.4 lbs. @ .1450¢/lb.	=	$3.39
1.68% Zn = 33.6 lbs. @ 17¢/lb.	=	$5.71
		$27.02

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

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O. M. E.
RECEIVED
MAR 22 1972

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glr	130
HK	~~120~~
Rew	

March 20, 1972

Memorandum

To: Chief, Office of Minerals Exploration

Through: Assistant Chief, Office of Minerals Exploration

From: Field Officer, Region III, Office of Minerals Exploration

Subject: Interim inspection report on : OME-6797 (Au-Ag-Cu)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

An interim inspection of the subject property was conducted by the Field Officer, Region III on March 9 and 10, 1972. The Operator was represented by Mr. Reid Johnston, Supervising Engineer. Their consulting geologist, Mr. Max Evans, was present and we discussed the various possibilities for target areas resulting from exploration work completed under the subject contract and by recent geologic mapping of the Rawley 200 level, and workings along the Antoro vein, on the Antoro adit level.

During the months of January and February an additional 49 feet of drifting was completed on the Rawley 200 level since the last interim inspection, for a total distance of 523 feet. Severe winter storms during January and February slowed operations down considerably, as the portal of the 200 level of the Rawley tunnel is at an elevation of 10,875 feet above sea level. There has been about 250 feet of vein material opened up that averages 2.7 feet in width and averages 0.04 oz. Au, 11.77 oz. Ag, 2.19% Cu, 3.2% Pb, and 5.15% Zn. This ore grade material will gross $68.83 per ton at current metal prices (3/17/72). Long hole drilling northeast of the drift indicates there may be an additional 135 feet of ore, from Long Hole #6 to Long Hole #13, where some 4 feet of vein material was penetrated, at a distance of 26-30 feet from the drift.

A structure, striking N. 35° W., about 70 feet back from the face of the drift, has had a pronounced effect on the vein. No gouge has been developed on the structure. However, there is a change in the attitude of the volcanics, from being rather flat along the ore-bearing portion of the vein to steeply dipping structures in the barren portions of the vein. The lithology changed quite abruptly from typically altered Rawley andesite to a much more fresh andesite porphyry associated with zones of highly silicified reddish brown andesitic porphyry that is almost jasperoid, which has allowed no passage of mineralizing solutions, thus leaving the andesite quite barren. Geologic mapping indicated that the strong vein left the drift near survey station 2-28 (map accompanying January-February 1972 voucher), and that scattered mineralized material was evident for some 110 feet. The drift was driven some 70 feet beyond the structure with hope of finding the vein. Long hole Nos. 12, 14, 15 and 16 penetrated increasingly less altered and more highly silicified andesite porphyry northeastward.

A study of the Rawley drift, where the vein splits at coordinates 10,000 E. and 10,250 N. near survey station 2-21, indicates a similar situation existing there in that the structures in the volcanics become more steeply inclined, and the country rock becomes less altered and more siliceous, until the vein was again penetrated some 100 feet beyond the OME starting point at survey station 2-24.

As a result of these data it was recommended that the Operator drift northwesterly along the prominent structure and open up the area drilled by long hole No. 13 to see what has happened to the vein, and that a 25-foot raise be driven on the vein near survey station 2-28, to see what the vein looks like up dip and to obtain at least some vertical dimension on the vein. Upon the completion of this work and additional geologic mapping on the Rawley, Poverty and Antoro veins a disposition will be made concerning the OME work.

The Operator's original exploration proposal was to intersect the ore penetrated by the Antoro vein by diamond drill hole #1, 91 feet below the Antoro adit level. This ore zone was reported to be 4 feet thick and averaged 0.025 oz. Au, 6.8 oz. Ag, 16.8% Pb, 5.9% Zn, and 0.27% Cu pr ton. At current metal prices (3/17/72) this ore would gross $110.06 per ton. Eligible minerals, Au, Ag and Cu would make up 34 percent of this total.

In reviewing the data to date, there is a possibility that the intersection of the Antoro and Poverty veins would lie considerably higher than the Rawley 200 level, and there may be other geologic complications should either of the veins wedge out eastward along strike, or for some reason or another be cut off by a northwest trending fault. Further geologic mapping underground may be of assistance to us in an attempt to resolve this problem. The Operator is having the geologic mapping done by their consultant.

Enclosure

J. William Hasler

J. William Hasler, Field Officer, Region III
Office of Minerals Exploration

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

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MAR 17 1972

INITIALS	CODE
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	~~130~~
HK	~~120~~

March 15, 1972

Memorandum

To: Chief, Office of Minerals Exploration

Through: Assistant Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

Transmitted herewith is the original and two copies of the Operator's Monthly Voucher for the month of January and February 1972, with a narrative report as well as a geologic map and report of the work completed during the above-stated period of time. The items of work completed and the costs incurred are recommended for payment.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

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O. M. E.
RECEIVED
MAR 22 1972
INITIALS | CODE

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of January & Feb. 1972

Docket No. OME- 6797
Contract 14-08-0001 2294
Contract Amount $63,200.00
Gov't. Participation %62½ $39,500.00

Operator's Name U. S. Silver Mining Company
Address 21 University Rd., Canton, Mass. 02021

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
		$		$		$		$
Drifting including timbering	49	3136.00	523	33472.00	49	3,136.00	523	33,472.00
long hole drilling	220	292.60	500	665.00	220	292.60	500	665.00
1 supervisor	2	1600.00	9	7200.00	2	1,600.00	9	7,200.00
office expense	2	100.00	9	450.00	2	100.00	9	450.00
payroll taxes, insurance	2	240.00	9	1080.00	2	240.00	9	1,080.00
assaying			30	198.00	—	—	30	198.00
outside consultant	8.5	637.50	8.5	637.50	8.5	637.50	8.5	637.50
travel, outside consultant	680	81.60	680	81.60	680	81.60	680	81.60
per diem, outside consultant	0.36	9.00	0.36	9.00	0.36	9.00	0.36	9.00
TOTALS		$ 6096.70		$43,793.10		$6,096.70		$43,793.10

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

Date 3/7/72 *Payee George P. Bates U. S. Silver Mining Company

Per George P. Bates Title Partner

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature J. William Hasler OME Field Officer 3/15/72 Date

(63) 14X0804

Approved for: $3,810.44 (SUBJECT TO AUDIT)

Signature Sg

Date 27 MAR 1972 Vou. No. 24336

(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

556020

RECEIVED
U.S. GEOLOGICAL SURVEY
MAR 21 9 33 AM '72
BUDGET & FINANCE

FOR GOVERNMENT USE

REMARKS

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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

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

LVE
3/10/72

U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

OME Region 6
RECEIVED
MAR 10 1972
Denver, Colorado

March 8, 1972

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Denver Federal Center
Building 53, Room 28
Denver, Colorado 80225

Re: OME--6797
Contract No. 2294
U. S. Silver Mining Company

Dear Mr. Hasler:

Enclosed you will find a report for the months of January and February 1972.

I have only a few of the monthly voucher forms left and I would appreciate it if you could send me at least 25 more.

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Enc.

Sent voucher forms March 10, 1972.

U.S. Silver Mining Company

Progress Report

Months of January and February

O.M.E. Contract No. 2294

Weather conditions during the month of January were severe enough to affect operations considerably. Most of the first week in January was lost because of a storm, and ten days were lost from a big snow storm on 1-12-72. The snow was accompanied by high winds that drifted the road so badly that a D-7 Caterpillar tractor finally had to be hired to clear the snow off.

As noted on the report for December, all mineralization was seemingly cut off by a fault or fissure encountered between 448 and 456 ft. and the drift passed into country rock. The drift was continued on a Brunton heading of N 18° E during January pending the results of a transit survey conducted by Davis Engineering Co. of Del Norte, Colo. Drifting during this period continued to be in country rock until at the 500 ft. mark a weakly mineralized fault was crossed. This fault is again a northwest fault striking N 40° W and dipping to the northeast approximately 24°. Beyond this fault the rock became gradually much fresher andesite to month ending footage of 515 ft.

By previous arrangement with Mr. Hasler of O.M.E. Denver Office it was agreed that a decision as to the direction of further work on the contract would be made after receiving the transit survey extension and geological mapping done by an independent geological consultant Mr. Max Evans of Crested Butte, Colo.

Accordingly, drifting was stopped on the 7th of February. Only two rounds were made in February, and these were in fresh andesite beyond the fault mentioned above. The face of the drift at 2-28-72 stands at 523 ft. on the contract.

On February 8, 1972 two long holes were drilled to obtain information for use by Mr. Evans. Long hole No. 11 was drilled to N 30° W for a total depth of 16 ft. Mineralization was encountered in this hole between 13 ft. and 14 ft. Long hole No. 12 was drilled on a heading of N 50° E. Total depth was 16 ft. and no mineralization was crossed.

The period from February 9 through February 12 was spent in assisting Max Evans with the geological survey. His report and map were received on February 19, 1972 and most of the rest of the month was spent in drilling long holes at locations recommended by Mr. Evans.

Long hole No. 13 was drilled within 2 ft. of the location he recommended; however, due to lack of room a right angle direction could not be obtained and the hole was drilled on a bearing of N 30° W at plus 13° angle. Mineralization was cut in this hole at 26 ft. and the ore zone continued for 4 ft to 30 ft. After that the hole passed into harder but altered rock and no further showing was obtained to a total depth of 52 ft. This hole tends to verify that the structure is in the west wall of the present drift.

Long hole No. 14 was drilled 25 ft. south of the face at 498 ft. very near the coordinates specified by Mr. Evans. Direction of this hole was N 30° W at plus 14° angle. While this hole passed through some altered rock, no mineralization was intersected.over the total length of 52 ft. A northward projection of the vein shown on the Evans map when aligned with the mineralized zone of long hole No. 13 and plotted on the map indicated that long hole No. 14 should have cut the structure. However, it was felt that possibly the angle of the hole and distance away from long hole No. 13 could miss the ore, particularly if it had warped westward from the point of intersection in long hole No. 13. Accordingly, a decision was made to drill another hole to the west a short distance to the north of long hole No. 13 and a few ft. north of the fault to try to determine its influence on the structure.

However, since the equipment was all set up near the face, and because the face is actually the easternmost point of the drift, long hole No. 15 was drilled at the 520 ft. mark of the O.M.E. project. The hole was drilled on a bearing of N 58° E at an upward angle of plus 12°. No mineralization was encountered for a total depth of 32 ft., although some softer, altered rock was drilled from 16 ft. to 24 ft. after which the rock became gradually harder to very hard from 28 to 32 ft. where the hole was abandoned due to slow progress. Location and ground explored by this hole would make it seem unlikely that the fissure had displaced to the east.

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During the long holing samples of the cuttings were obtained for each 4 ft. extension rod. These samples were dried, split into duplicate pulps, labelled and filed. Grab samples for each round during January and February were taken and similarly handled. Because the drift was in country rock during this period none of the samples were sent to be assayed. Samples of the mineralized cuttings from long hole No. 13 will be sent for analysis the first part of the month of March, 1972.

Summarization of work for the months of January and February, 1972:

	Jan. & Feb.	Total to Date
Mill Ore Dumped on Stockpile	-0-	794
Drifting	49 ft.	523 ft.
Long Holes	220 ft.	500 ft.

GEOLOGICAL REPORT
RAWLEY MINE 200 LEVEL
OME PROJECT - CONTRACT NO. 2294
February 15, 1972

At the request of Mr. Reed Johnston of Salida, Colorado a geological examination was made on the 200 level of the Rawley Mine to determine, if possible, the location and position of the lost ore bearing vein structure which had previously been discovered and drifted on under the OME project.

The period of February 9, 10, and 12, 1972 was spent in detailed geological mapping of the drift segment completed to date under the OME project. The results of the geological mapping and plotting of the long hole drilling data strongly indicates the main strand of the ore bearing vein structure left the west rib of the 200 level drift at coordinates 10,660 North and 10,171 East.

The northward projection of the mapped vein structure correlates very well on strike with ore mineralization encountered in long holes Nos. 6 and 8 and possibly hole No. 11. Hole No. 11 however, may not have been drilled far enough west to encounter the full vein zone.

In order to obtain maximum information on delineating the vein structure and related ore shoot, the following recommendations are set forth:

1. Drill two (2) long holes at coordinates 10,780 North and 10,220 East and 10,826 North and 10,236 East. Both holes should be directed N 70 West and inclined upward at +10 degrees for discharge of cuttings. Depth of holes should be no less than 50 feet.

2. Drill one (1) long hole at coordinates 10,419 North and 10,125 East for the southern projection of the ore bearing vein structure. Although the vein structure appears to be highly lenticular along strike and on dip, it appears strange some evidence of the vein was was not encountered in Long Hole No. 1. Bearing of this hole should be N75 West and inclined upward at + 10 degrees. The hole should be drilled to at least 30 feet of depth.

3. If access could be gained without a major amount of work on the Antoro Tunnel level located some 387 feet

higher in vertical elevation, the up dip projection of vein ore discovered on the 200 level could be easily tested by relatively short drill holes from the Antoro crosscut face located at coordinates 10,450 North and 10,036 East. The drill hole information would yield much valuable information regarding location of the vein, continuity up dip, grade and thickness.

4. It is recommended that a short raise be put up dip on the ore shoot developed to date on the 200 level. The raise could be so positioned that it could be later utilized for a manway or ore pass in the event stoping operations commence. Information gained on vein continuity, grade and thickness would be critical for mine planning.

5. If the vein structure is encountered in long hole drilling under recommendation No. 1, it appears logical that a crosscut drift to the west would be in order to get back on the vein.

Respectfully submitted,

Max T. Evans - Consulting Mining Geologist
P. O. Box 407
Crested Butte, Colorado 81224

Att: Geologic Map
OME Project

U.S. SILVER MINING COMPANY

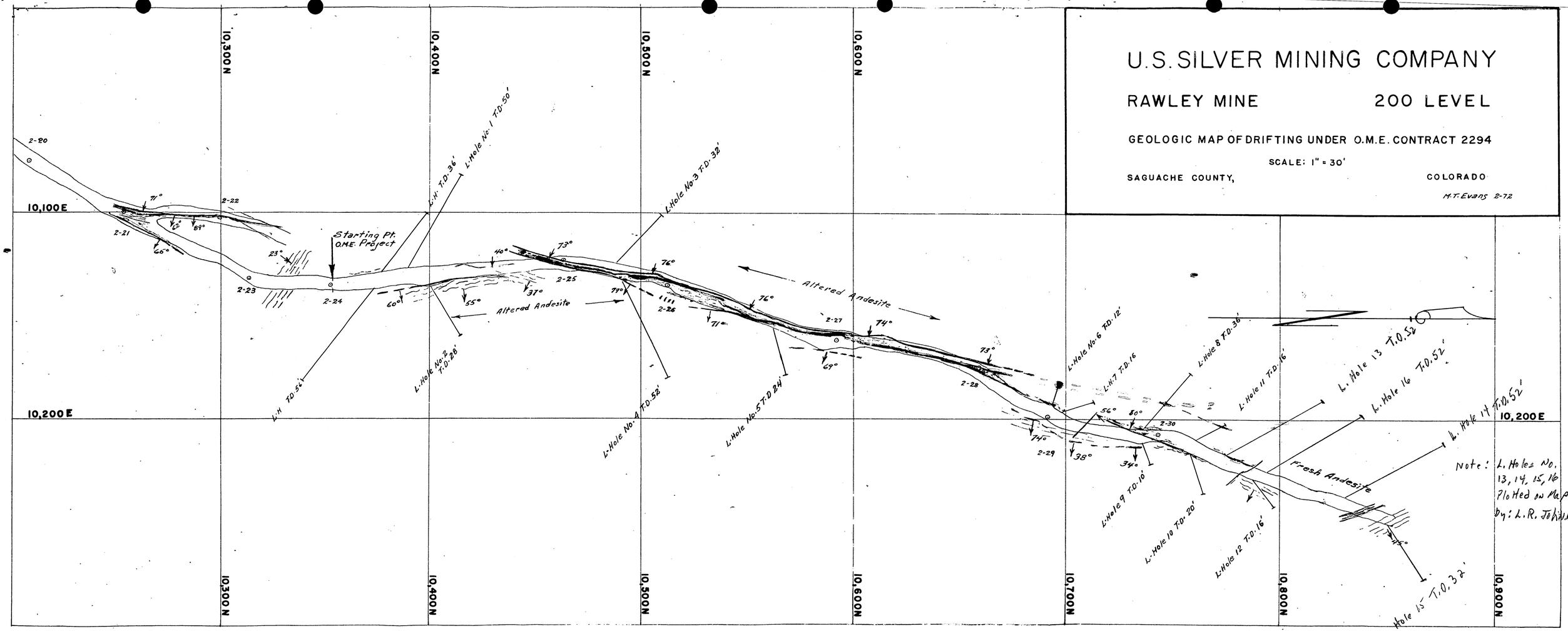
RAWLEY MINE 200 LEVEL

GEOLOGIC MAP OF DRIFTING UNDER O.M.E. CONTRACT 2294

SCALE: 1" = 30'

SAGUACHE COUNTY, COLORADO

M.T. Evans 2-72



U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

OFFICIAL
COPY
O. M. E.
RECEIVED
MAR 16 1972

INITIALS	CODE
Cal	120 MU
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HR	~~120~~

March 13, 1972

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Kirkemo:

Enclosed you will find the three (3) signed copies of Amendment No. 3 per your recent request. Thank you very much for your continued help.

Sincerely yours,

George P. Bates

George P. Bates

GPB/rmf

Encs.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/6/72	Weeks	120
		120
		120N

March 6, 1972

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

Justification for Amendment No. 3

The results of exploration by drifting at the subject property to date indicate that a certification of possible production is likely on this contract. In order to help finance drifting as far as possible into the principal target area, the Operator has requested transfer of some of the funds already allotted for raising, long-hole drilling, and assaying. A portion of the funds would also be available to cover additional costs of supervision due to the extension of time to complete the work as authorized in Amendment No. 2.

The requested extension of the drifting northward toward the main target is to the advantage of the Government as well as to the Operator in that it will explore more of the target. The Field Officer recommends an amendment to provide for this at no increase in total cost to the Government and I concur.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME Docket
OME Reading File
Mr. Weeks
Mr. Kirkemo

RAWeeks/HKirkemo/gla 3-6-72

DRAFT

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120M

EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797

Amendment No. 3

It is agreed this _____ day of _____, 1972, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and George P. Bates, John O. Flender, and Dwight Rounds, d/b/a U. S. Silver Mining Company, a partnership, hereinafter called the "Operator," that Exploration Contract 2294, (OME-6797), dated March 22, 1971, as amended, is further amended effective March 1, 1972 as follows:

1. Exhibit A of the contract is hereby amended as follows:

   a. Under the heading Estimated Costs of the Work, Fixed Unit Costs, delete the existing section and substitute in lieu thereof the following:

Fixed Unit Costs 1/ 2/

Drifting, including timbering, 710 feet at $64.00/foot	$45,440.00
Raising, including timbering, 25 feet at $90.00/foot	$2,250.00
Long-hole drilling 560 feet at $1.33/foot (rounded)	$745.00
1 Supervisor 12 months at $800.00/month	$9,600.00
1 Outside Consultant, 20 days at $75.00/day	$1,500.00
Travel, Outside Consultant, 3,000 miles at $0.12/mile	$360.00
Per diem, Outside Consultant, 20 days at $25.00/day	$500.00

Office Expense,	
9 months at $50.00/month	$450.00
Payroll taxes, insurance	
$9,600 at 15%	$1,440.00
Assaying, 131 samples	
Gold and silver at $2.50/sample	
Copper, lead, zinc at $1.50/each (rounded)	$915.00
Total Estimated Cost of the Work	$63,200.00
Government Participation at 62-1/2%	$39,500.00

1/ Includes all costs whatsoever such as mobilization and demobilization, labor, equipment, materials and supplies, and services.

2/ The Government retains no equity in any of the equipment or materials used.

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

Except as herein amended, Exploration Contract 2294 (OME-6797), dated March 22, 1971, shall remain in full force and effect.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____

Chief, Office of Minerals Exploration

U. S. SILVER MINING COMPANY

By_____

Title _____

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

February 29, 1972

COPY
O. M. E.
RECEIVED
MAR 2 1972
INITIALS CODE
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~~120~~
HK ~~120~~

Memorandum

To: Chief, Office of Minerals Exploration

Through: Assistant Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

The Operator, in a letter dated February 18, 1972, requested an amendment to the subject contract to allow conversion of portions of the raising, long-hole drilling, and assaying funds to additional drift footage and for supervision.

The Operator feels that there is a greater chance of finding additional new ore by continuing the drifting in progress to the north toward the main target, which is the intersection of the Antoro and Poverty veins. Footage remaining under the contract for drifting is not sufficient to do this work.

As of January 1, 1972 the Operator has drifted 474 feet on, or along, the Rawley vein on the 200' Rawley level, in exploration for new and undiscovered reserves of silver, copper and gold.

Vein material of commercial grade has been exposed for some 220 feet along the drift, that has an average thickness of 2.7 feet, and an average grade of .04 oz. Au, 11.77 oz. Ag, 2.19% Cu, 3.20% Pb and 5.15% Zn per ton. The gross value of this ore at current prices (February 29, 1972) is $67.51. No raising has been done on the vein during the exploration work under the contract; however, some raising will be done to obtain some vertical extent up-dip. The Operator has stockpiled an estimated 794 tons of material, whose grab, or bulk samples will average .04 oz. Au, 4.88 oz. Ag, 0.93% Cu, 1.17% Pb and 1.68% Zn per ton, and will gross $27.02 at current metal prices (2/29/72).

The contract allowance of 9 months for supervision will be expended by the end of February 1972. Reasons for being behind schedule on the work are: problems owing to weather, ventilation, difficult working conditions, and excessive amounts of underground water at times.

At no additional cost to the Government, the additional amounts for drifting and supervision are obtained by a reduction in the amounts of raising, long-hole drilling, and assaying. A continuation of the drifting northward toward the main target area is to the advantage of the Government as well as to the Operator, consequently, it is recommended that the amendment be executed as herein suggested.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

2/22/72

U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

February 18, 1972

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Denver Federal Center
Building 53, Room 28
Denver, Colorado 80225

Re: OME-6797
Contract No. 2294
U. S. Silver Mining Company

Dear Mr. Hasler:

I would like to amend our exploration contract as follows:

I feel it would be advisable to convert 75' of raising to 105.4' of drifting in the hope of developing additional ore. I feel there is a greater chance of developing new ore in this way than by raising since we have already exposed several hundred feet of ore along the drift. Also, by advancing further to the north we will get that much closer to our main target which is the inter section of the Antoro and Poverty vein.

I would also like to convert 1,200' of long-holing and 200 assay samples to supervision. By the end of February we will have used up our full allotment for supervision. We have run behind schedule due to problems with the weather, ventilation, and difficult working conditions, including excessive amounts of under-ground water at times.

Please call me if you have any questions at 617-828-6660.

Very truly yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB:mjr

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

Xtra for file copy
JHH

OPERATOR'S MONTHLY VOUCHER

For Month of January & Feb. 1972

Docket No. OME- 6797
Contract 14-08-0001 2294
Contract Amount $63,200.00
Gov't. Participation % 62½ $39,500.00

Operator's Name U. S. Silver Mining Company
Address 21 University Rd., Canton, Mass. 02021

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Drifting including timbering	49	$ 3136.00	523	$ 33472.00	49	$ 3,136.00	523	$ 33,472.00
long hole drilling	220	292.60	500	665.00	220	292.60	500	665.00
1 supervisor	2	1600.00	9	7200.00	2	1,600.00	9	7,200.00
office expense	2	100.00	9	450.00	2	100.00	9	450.00
payroll taxes, insurance	2	240.00	9	1080.00	2	240.00	9	1,080.00
assaying			30	198.00	—	—	30	198.00
outside consultant	8.5	637.50	8.5	637.50	8.5	637.50	8.5	637.50
travel, outside consultant	680	81.60	680	81.60	680	81.60	680	81.60
per diem, outside consultant	0.36	9.00	0.36	9.00	0.36	9.00	0.36	9.00
TOTALS		$ 6096.70		$43,793.10		$6,096.70		$43,793.10

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

Date 3/7/72 *Payee George P. Bates U. S. Silver Mining Company

Per George P. Bates Title Partner

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature J. William Harler 3/15/72
OME Field Officer Date

Approved for: $
(SUBJECT TO AUDIT)

Signature

Date Vou. No.
(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

OPERATOR'S MONTHLY REPORT

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PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

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U.S. Silver Mining Company

Progress Report

Months of January and February

O.M.E. Contract No. 2294

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However, since the equipment was all set up near the face, and because the face is actually the easternmost point of the drift, long hole No. 15 was drilled at the 520 ft. mark of the O.M.E. project. The hole was drilled on a bearing of N 58° E at an upward angle of plus 12°. No mineralization was encountered for a total depth of 32 ft., although some softer, altered rock was drilled from 16 ft. to 24 ft. after which the rock became gradually harder to very hard from 28 to 32 ft. where the hole was abandoned due to slow progress. Location and ground explored by this hole would make it seem unlikely that the fissure had displaced to the east.

Long hole N. 16 was drilled 22 ft. north of long hole No. 13 and just slightly to the north of the fault at 456 ft. Angle was N 32° W with upward angle of plus 14°. No significant mineralization was cut for a total depth of 52 ft. From this result it seems apparent that the fault has either cut off the vein or displaced it rather sharply toward the west. Some argument might be made for displacement toward the west since long hole No. 16 remained in altered, softer rock throughout its distance, never passing into the really hard andesite.

During the long holing samples of the cuttings were obtained for each 4 ft. extension rod. These samples were dried, split into duplicate pulps, labelled and filed. Grab samples for each round during January and February were taken and similarly handled. Because the drift was in country rock during this period none of the samples were sent to be assayed. Samples of the mineralized cuttings from long hole No. 13 will be sent for analysis the first part of the month of March, 1972.

Summarization of work for the months of January and February, 1972:

	Jan. & Feb.	Total to Date
Mill Ore Dumped on Stockpile	-0-	794
Drifting	49 ft.	523 ft.
Long Holes	220 ft.	500 ft.

GEOLOGICAL REPORT
RAWLEY MINE 200 LEVEL
OME PROJECT - CONTRACT NO. 2294
February 15, 1972

At the request of Mr. Reed Johnston of Salida, Colorado a geological examination was made on the 200 level of the Rawley Mine to determine, if possible, the location and position of the lost ore bearing vein structure which had previously been discovered and drifted on under the OME project.

The period of February 9, 10, and 12, 1972 was spent in detailed geological mapping of the drift segment completed to date under the OME project. The results of the geological mapping and plotting of the long hole drilling data strongly indicates the main strand of the ore bearing vein structure left the west rib of the 200 level drift at coordinates 10,660 North and 10,171 East.

The northward projection of the mapped vein structure correlates very well on strike with ore mineralization encountered in long holes Nos. 6 and 8 and possibly hole No. 11. Hole No. 11 however, may not have been drilled far enough west to encounter the full vein zone.

In order to obtain maximum information on delineating the vein structure and related ore shoot, the following recommendations are set forth:

1. Drill two (2) long holes at coordinates 10,780 North and 10,220 East and 10,826 North and 10,236 East. Both holes should be directed N 70 West and inclined upward at +10 degrees for discharge of cuttings. Depth of holes should be no less than 50 feet.

2. Drill one (1) long hole at coordinates 10,419 North and 10,125 East for the southern projection of the ore bearing vein structure. Although the vein structure appears to be highly lenticular along strike and on dip, it appears strange some evidence of the vein was was not encountered in Long Hole No. 1. Bearing of this hole should be N75 West and inclined upward at + 10 degrees. The hole should be drilled to at least 30 feet of depth.

3. If access could be gained without a major amount of work on the Antoro Tunnel level located some 387 feet

higher in vertical elevation, the up dip projection of vein ore discovered on the 200 level could be easily tested by relatively short drill holes from the Antoro crosscut face located at coordinates 10,450 North and 10,036 East. The drill hole information would yield much valuable information regarding location of the vein, continuity up dip, grade and thickness.

4. It is recommended that a short raise be put up dip on the ore shoot developed to date on the 200 level. The raise could be so positioned that it could be later utilized for a manway or ore pass in the event stoping operations commence. Information gained on vein continuity, grade and thickness would be critical for mine planning.

5. If the vein structure is encountered in long hole drilling under recommendation No. 1, it appears logical that a crosscut drift to the west would be in order to get back on the vein.

Respectfully submitted,

Max T. Evans - Consulting Mining Geologist
P. O. Box 407
Crested Butte, Colorado 81224

Att: Geologic Map
OME Project

U.S. SILVER MINING COMPANY

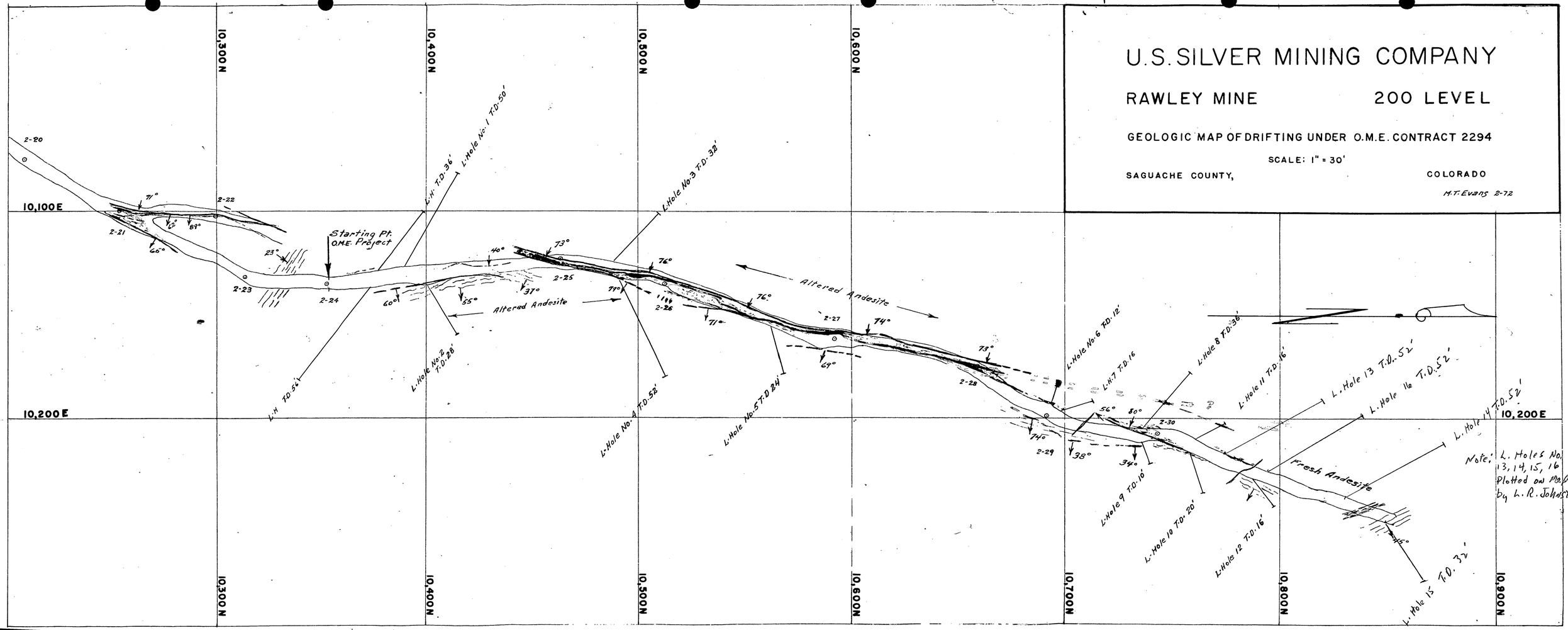
RAWLEY MINE 200 LEVEL

GEOLOGIC MAP OF DRIFTING UNDER O.M.E. CONTRACT 2294

SCALE: 1" = 30'

SAGUACHE COUNTY, COLORADO

M.T. Evans 2-72



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DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

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1/20/72
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OPERATOR'S MONTHLY VOUCHER

For Month of December 1971

Docket No. OME- 6797
Contract 14-08-0001 2294
Contract Amount 63,200.00
Gov't. Participation 62½ $39,500.00

Operator's Name U. S. Silver Mining Company
Address 21 University Rd., Canton, Mass. 02021

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
drifting including timbering	56	$3584.00	474	$30336.00	56	$3,584.00	474	$30,336.00
long hole drilling	66	87.78	280	372.40	66	87.78	280	372.40
1 supervisor	1	800.00	7	5600.00	1	800.00	7	5,600.00
office expense	1	50.00	7	350.00	1	50.00	7	350.00
payroll taxes, insurance	1	120.00	7	840.00	1	120.00	7	840.00
assaying	8	56.00	30	198.00	8	56.00	30	198.00
TOTALS		$4697.78		$7696.40		$4,697.78		$37,696.40

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

Date 1/11/72 *Payee George P. Bates U. S. Silver Mining Company

Per George P. Bates Title partner

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit

Signature J. William Hasler OME Field Officer Date 1/20/72

(63) 14X0804

Approved for: $ 2,936.11
(SUBJECT TO AUDIT)

Signature MS

Date 15 FEB 1972 Vou. No. 23739

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

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BUDGET & ...

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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

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

U.S. Silver Mining Company

Progress Report
Month of December 1971

O.M.E. Contract No. 2294

Very little drifting progress was made during the first two weeks of December. Two storms during this period were responsible for several lost days. Equipment problems and other troubles caused some rounds to be missed.

Three long holes were drilled during this time in an attempt to establish that the drift was indeed on the structure previously being followed. Long hole No. 8 W was drilled at 398 ft. Direction was N 50° W at plus 20° angle from horizontal. The first 8 ft. of the hole was mineralized, showing that the sparsely mineralized zone referred to in the November report is fairly wide, although the ore is loose and ravelly with no consistent consolidation. From 8 to 16 ft. the hole was in altered soft rock with little or no mineralization, but an ore streak was encountered from 16 to 18 ft. This was followed by two more feet of the same soft rock, after which the hole passed into very hard country rock and had to be stopped at 36 ft. because of the slow progress.

Long hole No. 9 E was drilled at 399 ft. to N 70° E at plus 23° angle. This hole was in altered softer rock for the first 8 ft., but quickly passed into hard country rock and was stopped at 10 ft.

Long hole No. 10 E was drilled at 422 ft. to N 78° E at plus 15° angle. Again this hole was in altered rock for 8 ft. From 8 to 14 ft. very hard country rock, from 14 to 20 ft. the hole softened somewhat with the drillings showing an altered, or decomposed andesite.

For all three holes a sample of the cuttings was taken for each 4 ft. rod. These samples were dried, split into duplicate pulps, labelled and filed.

The split of the vein referred to in November became more definite in early December and the drift was turned to a heading of N 24° E. From 422 ft. to 450 ft. both splits were in the drift. The east split being of weakly mineralized quartzy material varying in width from 6 in. to 1 ft. with considerable amount of water draining in the bottom. The west split of a flat or very low dip, the rock soft and altered, weakly mineralized.

Between 448 and 456 ft. a non-mineralized fault or fissure was encountered, accompanied by a heavy flow of water that curiously came out into the east side of the drift only. This fissure shows a strike of N 30° W and dips 63° to the south west. The fissure has apparently cut off both the splits referred to above, because the drift passed into altered country rock, staying much the same from 456 to month ending 474 ft.

No attempt was made to turn the drift since the heading is in the near vicinity of the possible down dip extension of the Antoro "850" structure. Also the present heading is closer to a direct line course to the ultimate target area - the intersection of the Antoro and Poverty veins.

It would appear that additional exploration work must be done to verify the influence of faulting in this zone. At least three possibilities are immediately apparent: (1) The ore shoot previously exposed has followed the northwest faulting and is striking to the northwest. (2) Faulting has displaced the ore to the east, and this might account for the water coming only from the east side of the fissure mentioned above. (3) The zone of faulting has temporarily cut off the ore continuation.

A decision will have to be made in January as to proper direction for the balance of the exploration work. In the meantime, the drift will be kept near to its present course, since the Antoro "850" vein could be cut any time.

The results of the channel samples taken on 20 ft. intervals during November were received this month and a detail of the assays are attached, together with a copy of the assay certificate.

A grab sample of each round was taken curing the month. The samples were crushed, split into duplicate pulps, labelled and filed.

Since, visually, none of the material mined during the month seemed to contain significant mineralization it was all dumped for waste, and no samples were sent to be assayed until the latter part of the month. A closer examination of the zone from 409 ft. to 423 ft. revealed a considerable amount of smaller specks of mineralization scattered through the altered rock. So the grab samples for this area were sent to be assayed, to be sure nothing significant would be over looked. These results will be available for the January report.

Summarization of work for the month of December 1971:

	This Month	Total to Date
Mill Ore Dumped on Stockpile	- 0 -	794
Drifting	56 ft.	474 ft.
Long Holes	66 ft.	280 ft.

U.S. Silver Mining Company

Detail of Assays
Month of December 1971
O.M.E. Contract 2294

Sample No.	Description	Location OME	Au (PPM)	Ag oz/T	Cu %	Pb %	Zn %
23	3.7' channel sample of vein	170'	1.7	4.0	0.80	3.0	3.7
24	4.6' " " " "	190'	0.58	18.2	1.4	7.0	3.9
25	3.0' " " " "	210'	0.62	5.0	1.4	2.0	1.2
26	3.0' " " " "	230'	1.2	11.7	0.95	2.7	5.8
27	3.0' " " " "	250'	0.64	4.7	0.55	1.7	2.2
28	4.0' " " " "	270'	0.78	4.7	0.44	2.0	1.6
29	4.0' " " " "	290'	2.8	21.8	1.6	2.0	6.0
30	5.2' " " " "	318'	2.4	20.0	1.7	2.7	2.1

Job No. 89018
December 3, 1971

Wolf Ridge Minerals
6073 West 44th Avenue
Wheat Ridge, Colorado 80033

Attention: Bob Hartman

8 Rock chip samples

CME Sample No.	Item	Sample No.		Au (ppm)	Ag (ppm)	Cu (%)	Pb (%)	Zn (%)	
23	1.	Bonanza	170' width 3.7'	1.7	140 4.0	.80	3.0	3.7	$34.31/TON
24	2.		190' 4.6'	.58	620 18.2	1.4	7.0	3.9	70.52/TON
25	3.		210' 3.0'	.62	170 5.0	1.4	2.0	1.2	30.18/TON
26	4.		230' 3.0'	1.2	400 11.7	.95	2.7	5.8	51.99/TON
27	5.		250' 3.0'	.64	160 4.7	.55	1.7	2.2	23.85/TON
28	6.		270' 4.0'	.78	165 4.7	.44	2.0	1.6	21.68/TON
29	7.		290' 4.0'	2.8	740 21.8	1.6	2.0	6.0	70.21/TON
30	8.	Bonanza	318' 5.2'	2.4	680 20.0	1.7	2.7	2.1	57.70/TON

To convert to ounces divide by 34

$\frac{680}{34} = 20$ ounces

Reid

Charles E. Thompson
Chief Chemist

Using the following metal prices, the gross value of the samples is given in the last column above

Ag 1.30/oz
Cu 50¢/lb
Pb 14¢/lb
Zn 17¢/lb

Bob Hartmann

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

December 21, 1971

Memorandum

To: Chief, Office of Minerals Exploration

Through: Assistant Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

Transmitted herewith is an original and two copies of the Operator's Monthly Voucher for the month of November 1971, with accompanying narrative report, map and substantiating reports of analysis recommended for payment.

W. L. Emerick
for J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures: Orig. and 2

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DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

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OPERATOR'S MONTHLY VOUCHER

For Month of November 1971

Docket No. OME- 6797
Contract 14-08-0001 2294
Contract Amount $63,200.00
Gov't. Participation 62½% $ 39,500.00

Operator's Name U. S. Silver Mining Company
Address 21 University Rd., Canton, Mass. 02021

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
drifting including timbering	52	$ 3328.00	418	$26752.00	52	$3,328.00	418	$26,752.00
long hole drilling	28	37.24	214	284.62	28	37.24	214	284.62
1 supervisor	1	800.00	6	4800.00	1	800.00	6	4,800.00
Office expense	1	50.00	6	300.00	1	50.00	6	300.00
payroll taxes, insurance	1	120.00	6	720.00	1	120.00	6	720.00
assaying	5	35.00	22	142.00	5	35.00	22	142.00
TOTALS		$ 4370.24		$ 32998.62		$4,370.00		$ 32,998.62

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

Date 12/9/71 *Payee George P. Bates U. S. Silver Mining Company

Per George P. Bates Title partner

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature J. William Hasler OME, Field Officer 12/20/71 Date

(63) 14X0804

Approved for: $ 2,731.40 (SUBJECT TO AUDIT)

Signature [illegible]

Date 5 JAN 1972 Vou. No. 28066

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

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DEC 29 7 51 AM '71
BUDGET & FINANCE

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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

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

U.S. Silver Mining Company

Progress Report
Month of November 1971

O.M.E. Contract No. 2294

As noted in the October, 1971 report, the drift was turned westward to a Brunton heading of N 5° E to get back on vein which had apparently warped to the west while the drift had been kept straight during the last part of October. When the vein did not reappear in 20 ft. on the new heading, long holes were drilled to check the distance to the structure in the west side of the drift.

Long hole No. 6W was drilled at the 350 ft. mark. Direction was S 75° W at plus 5° angle. The drillings showed mineralization from 9 ft. to 12 ft. Long hole No. 7W was drilled toward N 20° W at an angle of plus 30° to check whether the structure was continuing on a westward trend or intersecting with the drift. Since no mineralization was encountered in 16 ft. it was concluded that intersection would be imminent. And between 394 ft. to 398 ft. ore began to reappear in the west bottom of the drift indicating that the dip line of the vein had been reached. During the long holing samples were taken of the cuttings for each 4 ft. rod. The samples were dried, split into duplicate pulps, labelled and filed.

For various reasons the middle two weeks of the month were all but lost for drifting. A storm in the third week severely hampered operations for the week, although some progress was made.

The results for the channel samples cut on 20 ft. intervals during October were received during the month and a detail of these assays is attached hereto. In addition to these samples several other channel samples were taken in November. These were also cut on 20 ft. intervals

at 170', 190', 210', 230', 250', 270', 290' and 318'. This sampling was a result of a mine examination by another company, but the assays will be available for incorporation with the report for December, 1971.

Because most of the drifting during November was in waste, no other samples were sent during the month. However, grab samples were taken for each round, split into duplicate pulps, labelled and filed. All of the muck for the month was dumped for waste.

As reported, the drift was back on structure between 394' to 398'. At that point the ore was very loose and ravelly. Between 398' and 403' it became about three feet wide, but was very quartzy with quite a lot of weakly mineralized waste interspersed through the ore. From 403' to 410' a split became evident with the probable main strand striking N 20° E. This again seems to be an area where the fissure zone is quite wide with mineralization irregularly distributed in the zone. The present breast at 418' shows the main strand pinched to about 1 ft. and very quartzy, but the rest of the face is altered, mineralized rock with several pencil size streaks scattered at random through the rock. It is possible that this situation is a result of the junction with the 850 structure of the Antoro, since the drift is in the vicinity of the junction.

A rather persistent flat mineralized structure dipping about 45° to the East apparently striking about N 5° E was uncovered in the back of the drift at 408 ft. This streak has been exposed before. It could be a result of the faulted, broken, nature of the ground; or a bleeder off the main vein. More long holes will be drilled in December to attempt to determine if it is a separate structure.

Summarization of work for the month of November, 1971:

	This Mo.	Total to Date
Mill Ore Dumped on Stockpile	- 0 -	794
Drifting	52 ft.	418 ft.
Long Holes	28 ft.	214 ft.

U.S. Silver Mining Company

Detail of Assays
Month of November 1971
O.M.E. Contract 2294

Sample No.	Description	Location OME 0+ ft.	Au oz/T	Ag oz/T	Cu %	Pb %	Zn %
18	30" channel sample of vein	195'	.012	3.5	1.8	3.1	5.5
19	18" " " " "	215'	.02	8.1	2.2	1.2	2.6
20	30" " " " "	235'	.043	11.0	2.6	2.0	2.9
21	38" " " " "	255'	.01	3.4	2.1	.76	2.6
22	22" " " " "	275'	.017	8.0	.95	2.4	6.2

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

REPORT OF ANALYSIS

Job No. M-1273
November 10, 1971

Mr. Reid Johnston
P. O. Box 749
Salida, Colorado 81201

1 Ore sample

Item	Sample No.	Au oz/T	Ag oz/T	Cu (%)	Pb (%)	Zn (%)
1.	Channel Sample #1	.012	3.5	1.8	3.1	5.5

OME
Sample No. 18

Charles E. Thompson
Chief Chemist

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

REPORT OF ANALYSIS

Job No. M-1269
November 6, 1971

Mr. Reid Johnston
Box 749
Salida, Colorado 81201

3 Rock chip samples

Item	Sample No.	Au (oz/T)	Ag (oz/T)	Cu (%)	Pb (%)	Zn (%)
1.	OME Sample No. 19 Channel Sample #2	.020	8.1	2.2	1.2	2.6
2.	OME Sample No. 20 Channel Sample #3	.043	11.	2.6	2.0	2.9
3.	OME Sample No. 21 Channel Sample #4	.010	3.4	2.1	.76	2.6

Charles E. Thompson
Chief Chemist

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

REPORT OF ANALYSIS

Job No. M-1274
November 13, 1971

Mr. Reid Johnston
P. O. Box 749
Salida, Colorado 81201

1 Rock chip sample

Item	Sample No.	Au oz/T	Ag oz/T	Cu (%)	Pb (%)	Zn (%)
1.	Channel Sample #5	.017	8.0	.95	2.4	6.2

DME Sample
No. 22

Charles E. Thompson
Chief Chemist

828-6660

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

21 University Road
Canton
Massachusetts 02021

January 4, 1972

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Kirkemo:

Enclosed you will find your three (3) copies of the amendment to our contract. Thank you for seeing this through to its conclusion.

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Enc. - 3

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INITIALS	CODE
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EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797

AMENDMENT NO. 2

It is agreed this_____day of_____1971, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and George P. Bates, John O. Flender, and D. W. Rounds, d/b/a U. S. Silver Mining Company, a partnership, hereinafter called the "Operator," that Exploration Contract 2294, (OME-6797), dated March 22, 1971, as amended by Amendment No. 1, dated August 26, 1971, is further amended effective as of December 22, 1971, as follows:

1. (a) Work under the contract may be suspended during the period beginning January 1, 1972, and ending no later than May 1, 1972.

(b) The Government shall not contribute to any costs incurred during the period of suspension.

(c) The Government shall not contribute to or be liable for any costs of rehabilitation or repair or any other costs which would not have occurred if there had been no suspension of work, or which may arise out of this suspension.

(d) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed by Article 1(a) of the Contract for completion of the work is extended from nine (9) to seventeen (17) months from the date of the Contract, or until August 22, 1972.

3. The maximum period for royalty payments as provided in Article 6(b) of the contract for the lien to secure payment thereof (as amended by Amendment No. 1) is extended from ten (10) to eleven (11) years from the date of the contract.

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration

U. S. SILVER MINING COMPANY

By_____

Title_____

Except as amended herein Exploration Contract 2-294 (OMX-6797), dated March 22, 1971, shall remain in full force and effect.

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/30/71	Kirkemo	
12/20	Theobald	

DEC 30 1971

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

Enclosed are the original and three copies of proposed Amendment No. 2 (two pages) which have been signed for the Government.

If the proposed amendment is satisfactory to you, please sign all four copies as the authorized representative of the other Partners, retain the Operator's copy, and return the other three signed copies to this office.

If any part of the proposed amendment does not have your approval, please return the original and all copies to this office together with the proposed changes for consideration.

Please advise Mr. J. W. Hasler, Field Officer, OME Region III, the beginning date of any recess, and the date when work is resumed following a recess.

Best wishes for a Happy New Year.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's reading file
Mineral Resources
OME reading file
Region III with extra cy. of amend.
Mr. Kirkemo
130

HKirkemo/cac 12/30/71

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration
Building 53 Room 28

OFFICIAL COPY
O. M. E.
RECEIVED
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INITIALS	CODE
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December 7, 1971

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Through: Assistant Chief, Office of Minerals Exploration

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

Transmitted herewith is a request from the Operator, dated December 3, 1971, to extend the completion date of the contract from December 22, 1971 to June 30, 1972.

There have already been some rather extensive delays during the progress of the exploration work. Because severe winter snows may further hamper operations, since the portal of the Rawley 200-level lies at an elevation of 10,875 feet above sea level, it is deemed more advisable to extend the termination date for completion of the work until August 22, 1972. The additional month and three-quarters time beyond the Operator's requested date will give him more time during good weather months, should he not be able to work during the winter months of December, January, February, March, April, and perhaps May. Even though they now believe they can work through the tough winter months, I would therefore recommend extending the completion date to August 22, 1972, as this may prevent amending the contract for a second extension of time. A rough draft of proposed Amendment No. 1 is enclosed for your use.

J. William Hasler
J. William Hasler
Field Officer, Region III
Office of Minerals Exploration

Enclosure

Exploration Contract

U. S. Silver Mining Company

OME-6797

Amendment No. ~~1~~ 2

It is agreed this _____ day of _____, 1971, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and (George P. Bates, John O. Flender, and D. W. Rounds, d/b/a) U. S. Silver Mining Company, (a partnership) hereinafter called the "Operator," that Exploration Contract 2294 (OME 6797), dated March 22, 1971, as amended (by Amendment No. 1) is further amended effective as of December 22, 1971, ~~of the date of this Amendment~~, as follows:

Insert 1

2. The date fixed by Article I(a) of the contract for completion of the work is extended from nine (9) to seventeen (17) months from the date of the contract, or until August 22, 1972.

Insert 3

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

U. S. SILVER MINING COMPANY

By_____

Title_____

U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

December 3, 1971

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Denver Federal Center
Building 53, Room 28
Denver, Colorado 80225

Re: OME-6797
Contract No. 2294
U. S. Silver Mining Company

Dear Mr. Hassler:

As you know, our contract is due to expire December 22, 1971. I would like to have this contract extended until June 30, 1972. Our mining crew would like to continue operating during the winter, if the weather does not become too oppresive. However, I have asked for a longer than normal extension period because they may find it necessary to shut down for a few months. Unfortunately, we have run behind schedule due to some bad weather already and also due to the fact that we had to take time out for the installation of an air vent system from the portal to the area where we are now working. This extension will not require any additional funding to complete the work specified in the contract.

Very truly yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

OME Region III
RECEIVED
DEC 6 - 1971
Denver, Colorado

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration
Building 53 Room 28

ORIGINAL COPY
DEC 3 1971
INITIALS | CODE
col 120
glo 120
HK 120

November 30, 1971

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Through: Assistant Chief, Office of Minerals Exploration

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

This is to inform you that the subject Operator was notified by telephone on November 24, 1971 that work under the subject contract must be completed on or before December 22, 1971. If it is not feasible to complete the exploration work by that date the Operator is to request that the contract be amended to extend the termination date in order to allow for completion of the proposed exploration program. The request for the amendment must include valid reasons for the extension of time. The request is to be made before the termination date, in this case, before December 22, 1971.

J. William Hasler
J. William Hasler
Field Officer, Region III
Office of Minerals Exploration

NOV 6 1971

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration
Building 53 Room 28

OFFICIAL COPY
O. M. E.
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NOV 29 1971

INITIALS	CODE
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gla	130
HK	~~120~~

November 24, 1971

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Through: Assistant Chief, Office of Minerals Exploration

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antero and Poverty Claims
Saguache County, Colorado
Contract 2294

An interim inspection was made on the subject property by J. W. Hasler on Wednesday and Thursday, November 10 and 11, 1971, in company with Mr. Reid Johnston, Mine Manager for U. S. Silver Mining Company. The drift along the vein on the Rawley 200-level has been driven for a total distance of 391 feet since the beginning of the OME project. (See accompanying map)

Vein widths throughout the 391 feet vary from less than a foot to as much as four feet. The vein pinches and swells along strike, splits into two separate structures, then pinches off into a single vein, varying in composition from high grade silver, lead, zinc ore to one containing essentially quartz gangue, pyrite, and some chalcopyrite and galena and highly altered material. However, grab samples taken from the interval 102 to 254 feet yield an average grade of material assaying .023 oz. Au, 4.69 oz. Ag, 0.86 percent Cu, 1.34 percent Pb, and 1.52 percent zinc. Gross value at current prices (Au $35.00/oz., Ag, $1.32/oz., Cu, 53.00¢/lb., Pb, 14.006/lb., Zn., @ 17.00¢/lb.), is $24.91 per ton.

Chip and channel samples across the vein at various intervals gave an average vein width of about 2 feet, and assayed an average 0.04 oz. Au, 12.3 oz. Ag, 3.5 percent Cu, 3.9 percent Pb and 7.2 percent Zn. The gross value of this ore at current prices will total $90.13/ton.

NOV 26

The Operator has stockpiled some 625 tons of what he considers mill grade material, worth an estimated $25.00 per ton. At present prices the stock pile would be worth $15,562.50. However, the grade of the material that may be mined should gross approximately $50.00 per ton because the vein presently being explored appears to be much like the portion of the vein that has been mined from the Rawley 200-level, insofar as consistency of structure, and quality are concerned.

There was discussion during the inspection of utilizing some of the allowed footage for raising on the vein to explore it up-dip for a distance, of perhaps 25 feet at two different points along the vein. This to be done in order to obtain some vertical dimension on the ore and therefore more adequately explore it. An east-west trending structure may be intersected within the next 65 feet, and it may be more advantageous to raise on the vein at that intersection, especially if the vein widens and an ore body is indicated.

J. William Hasler

J. William Hasler
Field Officer, Region III
Office of Minerals Exploration

Enclosure

OK-WTB 11/16/71
HK 11/19/71

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

Cal. 120 mi
HK

OPERATOR'S MONTHLY VOUCHER

For Month of October 1971

Docket No. OME- 6797
Contract 14-08-0001 2294
Contract Amount $ 63,200.00
Gov't. Participation % 62½ $ 39,500.00

Operator's Name U. S. Silver Mining Company
Address 21 University Rd., Canton, Mass. 02021

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
drifting including timbering	74	$ 4736.00	366	$23424.00	74	$4736.00	366	$23,424.00
long hole drilling			186	247.38	0	0	186	247.38
1 supervisor	1	800.00	5	4000.00	1	800.00	5	4,000.00
office expense	1	50.00	5	250.00	1	50.00	5	250.00
payroll taxes, insurance	1	120.00	5	600.00	1	120.00	5	600.00
assaying	3	21.00	17	107.00	3	21.00	17	107.00
TOTALS		$ 5727.00		$ 28628.38		$5,727.00		$ 28,628.38

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

Date 11/12/71 *Payee George P. Bates U. S. Silver Mining Company

Per George P. Bates Title Partner

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature J. William Hasler OME Field Officer Date 11/15/71

(63) 14X0804

Approved for: $ 3519.38 (SUBJECT TO AUDIT)

Signature mo

Date NOV 22 1971 Vou. No. 22467

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

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RECEIVED
GEOLOGICAL SURVEY
NOV 13 1 45 PM '71
BUDGET & FINANCE

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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

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

U.S. Silver Mining Company

O.M.E. Contract No. 2294

Progress Report for Month of October, 1971

Drifting continued during the first part of the month for 20 ft. on a heading of N 18° E which was the strike direction of the vein during the latter part of September. The vein composition also stayed practically the same as it was during this period. That is, the ore was split into two streaks separated by one ft. to two ft. of mineralized waste with the ore streaks fluctuating from six inches to two feet wide. There was, however, a gradual hardening of the ore from the loose, ravelly condition existing during the last of September.

As the ore became harder and more quartzy the grab sample values increased. Apparently where the ore was loose replacement had not been as complete as when the vein became harder. It was noted that much nearly barren, so-called "sugar" quartz was in evidence throughout the loose portion of the vein, and as the ore hardened the quartz became more consistent with mineralization more completely through the material.

At 312 Ft. the vein started veering eastward and the drift was turned slightly more than this to keep the vein in the footwall side of the tunnel. It has been found that when the vein is kept in the footwall less trouble is experienced with water. This system also helps ground conditions in the drift because shooting part of the hanging wall dip of the vein reduces the tendency for slabs to hang over the drift.

From 312' to 338' the vein became somewhat wider although still showing the "horse" of waste running irregularly through the ore. At 330' to 338' the vein measures 4 ft. in width. It is hard and quartzy. A gougy and slick slip on the footwall shows that considerable movement has taken

place. In places the gouge is a foot thick. This slick footwall with gouge became somewhat of a problem as the drift was advanced, since there was a continuous sloughing of the material. It became necessary to spend the entire week of Oct. 11 to Oct. 16 rock bolting to catch up the ground.

As has been reported, the vein has been warping from east to west and back again enough to cause numerous turns in the drift. However, because this warping had favored an eastward trend in the past, when the vein started turning to the west at 338' it was decided to try holding the drift straight on the heading of N 30° E. The idea being that when the vein again turned eastward it would come back into the drift and a straighter course could be maintained. This procedure was followed for the next 20 ft., but since the vein did not reappear a turn back to the west was initiated at 358'. Thus the drift has not been on vein from 338' to month ending 366'. The turn to the west should, however, regain the vein in early Nov.

On the sketch map of progress for the month it should be noted that the exploration work is nearing the intersection of the northwest to northeast striking "850" structure exposed in the Antoro level. Intersection with this system is inevitable on the strike line, although the dip of the "850" vein is apparently toward the north, which could place the junction a considerable distance ahead.

Nevertheless, a small flat ore streak appeared in the east back of the drift at 343', and this streak probably is the same as one appearing in the back near the face at the end of the month. Furthermore, the rock in the face has become more altered and softer. From this evidence it is possible that the intersection is in the near vicinity of the face, and the ore streak might be a "feeder" from the "850" structure.

No long hole drilling was done in October. During the month, as usual, grab samples from each round were taken. The samples were split into duplicate pulps, labelled and filed.

Only three assays were received in October. A separate schedule is attached showing these results, and photo copies of the certificates are enclosed.

In accordance with a telephone discussion with Mr. Hasler of the O.M.E. Denver Office, several channel samples were cut during the month in addition to the grab samples. The samples were taken on 20 ft. intervals starting at the 195 ft. mark. Results have not been received as of 11 - 2 - 71. Determinations will probably be received in time for inclusion with the November report.

Summary of work for the month of October 1971:

	This Month	Total to Date
Mill ore dumped on stockpile	169	794
Drifting	74	366
Long Holes	-	186'

U.S. Silver Mining Company

Detail of Samples
Months of September and October 1971
OME Contract No. 2294

Date	Sample No.	Location in Drift	Description	Au oz/T	Ag oz/T	Cu %	Pb %	Zn %
10-5-71	15	278' to 283'	Grab Sample	.015	4.20	0.48	1.45	3.00
10-15-71	16	291' to 295'	Grab Sample	.019	8.20	1.20	1.50	2.90
10-22-71	17	318' to 322'	Grab Sample	.045	7.80	1.50	0.88	1.70

ROOT & SIMPSON, Inc.

TEL. 244-3223 METALLURGICAL CHEMISTS AND ASSAYERS P. O. BOX 18329

DENVER, COLORADO 80218

SPECIMEN CONTROL ASSAY

ASSAYED FOR	MARKS
Reid Johnston	R200L Cont. 2294 278' to 283' 9/29/71 Sample No. 1C

GOLD OZS. PER TON	SILVER OZS. PER TON	WET LEAD PER CENT	COPPER PER CENT	ZINC PER CENT	V_2O_5 PER CENT	U_3O_8 PER CENT	PER CENT	PER CENT
0.015	4.20	1.45	0.48	3.00				

DATE 10/5/71 CHARGES $ 14.00

Root & Simpson, Inc.

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

REPORT OF ANALYSIS

Job No. M-1227
October 15, 1971

Mr. Reid Johnston
P. O. Box 749
Salida, Colorado 81201

1 Ore sample

Sample No. 16

Item	Sample No.	Au (oz/t)	Ag (oz/t)	Cu (%)	Pb (%)	Zn (%)
1.	Grab R200L-291-295	.019	8.2	1.2	1.5	2.9

for Edwin V. Post
Charles E. Thompson
Chief Chemist

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

REPORT OF ANALYSIS

Job No. M-1244
October 22, 1971

Mr. Reid Johnston
P. O. Box 749
Salida, Colorado 81201

1 Rock chip sample

Sample No. 17

Item	Sample No.	Au (oz/T)	Ag (oz/T)	Cu (%)	Pb (%)	Zn (%)
1.	Grab Sample 10-8-71	.045	7.8	1.5	.88	1.7

Charles E. Thompson
Chief Chemist

HK 10/18/71

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of September 1971

Docket No. OME- 6797
Contract 14-08-0001 2294
Contract Amount $ 63,200.00
Gov't. Participation %62½ $ 39,500.00

Operator's Name U. S. Silver Mining Company
Address 21 University Road, Canton, Mass. 02021

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
drifting including timbering	105	$6720.00	292	$18688.00	105	$6,720.00	292	$18,688.00
long hole drilling	24	31.92	186	247.38	24	31.92	186	247.38
1 supervisor	1	800.00	4	3200.00	1	800.00	4	3,200.00
office expense	1	50.00	4	200.00	1	50.00	4	200.00
payroll taxes, insurance	1	120.00	4	480.00	1	120.00	4	480.00
assaying	10	70.00	14	86.00	10	70.00	14	86.00
TOTALS		$ 7791.92		$ 22901.38		$ 7,791.92		$ 22,901.38

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

Date 10/8/71 *Payee George P. Bates U.S. Silver Mining Company

Per George P. Bates Title Partner

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature J. William Hasler OME Field Officer Date 10/15/71

(63)14X0804

Approved for: $ 4869.95 (SUBJECT TO AUDIT)

Signature ms

Date 10/21/71 Vou. No. 21850

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

RECEIVED
U.S. GEOLOGICAL SURVEY
OCT 19 2 32 PM '71
BUDGET & FINANCE

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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

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

SHIELD CHEMICAL CO., INC.
AEROSOL & PRESSURE PACKAGING

21 University Road
Canton
Massachusetts 02021

October 12, 1971

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Denver Federal Center
Building 53, Room 28
Denver, Colorado 80225

Re: OME-6797
Contract No. 2294
U. S. Silver Mining Company

Dear Mr. Hassler:

Enclosed you will find our fourth monthly report. Please call me collect if you have any questions. (617-828-6660) I would appreciate it if you would arrange in the future for checks to be sent to the following address:

U. S. Silver Mining Company
21 University Road
Canton, Mass. 02021

Sincerely yours,

George P. Bates

George P. Bates
U.S. Silver Mining Company

GPB/rmf

Enc.

OME Region III
RECEIVED
OCT 14 1971
Denver, Colorado

U.S. Silver Mining Company

OME Contract No. 2294

Progress Report for Month of September 1971

No drifting was accomplished on the first two days of September due to waiting for a bearing for the storage battery locomotive. Work was resumed on the 3rd, but was again interrupted for the long Labor Day weekend.

For the first 32 feet on a heading of N 15° E the vein continued as it had during the last of August, very erratic with tendency to split into streaks separated by gougy mineralized waste material. This condition would last for a round or two, then the streaks would get back together for a few feet. The hanging wall became softer and very slabby, requiring several rock bolts, but a good solid footwall stayed throughout.

At 219 to 222 ft. the vein started turning rather sharply to the west to N 10° E and became somewhat wider in the face (2' to 3'). Rather than turning the drift so sharply to keep the vein in the middle, it was decided to drive the drift in the hanging wall side leaving the ore on the footwall. This worked very well for the next 32 ft. Throughout this footage the ore remained fairly uniform varying from 2 to 3.5 ft. in width and did not split as it had in the past.

Then at 258 to 263 ft. it gradually veered again to the east. The flow of water increased, as did the loose and ravelly nature of the ore making progress much more difficult. At 267 to 271' the vein again started splitting into two streaks. This condition stayed to the end of the month (to 292'). The ore streaks swelled in and out from 2 to 4 ft. Between 287 to 292' the two streaks separated by 6" to a foot of waste and to — talled 4 ft. wide.

The face at 9-30-71 had the so-called "main" strand of ore 3' wide slightly turning to the east, a footwall streak about 6" wide was separated from the main strand by 6" of waste rock with the rest of the face in soft altered partially mineralized rock. The dip at that point was 64° to the east and strike N 18° E. As it was during the latter part of August, the vein was wider in the back of the drift for almost the whole month.

Long hole No. 5E was drilled this month. The hole was started at 213 ft., direction N 70° E at plus 25° angle. The first 8 ft. of the hole was in altered softer rock, but quickly hardened and passed into andesite. It had to be abandoned at 24 ft. The rock became so hard that no progress could be made. A sample of the cuttings was taken for each 4 ft. rod. These samples were dried, split into duplicate pulps, labelled and filed. No significant mineralization was crossed.

During the month grab samples from each round were taken. The samples were split into duplicate pulps, appropriately labelled, and filed.

Several assays were received in September, some of which were applicable to work done in August. A separate schedule showing details of these results is attached hereto. Also attached are photo copies of the certificates.

Summary of work for the month of September 1971:

	This Month	Total to Date
Mill ore dumped on stockpile	391 cars	625 cars
Drifting	105 ft.	292 ft.
Long Holes	24 ft.	186 ft.

U.S. Silver Mining Company

Detail of Samples
Months of August and September 1971
OME Contract No. 2294

Date	Sample No.	Location in Drift	Description	Au oz/T	Ag oz/T	Cu %	Pb %	Zn %
8-11-71	5	142' to 146'	14 Car Grab Sample	0.02	1.40	1.10	2.65	0.45
8-12-71	6	150'	0.5' wide channel of East split	0.24 PPM	3.21	2.40	4.60	11.6
8-12-71	7	150'	0.8' wide channel of West split	0.52 PPM	12.25	1.20	16.0	20.0
8-12-71	8	150'	Muckpile Grab Sample	0.22 PPM	4.08	0.44	1.2	1.7
8-18-71	9	162'	1.2' channel across vein	0.31 PPM	6.13	5.0	2.2	6.4
8-20-71	10	169' to 174'	Grab Sample	0.01	3.06	1.04	1.08	2.15
8-25-71	11	177' to 182'	Grab Sample	0.005	4.67	0.75	1.50	3.40
9-4-71	12	186' to 190'	Grab Sample	0.01	2.95	0.52	1.65	2.05
9-15-71	13	214' to 219'	Grab Sample (Spectrographic)	0.01	3.75	0.64	1.15	1.35
9-23-71	14	231' to 254'	Grab Sample of Stripped Ore	0.025	4.47	0.89	0.98	1.10

2114 CURTIS STREET

TELEPHONE 623-1852

CHARLES O. PARKER & CO.

CHEMISTS • ASSAYERS • ENGINEERS

DENVER, COLORADO 80205

Sample No. 5

Folio 9951

Date Aug. 17, 1971

Reid Johnson
Box 749
Salida, Colorado 81201

We hereby Certify, that the samples assayed for you gave the following results:

DESCRIPTION	GOLD OUNCES PER TON	SILVER OUNCES PER TON	COPPER PER CENT (WET)	LEAD PER CENT (WET)	ZINC PER CENT	IRON PER CENT	INSOLUBLE PER CENT	VALUE PER TON
142'-146', 14 car grab (8/11/71)	0.02	1.40	1.10	2.65	0.45			

Gold at _____ per ounce Copper at _____ per unit

Silver at _____ per ounce Zinc at _____ per unit

Lead at _____ per unit _____

Charge $ 7.00

CHARLES O. PARKER & CO.
CHEMISTS, ASSAYERS and ENGINEERS

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

REPORT OF ANALYSIS

Job No. M-1147
September 6, 1971

Thomas R. Young
811 12th Street
Golden, Colorado 80401

16 Rock chip samples

Item	Sample No.	Cu (%)	Pb (%)	Zn (%)	Au (ppm)	Ag (ppm)	oz/ton
1.	4723	.28	14.	20.8	.14	120	3.50
2. Sample #6	4724	2.4	4.6	11.6	.24	110	3.21
3. Sample #7	4725	1.2	16.	20.	.52	420	12.25
4.	4726	.44	1.2	1.7	.22	140	4.08
5. Sample #8	4727	2.2	6.0	2.0	.76	830	24.21
6.	4728	1.1	16.	3.8	1.7	770	22.46
7.	4729	.46	.82	.50	.60	300	8.75
8.	4730	.38	19.6	3.8	.17	170	4.96
9.	4731	.46	9.6	1.3	.71	250	7.29
10.	4732	.72	7.0	12.4	.14	90	2.63
11. Sample	5526	5.0	2.2	6.4	.31	210	6.13
12. # 9	5527	.56	1.1	.32	1.0	430	12.54
13.	5528	1.0	.48	.40	.41	550	16.04
14.	5529	.10	.48	8.2	.48	65	1.90
15.	5530	2.2	2.1	5.2	9.0	600	17.50
16.	5531	.11	4.2	5.8	.12	46	1.34

Charles E. Thompson
Chief Chemist

ROOT & SIMPSON, Inc.

TEL. 244-3223 METALLURGICAL CHEMISTS AND ASSAYERS P. O. BOX 18329

DENVER, COLORADO 80218

SPECIMEN ASSAY

ASSAYED FOR	MARKS
Reid Johnston	R-200L Cont. 2294 8/20/71 169' to 174' Sample # 10

GOLD OZS. PER TON	SILVER OZS. PER TON	WET LEAD PER CENT	COPPER PER CENT	ZINC PER CENT	V_2O_5 PER CENT	U_3O_8 PER CENT	PER CENT	PER CENT
0.01	3.06	1.08	1.04	2.15				

DATE 8/30/71 CHARGES $ 14.00

Root & Simpson, Inc.

ROOT & SIMPSON, Inc.

TEL. 244-3223 METALLURGICAL CHEMISTS AND ASSAYERS P. O. BOX 18329

DENVER, COLORADO 80218

SPECIMEN ASSAY

ASSAYED FOR	MARKS
Reid Johnston	R200L Cont. 2294 8/25/71 177' to 182' Sample # 11

GOLD OZS. PER TON	SILVER OZS. PER TON	WET LEAD PER CENT	COPPER PER CENT	ZINC PER CENT	V_2O_5 PER CENT	U_3O_8 PER CENT	PER CENT	PER CENT
0.005	4.67	1.50	0.75	3.40				

DATE 8/30/71 CHARGES $ 14.00

Root & Simpson, Inc.

ROOT & SIMPSON, INC.
METALLURGICAL CHEMISTS AND ASSAYERS
PHONE 244-3223 DENVER, COLORADO 80218
ADDRESS P.O. BOX 18329

ESTABLISHED 1908

CARL H. ROSS
PRESIDENT AND TREASURER

Sept. 24, 1971

Sample # 13

Assayed for: Reid Johnston

Lot R-200L 214'-219'-9/15/71

Following are spectrographic estimations of the elements:

	%		%
Copper----	0.060	Rubidium--	0.031
Silver----	0.010	Barium----	0.14
Zinc------	1.1	Titanium--	0.35
Cadmium---	0.009	Zirconium-	0.040
Lead------	1.2	Chromium--	0.018
Antimony--	0.074	Molybdenum	0.005
Iron------	4.5	Manganese-	0.47
Nickel----	0.003		

Charges: $10.00

Signed Root & Simpson Inc.

ROOT & SIMPSON, Inc.
METALLURGICAL CHEMISTS AND ASSAYERS
DENVER, COLORADO 80218

TEL. 244-3223 P. O. BOX 18329

SPECIMEN ASSAY

ASSAYED FOR	MARKS
Reid Johnston	R-200L, 214'-219' 9/15/71 Sample #13

GOLD OZS. PER TON	SILVER OZS. PER TON	WET LEAD PER CENT	COPPER PER CENT	ZINC PER CENT	V_2O_5 PER CENT	U_3O_8 PER CENT	PER CENT	PER CENT
0.01	3.75	1.15	0.64	1.35				

DATE 9/24/71 CHARGES $ 14.00

Root & Simpson, Inc

ROOT & SIMPSON, Inc.

TEL. 244-3223 METALLURGICAL CHEMISTS AND ASSAYERS P. O. BOX 18329

DENVER, COLORADO 80218

SPECIMEN ASSAY

ASSAYED FOR	MARKS
Reid Johnston	R200L Cont. 2294 231' to 254' Stripped Vein Sample No. 14

GOLD OZS. PER TON	SILVER OZS. PER TON	WET LEAD PER CENT	COPPER PER CENT	ZINC PER CENT	V_2O_5 PER CENT	U_3O_8 PER CENT	PER CENT	PER CENT
0.025	4.47	0.98	0.89	1.1				

DATE 9/28/71 CHARGES $ 14.00

Root & Simpson, Inc

ROOT & SIMPSON, Inc.

TEL. 244-3223 METALLURGICAL CHEMISTS AND ASSAYERS P. O. BOX 18329

DENVER, COLORADO 80218

SPECIMEN ASSAY

ASSAYED FOR	MARKS
Reid Johnston	R-200 186'-190' # 2294 9/4/71 Sample #12

GOLD OZS. PER TON	SILVER OZS. PER TON	WET LEAD PER CENT	COPPER PER CENT	ZINC PER CENT	V_2O_5 PER CENT	U_3O_8 PER CENT	PER CENT	PER CENT
0.01	2.95	1.65	0.52	2.05				

DATE 9/8/71 CHARGES $ 14.00

Root & Simpson, Inc

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration
Building 53 Room 28

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 20 1971
MINERALS COURIER

September 17, 1971

Case 120 W
130
HK 120

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III
Through Assistant Chief, Office of Minerals Exploration

Subject: OME-6797 (Au-Ag-Cu)
U.S. Silver Mining Company
June Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

Transmitted herewith are the original and two copies of the August 1971 Operator's Monthly Voucher on the above stated contract recommended for payment.

J. William Hasler
Field Officer, Region III
Office of Minerals Exploration

Enclosures

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 7 1971
INITIALS | CODE
TAC 1124M 130 120

10/1/71

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of August 1971

Docket No. OME- 6797
Contract 14-08-0001 2294
Contract Amount $63,200.00
Gov't. Participation %62½ $ 39,500.00

Operator's Name U. S. Silver Mining Company
Address 21 University Rd., Canton, Mass. 02021

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Drifting including timbering	51	$ 3264.00	187	$11968.00	51	$3,264.00	187	$11,968.00
long-hole drilling	84	111.72	162	215.46	84	111.72	162	215.46
1 supervisor	1	800.00	3	2400.00	1	800.00	3	2,400.00
office expense	1	50.00	3	150.00	1	50.00	3	150.00
payroll taxes, insurance	1	120.00	3	360.00	1	120.00	3	360.00
assaying	0	0	4	16.00	—	—	4	16.00
TOTALS		$4345.72		$15109.46		$4,345.72		$15,109.46

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

Date 9/9/71 *Payee George P. Bates U.S. Silver Mining Company

Per George P. Bates Title Partner

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature J. William Harbor OME Field Officer Date 9/17/71

(63) 14X0804

Approved for: $ 2,716.08 (SUBJECT TO AUDIT)

Signature mo

Date OCT 6 1971 Vou. No. 21638

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS
See attached report	

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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

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

U.S. Silver Mining Company

Report of Progress

OME Exploration Contract No. 2294

Month of August, 1971

The first part of the month of August was spent in other mine rehabilitation work not connected with the exploration contract. Drifting resumed on vein under the contract on August 11, 1971.

The splitting of the ore into streaks referred to in the report for the month of July, 1971 became more pronounced as progress continued. As an example, the face on August 13 showed three distinct ore streaks separated by one to two ft. of somewhat mineralized altered waste rock. This splitting was accompanied by a more definite warp of the structure toward the east as well as a gradual flattening of the dip. The drift was turned to keep on the structure going from N 10° E to N 15° E for 23 ft., and more sharply for the next 28 ft. to N 25° E, the present heading. Dip of the "main" or foot wall strand of ore being 67° to the east.

This zone is seemingly one where the fissure itself is wider, with the ore deposition irregular through the fissure. Evidence of this is partly provided by the fact that the center hanging wall strand of the splits started turning back toward the footwall strand after a few feet of advance. The drift has been kept on the footwall streak because it continues to show the best ore and there is a definite wall. Of course, further long hole testing will be done to make reasonably sure no ore shoots will be bypassed.

Two long holes were drilled during the month. Hole No. 3 W was drilled to the west at 136 ft. Direction was N 45° W at an angle of

plus 25°. Altered softer rock was encountered for the first 12 ft. with no significant mineralization, after which the rock hardened and was in andesite for the last 20 ft. Drilling was stopped after 32 ft. because the ground became hard enough to make progress extremely slow.

Long hole No. 4 E was drilled to the east at 140 ft. Direction was N 63° E at plus 20° angle. The rock was altered and soft for the first 14 ft. and two narrow streaks were cut at 8 to 10 ft. and 12 to 14 ft. After 14 ft. the rock hardened and the balance of the length to 52 ft. was in andesite.

While drilling both long holes a sample of the drillings was saved for each 4 ft. rod. These samples were dried and split into duplicate pulps and the pulps are on file suitably labeled.

As usual, a grab sample was taken from each round, and two or three channel samples were cut. Several of these samples were sent to be assayed, but because of the considerable time lag in receiving assays no results are available as of the first of September.

Based on grab sample assays previously received and visual inspection of the muck, all the material out of the drift for the month of August has been stockpiled separately for mill dirt.

After the fluctuating widths of the ore streaks during the month, the present face shows the footwall streak of fairly solid and soft ore ranging in width from 1 ft. in the back to 2 ft. near the bottom. Next to it is 2 ft. of altered, weakly mineralized rock. A hanging wall streak of approximately 2 ft. having a slightly flatter dip than the footwall strand intersperses raggedly with this weakly mineralized rock. This streak is more quartzy and not as solidly mineralized as the footwall one. The rest of the drift face is altered mineralized softer rock.

The ground, while soft, seems to stand fairly well without timber. Several rock bolts were installed during the month to hold loose slabs.

A wheel bearing went out on the battery locomotive in the morning of August 27, 1971 so no progress was made on the last four working days of the month.

Summerization of work for the month of August 1971:

	This Month	Total to Date
Mill ore dumped on stockpile	168 cars	234 cars
Drifting	51 ft.	187 ft.
Long Holes	84 ft.	162 ft.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/14/71		120
		220
9/14	ce	120M

SEP 14 1971

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

Thank you for the signed copies of Amendment No. 1 to the subject contract. As the amendment and accompanying Lien and Subordination Agreements became effective as of August 26, 1971, the Performance Bond, dated March 22, 1971, in the amount of $39,500.00, may be cancelled. Our copy of the bond is returned to you herewith.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Mineral Resources
OME file
OME Reading file
OME Region III w/cy Amendment No. 1
Branch of Budget and Finance
Mr. Kirkemo
130

HKirkemo/gla 9-14-71

828-0800

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

21 University Road
Canton
Massachusetts 02021

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 13 1971
INITIALS | CODE
Cal | 20
Sla | 30
JHK | 20

September 9, 1971

Mr. Harold Kiriemo
United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Kirkemo:

Enclosed you will find three (3) copies of the Amendment to our Contract. I hope everything is in order. Thank you very much for your help in making this change.

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Enc.

OK-0028
8/31/71
HK 9/7/71

OFFICIAL COPY
O. M. E.
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INITIALS | CODE
Cac 1/2 mo
HK 120

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME Region IV
RECEIVED
AUG 13 1971
Denver, Colorado

OPERATOR'S MONTHLY VOUCHER

For Month of July 1971

Docket No. OME- 6797
Contract 14-08-0001 2294
Contract Amount $63,200.00
Gov't. Participation 62½% $39,500.00

Operator's Name U. S. Silver Mining Company
Address 21 University Rd., Canton, Mass. 02021

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
		$		$		$		$
Drifting including timbering	26	1664.00	136	8704.00	26	1,664.00	136	8,704.00
Long-hole drilling	0	0	78	103.74	0	0	78	103.74
1 supervisor	1	800.00	2	1600.00	1	800.00	2	1,600.00
office expense	1	50.00	2	100.00	1	50.00	2	100.00
payroll taxes, insurance	1	120.00	2	240.00	1	120.00	2	240.00
assaying	4	16.00	4	16.00	4	16.00	4	16.00
TOTALS		$ 2650.00		$10763.74		$2,650.00		$10,763.74

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

Date 8/10/71 *Payee George P. Bates
U. S. Silver Mining Company
Per George P. Bates Title Partner

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature J. William Hacker OME Field Officer 8/31/71 Date

(63) 14X0804

Approved for: $1,656.25
(SUBJECT TO AUDIT)

Signature mo

Date SEP 8 1971 Vou. No. 21158

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS
See attached report.	

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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

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

U.S. Silver Mining Company

Report of Progress

OME Exploration Contract No. 2294

Month of July 1971

During the first week in July drifting was continued on the vein exposed by work in June. The drift was gradually turned from a heading of N 2° E to N 10° E to stay with the structure. Ore in the vein seems to pinch and swell rather abruptly, going from a width of 3 ft. to half that much in one 5 ft. round. From the pinch it widened again to 2½ ft. at the 125 ft. mark on the contract. Between 125 to 136 ft. there developed a "horse" of waste between two streaks. The main strand, staying on the footwall, gradually pinched to 1 ft. in width at the present face at 136 ft. July 31, 1971. The hanging wall streak is separated at this point by some 2 ft. of waste. However, it does have a flatter dip and would appear to junction with the main strand a few feet above the drift level.

First assay results from samples sent were received in the latter part of the month. Photo copies of these results are attached hereto. Sample No. 1 was a chip sample of the good ore in the vein, and was taken to see what it would run if kept clean and to check principal metal contents. Sample No. 2 was a representative grab sample taken from each car of 17 cars of muck. Low values shown on this assay have been questioned because the sample was split into three pulps, and sample No. 3 represents results of the same sample. The first lab was asked to verify its findings but results of the check assay have not been received. Until this information is received some doubt must exist for the validity of either of these assays (No. 1 and No. 2), especially since they were analyzed through atomic absorption techniques. Sample No. 4 was also a grab sample covering

nine cars of muck (approx. one ton cars). It was taken to determine values that could be expected under volume stoping conditions, since the vein was blasted as it would be in a "slusher drift".

Because the ground in the drift started to become rather incompetent, the second week of the month was spent on installation of numerous rock bolts to hold slabs and on timbering which started at the 120 ft. mark. During this work it was suddenly noticed that the air had become bad. Natural ventilation through the old workings of the Rawley had been relied upon in the past work, and this proved to be adequate. Investigation, however, disclosed that a raise from the old workings that previously exhausted a draft of fresh air had become stale. It is assumed that some movement in the old workings must have closed off this source.

As a result it was decided that fresh air from outside would have to be provided through vent lines. The rest of the month of July was spent on installation of a 12 inch vent line from the portal to the face. A 12 inch electric fan was installed in the snow shed, and an air operated coppus booster fan was placed approximately half way in the tunnel.

Summarization of work for the month of July:

	This Month	(Total to Date)
Mill ore dumped on stockpile	40 cars	66 cars
Drifting	26 ft.	136 ft.
Long Holes	none	78 ft.

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL: (303) 424-7718

REPORT OF ANALYSIS

Job No. M-1034
July 10, 1971

Reid Johnston
P.O. Box 749
Salida, Colorado 81201

2 Rock Chip Samples

	Item	Sample No.	Cu (%)	Pb (%)	Zn (%)	Au (oz/T)	Ag (oz/T)
Sample #	1.	96-101 Ore Chip	11.0	2.6	9.5	.14	34.
Sample #	2.	96-101 17 cars Check Sample	.225	.36	.52	.006	1.0

Sample #1 - Chip Sample of good ore in vein - Approx. 1 ft. of ore at 97+ ft. mark of contract

Sample #2 - Grab Sample of 17 cars - Full drift width - 97' to 102'
(see Narrative Report)

Charles E. Thompson
Chief Chemist

Sample #3
Same as Sample #2
Split of ✓ ✓
17 car Grab Sample
Verification Sample

ROOT & SIMPSON, Inc.

TEL. 244-3223

METALLURGICAL CHEMISTS AND ASSAYERS
DENVER, COLORADO 80218

P. O. BOX 1832

SPECIMEN ASSAY

ASSAYED FOR	MARKS
Reid Johnston	Grab Sample

GOLD OZS. PER TON	SILVER OZS. PER TON	WET LEAD PER CENT	COPPER PER CENT	ZINC PER CENT	V_2O_5 PER CENT	U_3O_8 PER CENT	PER CENT	PER CU
0.055	7.05	0.71	0.90	1.25				

DATE 7/20/71 CHARGES $ 14.00

Root & Simpson, Inc

2114 CURTIS STREET TELEPHONE 623-1852

CHEMISTS • ASSAYERS • ENGINEERS

DENVER, COLORADO 80205

Folio 9930

Date July 20, 1971

Reid Johnson
Box 749
Salida, Colorado 81201

We hereby Certify, that the samples assayed for you gave the following results:

DESCRIPTION	GOLD OUNCES PER TON	SILVER OUNCES PER TON	COPPER PER CENT (WET)	LEAD PER CENT (WET)	ZINC PER CENT	IRON PER CENT	INSOLUBLE PER CENT	VALUE PER TON
Grab Sample	0.04	10.82	1.54	1.15	0.30			

Sample No. 4
Grab Sample of 9 Cars of muck
Width 3 - 4 ft.
102' to 107'

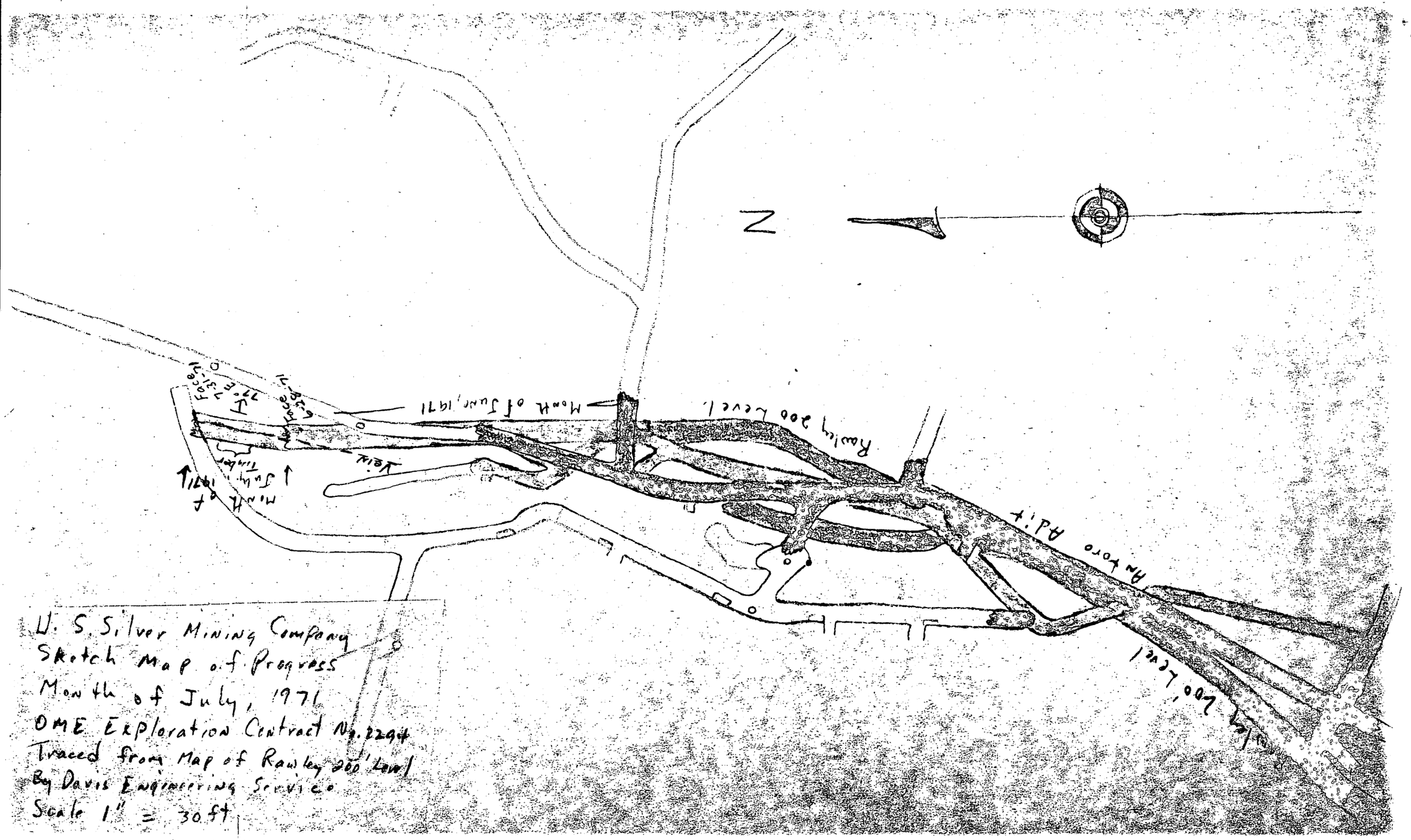
Gold at _____ per ounce Copper at _____ per unit

Silver at _____ per ounce Zinc at _____ per unit

Lead at _____ per unit _____

Charge $ 7.00

CHARLES O. PARKER & CO.
CHEMISTS, ASSAYERS and ENGINEERS



U. S. Silver Mining Company
Sketch Map of Progress
Month of July, 1971
OME Exploration Contract No. 2294
Traced from Map of Rawley 200' Level
By Davis Engineering Service
Scale 1" = 30 ft

617-828-6660

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

21 University Road
Canton
Massachusetts 02021

OME Region IV
RECEIVED
AUG 13 1971
Denver, Colorado

August 10, 1971

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Denver Federal Center
Building 53, Room 28
Denver, Colorado 80225

Re: OME-6797
Contract No. 2294
U. S. Silver Mining Company

Dear Mr. Hassler:

Enclosed you will find our second monthly report. Please call me collect if you have any questions. (617-828-6660) I would appreciate it if you would arrange in the future for checks to be sent to the following address:

U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Enc.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 7 1971

INITIALS	CODE
Cac	20
gla	30
HK	20

September 2, 1971

Memorandum

To: Chief, Office of Minerals Exploration

Through: Assistant Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

An interim inspection was made on the property August 5-6, 1971 by J. William Hasler, Geologist, in company with Mr. Reid Johnston, Mine Manager, representing the Operator.

The OME drift along the vein on the Rawley 200 level had been driven for a distance of 130 feet, at which point the vein had split, but was considerably mineralized in the face. The vein characteristically pinches and swells from about one foot thick to as wide as three feet. The vein at 0 + 110 feet was 3 feet wide and contained abundant quartz and sulphides. A sample of the vein at this location assayed as follows:

Au oz.	Ag oz.	Pb%	Cu%	Zn%
0.06	20.94	2.50	1.60	2.05

A chip sample cut from the vein at 0 + 97' assayed as follows:

Au oz.	Ag oz.	Pb%	Cu%	Zn%
0.14	34.0	2.6	11.0	9.5

Grab samples from 17 cars of muck along the vein between 96' - 101' averaged in assay as follows:

Au oz.	Ag oz.	Pb%	Cu%	Zn%	Assayer
.006	1.0	0.36	0.225	0.52	Skyline Lab, (Atomic Absorption)
.065	7.05	0.71	0.90	1.25	Root and Simpson (wet assay)

There is a considerable discrepancy between these two splits. It is being checked by the assay laboratories at the request of the operator.

Grab samples from 9 cars of material between 102 - 107 feet, where the vein is from 3 to 4 feet wide averaged in assay as follows:

Au oz.	Ag oz.	Pb%	Cu%	Zn%
0.04	10.82	1.15	1.54	0.3

At current metal prices (8/31/71) this ore would gross $38.87 per ton.

Considerable time was spent installing approximately 1500 feet of 12-inch vent line from the portal to the face during July 1971, due to the fact that a source of good air from the old workings had been cut off, possibly by a cave.

The exploration work is progressing well and has only been hampered by the ventilation problem just described.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/25/71	Kirkemo	120
8/26/71	Yaw	
		220
		120
		220
8/26	cc	120M

AUG 26 1971

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

Enclosed are the original and three copies of proposed Amendment No. 1, signed for the Goverment, with the Lien and Subordination Agreements you forwarded on August 23, 1971, attached.

If the proposed amendment is satisfactory to you, please sign all four copies as the authorized representative of the other Partners, retain the Operator's copy, and return the other three signed copies to this office.

If any part of the proposed amendment does not have your approval, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources
OME Docket
OME Reading File
OME Region III w/Extra copy of amendment for field use
Mr. Kirkemo
130

HKirkemo/gla 8-25-71

828-0800

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

21 University Road
Canton
Massachusetts 02021

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 25 1971
INITIALS | CODE
Cae | 20 NW
gla | 30
| 20
| |
| |

August 23, 1971

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D.C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Kirkemo:

Enclosed you will find five (5) revised copies of a ~~lease~~ lien and Subordination Agreement to cover the eight (8) claims we are leasing. You will note that they were signed by the Vice President and witnessed by the Treasurer, which you indicated over the phone would be satisfactory.

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Enc. - 5

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/5/71		120
		220
		120M

August 5, 1971

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

Enclosed for your review is a copy of proposed Amendment No. 1 (one page) to the subject contract. The original and three copies of the proposed amendment, signed for the Government, will be sent to you for signature upon receipt by us of an acceptable Lien and Subordination Agreements executed by Weems-Weaver Mining Corporation, owner of the Rawley patented mining claim, or documentary proof that the signator is authorized to sign on behalf of the corporation.

As I mentioned to you yesterday by telephone, the Lien and Subordination Agreements submitted with your letter of July 15, 1971, was signed by Edna M. Phillips, Treasurer, and certified by Arad Riggs, Vice President, Weems-Weaver Mining Corporation. Does the Treasurer have the authority to sign this document? The duties of a treasurer essentially are fiscal in nature, not administrative. Perhaps under the by-laws of this corporation the treasurer does have this authority and the signature, therefore, is acceptable. If not, we suggest obtaining another set of Lien and Subordination Agreements properly signed--for example, by the President, Vice President, or other authorized officer and certified by the Secretary or other officer. A new set of the form is enclosed, together with the signed set, dated June 25, 1971, you sent us.

We are sorry to bother you with this problem and we hope it will not be too difficult to resolve.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME Docket
OME Reading File
OME Region III
Mr. Kirkemo

HKirkemo/gla 8-5-71

Enclosures

120 HK 7/20/71

~~130~~

DRAFT 7/20/71
HKirkemo/gla

To Lange 7/20

EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1971, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and George P. Bates, John O. Flender and Dwight M. Rounds, d/b/a U. S. Silver Mining Company, hereinafter called the "Operator," that Exploration Contract 2294 (OME-6797), dated March 22, 1971, is amended effective July 19, 1971, as follows:

1. Article 6(e) of the contract, reading as follows, is reinstated:

"Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid."

2. In Annex I of the contract, the fourth or closing paragraph is revised to read as follows:

"A Lien and Subordination Agreements, dated June 25, 1971, executed by Weems-Weaver Mining Corporation, is attached and made part hereof.

Except as herein amended, Exploration Contract 2294 (OME-6797), dated March 22, 1971, shall remain in full force and effect.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

U. S. SILVER MINING COMPANY

By_____

Title_____

828-0800

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

21 University Road
Canton
Massachusetts 02021

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 9 1971

INITIALS	CODE
Cu	120
Fa	30
JHR	10

July 22, 1971

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Kirkemo:

In the future, I would appreciate it if you would send all checks to me at the above address. The last one was sent to our address in Salida so that they, in turn, have to return it to me here in Massachusetts.

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Copies to OME Region III
Branch of Budget and Finance

828-0800

SHIELD CHEMICAL CO., INC.

EROSOL & PRESSURE PACKAGING

21 University Road
Canton
Massachusetts 02021

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 19 1971

INITIALS	CODE
CAC	120
gb	120
	120

July 15, 1971

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Dear Mr. Kirkemo:

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Enclosed you will find five (5) copies of a Lien and Subordination Agreement to cover the eight (8) claims that we are leasing. You may recall that I discussed this with you before. I would like to have the Lease and Subordination Agreement substituted for the Bond which we have already supplied to you. I trust everything is in order. Please let me know if you have any questions about this.

Very truly yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Enc. - 5

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

OFFICIAL COPY
JUL 9 1971
INITIALS | CODE
Cac / 20 ~~120~~
HR ~~120~~

July 6, 1971

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Au-Ag-Cu)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado
Contract 2294

Transmitted herewith are the original and two copies of the May-June 1971 monthly voucher on the above-stated contract, recommended for payment.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

OK-OME 7/8/71

HK 7/6/71

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY O. M. E. RECEIVED JUL 16 1971

INITIALS CODE

OME Roster Unit RECEIVED JUL 8 1971 Denver

OPERATOR'S MONTHLY VOUCHER

For Month of May-June 1971

Docket No. OME 6797
Contract 14-08-0001 2294
Contract Amount $ 63,200.00
Gov't. Participation %62½ $ 39,500.00

Operator's Name U.S. Silver Mining Company
Address P.O. Box 326, Salida, Colorado 81201

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
drifting & timbering	110	$7,040.00	110	$7,040.00	110	$7,040.00	110	$7,040.00
long-hole drilling	78	103.74	78	103.74	78	103.74	78	103.74
1 supervisor	1	800.00	1	800.00	1	800.00	1	800.00
office expense	1	50.00	1	50.00	1	50.00	1	50.00
payroll taxes, & ins.	1	120.00	1	120.00	1	120.00	1	120.00
TOTALS		$8,113.74		$8,113.74		$8,113.74		$8,113.74

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

Date 7/2/71 *Payee U.S. Silver Mining Company

George P. Bates

Per George P. Bates Title partner

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature J. William Hasler OME Field Officer Date 7/6/71

(63) 14X0804

Approved for: $ 5071.09 (SUBJECT TO AUDIT)

Signature [illegible]

Date JUL 14 1971 Vou. No. 20246

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

RECEIVED
U.S. GEOLOGICAL SURVEY
JUL 12 11 55 AM '71
BUDGET & FINANCE

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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

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

U.S. Silver Mining Company

Report of Progress

OME Exploration Contract - No. 2294

OME Exploration Contract No. 2294 was signed by all partners of U.S. Silver Mining Company and submitted to the Washington office by May 24, 1971. Actual exploration work on the contract was started on May 28, 1971, when the first "round" of holes was drilled and blasted in the tunnel. The beginning point of the work was the old face of the so-called "East Drift" of the Rawley 200 level located 41 ft. from station 23 on Davis Engineering Company map of the workings (combined with the R.H. Sayre map) attached as Figure 2 to Contract No. 2294.

The formation continued to be the same as in the old face for 9 ft. At that point a mineralized cross fault was encountered striking due east and dipping approximately 30° to the south. The mineralized material in the fault probably averages about 6 inches in width, and appears to be only a segment of the very complex and broken nature of the rock in the area.

From the beginning of the work a grab sample from each car has been taken for each round. These samples have been crushed and split and are on file, lab eled with date, approximate footage covered etc. However, since most of the samples do not represent significant mineralization they have not been sent to be assayed.

After crossing the mineralized fault referred to above the rock became increasingly softer with more water flowing into the drift which made progress very difficult. At 28 ft. a flat mineralized structure appeared on the left (west) rib of the drift. This structure is apparently the same as that exposed in the "West Drift" shown in Figure 2. Reasoning for this is based on the fact that shortly after cutting the vein or fault the considerable amount of water flowing in the west drift gradually decreased and practically stopped. This structure was followed on the present drift heading of N2° east for most of the month. The dip averages about 30° to the east with the probable strike being close to N 20° E. Again the width of the mineralization varied from 3 inches to something over a foot, but probably averages 6 inches.

At 44 ft. in the drift a fault zone striking N 45° W and dipping 70° to the east appeared. This was accompanied with a considerable flow of water in the back of the drift. The fault contained much gouge and broken rock but very little mineralization. It seemed to have no effect on the structure.

But to be sure that the main fissure was being followed two long holes were drilled. The first one 50 ft. to the west at 38 ft. in the drift. This hole was drilled N 57° W at an angle of plus 14°. The hole cut no recognizable mineralized material, although water was tapped between 16 and 20 ft.

After that the rock hardened and continued in andesite for the rest of the way. A sample was taken for each 4 ft. rod of extension steel. Each sample was split and is on file suitably labeled.

The second hole was drilled 28 ft. to the east (N 57° E) at an angle of plus 22° at the 47 ft. mark in the drift. The first 13 ft. of this hole was softer roc k with small ore streaks through the rock at intervals. After 13 ft. the rock became harder and the last 12 ft. was in andesite. Again a sample was taken for each 4 ft. rod, split and filed.

Formations and rock conditions stayed much the same from 47 ft. to 84 ft. There was a tendency for more gouge to show up, as well as a noticeable increase in mineralization in the rodk through scattered ore veinlets. The flat streak on the west rib held nearly the same width but gradually moved up the rib toward the b ack indicating a different strike from the course of the drift. B etween 84 and 89 ft. this angle became greater and it was in the back of the drift.

At roughly 97 ft. a strong vein of ore was exposed. The B runton readings showing a strike of N 15° E with a dip of 70°. The vein has been followed from 97 ft. to 110 ft. as of this date. It is from 2 to 3 ft. wide. Visually it is a quartz based ore, very pyritic, showing quite a lot of chalcopyrite, and other copper minerals with lead and zinc. Samples have been taken and sent to be assayed, but results not received at this date. The ore has been dumped separately to be stockpiled for mill dirt.

As of this date (June 28, 1971) 26 cars (roughly 1 ton cars) have b een dumped in the stockpile.

Summarization of work for the month of June:

Drifting	110 ft.
Long Holes	78 ft.

U.S. Silver Mining Company

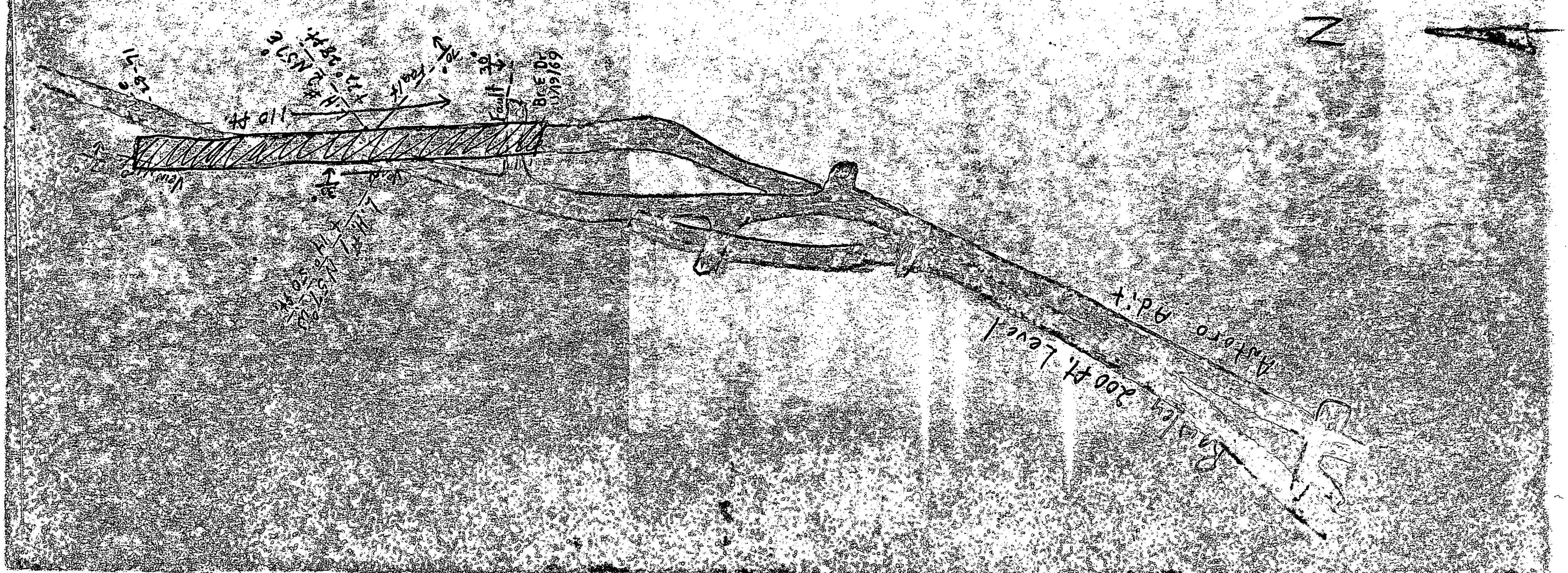
Sketch of Exploration Work

DME Contract No. 2294

Traced From Figure 2 Map

Entitled "Antoro Tunnel, Bonanza, Colorado

Progress for Month of June, 1971



Office of Minerals Exploration
Building 53 Room 200

OFFICIAL
COPY
O. M. E.
RECEIVED
JUN 14 1971
INITIALS CODE
CW 120 MU
SO
LK 130

June 7, 1971

Mr. George Bates
21 University Road
Canton, Massachusetts 02021

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June and Antoro and Poverty Claims
Saguache County, Colorado

Dear Mr. Bates:

Enclosed are enough monthly voucher forms for eight months.

Please fill these out in accordance with the instructions on the reverse side, using the enclosed sample copy for your guidance, send us five copies and retain one for your files.

When you need additional forms, please let us know.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

bcc: Chief, OME
OME-6797
OME chron
Mr. Hasler
Mr. Emerick

828-0800

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

21 University Road
Canton
Massachusetts 02021

OME REGION III
RECEIVED
MAY 27 1971
Denver, Colorado

COPY
O. M. E.
RECEIVED
JUN 1 1971

INITIALS	CODE
HK	120
Ere	120M

May 25, 1971

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Denver Federal Center
Building 53, Room 200
Denver, Colorado 80225

Re: OME-6797
Contract No. 2294
U. S. Silver Mining Company

Dear Mr. Hasler,

The purpose of this letter is to let you know that we have started work on the above mentioned contract.

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/24/71		120
		220
		130

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

MAY 25 1971

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

Thank you for the three copies of the signed contract. The Field Office will instruct you soon as to preparation of the monthly vouchers, and will furnish you other forms that may be necessary.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III, w/cy executed contract and letter March 23, 1971
Mr. Kirkemo

HKirkemo/gla 5-24-71

828-0800

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 24 1971

INITIALS	CODE
glr	130
HK	~~120~~

21 University Road
Canton
Massachusetts 02021

May 20, 1971

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
U.S. Dept. of the Interior
Geological Survey
Washington, D.C. 20242

Re: OME-6797
Contract No. 2294
U.S. Silver Mining Co.

Dear Mr. Kirkemo:

Enclosed you will find three copies of the signed contract.

Please let me know what I have to do next.

Sincerely yours,

George P. Bates

George P. Bates
U.S. Silver Mining Company

020-0800

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

21 University Road
Canton
Massachusetts 02021

May 14, 1971

RECEIVED
MAY 18 1971
INITIALS
gla 1/30
HK 1/20

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Kirkemo:

The purpose of this letter is to bring you up to date with my intentions regarding the above mentioned contract. I talked to my partner, Dwight Rounds, on Wednesday in Switzerland and found that he was planning to return to Wichita, Kansas this week. Consequently, I am sending the contract to Kansas for his signature and I have asked him to return them to me promptly. Once I have them in my hands, I will send three (3) copies directly to you. I have decided that we will take our chances as far as our lease arrangement is concerned, based on my discussion with the lessor's attorney over the telephone.

Therefore, there will be no need to hold up the execution of the contract. You will note that I have indicated that we will begin work on or before June 30, 1971. I actually expect that we will get started several weeks before that time, but I wanted to give myself a little extra time in the event there are additional contingencies which I have not anticipated.

I hope to be able to send you the signed copy of the contract by the end of next week. In any event, I will keep you informed.

Sincerely yours,

George P. Bates

George P. Bates
U. S Silver Mining Company

GPB/rmf

Copy sent R-III 5/18/81

5/11/71

Talked with Mr. Bater. Received contract 5/10/71. Will sign and have Mr. Flender sign, then send to Mr. Kourch who is in Kansas (?) but travels extensively.

H.K.

5/12/71

3 complications from Bater today — one solved, the other two yet to be resolved.

HK.

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee

(Additional charges required for these services)

RECEIPT

Received the numbered article described below.

REGISTERED NO.

CERTIFIED NO. 133723

INSURED NO.

DATE DELIVERED 5-10-71

1 SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*)

George Bates

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

M J Roberts

3 SHOW WHERE DELIVERED (*only if requested*)

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

TON, MA
10
PM
197

INSTRUCTIONS: Show name and address below and complete instructions on other side, where applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article *RETURN RECEIPT REQUESTED.*

RETURN TO

NAME OF SENDER
U. S. Geological Survey
Office of Minerals Exploration

STREET AND NO. OR P.O. BOX
Department of Interior Building

POST OFFICE, STATE, AND ZIP CODE
Washington, D. C. 20242

POD Form 811 Apr. 1967
c55—10—748-10

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/3/71		120
5/4	Cac	220
		120M

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

MAY 4 1971

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME form 51 (five pages), Annex I (one page), a Performance Bond and enclosure, Exhibit A (three pages), Exhibit B (one page), and two maps (Figures 1 and 2). All copies of the contract have been signed for the Government. You should insert the date for commencement of the work.

If the proposed contract is satisfactory to you, each of the three partners should initial the cancellation of Article 6(e) on page 3 of MME Form 51, and each should sign the four copies of the proposed contract on page 5. Please retain the Operator's copy for your files, and return the other three to this office.

The 8 percent interest accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

If any part of the proposed contract does not have your approval, the original and all copies should be returned to this office together with the proposed changes for consideration.

Sincerely yours,

Harold Kirkemo
gla

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III w/extra copy
for Field Office
Harold Kirkemo
130

Enclosures

HKirkemo/gla 5-3-71

U. S. Silver Mining Company
21 University Road
Canton, Mass. 02021
March 30, 1971

COPY
MAY 3 1971
INITIALS
130
120
120

Mr. William L. Emerick
Geological Survey
Office of Minerals Exploration
Dept. of Interior
Washington, D. C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
Saguache County, Colorado

Dear Mr. Emerick,

Enclosed are two copies of the executed Performance Bond which I assume now provides you with everything you need to proceed with the Contract. Please call me if you have any question. (617-828-6660)

I would appreciate it if you could do as you suggested and send me the copies of the Contract for execution and simultaneously send another copy to Mr. Hassler in Denver for his approval, in order to save time since we would like to get started as soon as possible.

Very truly yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Enc. - 2

OFFICIAL FILE COPY

Date	Surname	Code
4/1/71		120
4/2	cec	220
		120M

7

APR 1 1971

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado
Contract 2294

Dear Mr. Bates:

Enclosed is a copy of a letter dated March 23, 1971, received in our office today, signed by Dwight M. Rounds and John O. Flender, Partners, authorizing you to conduct all matters in their behalf with respect to the subject contract.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III w/cy incoming letter
Mr. Kirkemo

GLAult/a 4-1-71

IN REPLY REFER TO:

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

March 8, 1971

Memorandum

To: Chief, Office of Minerals Exploration

From: Assistant Solicitor--Mines and Minerals Exploration

Subject: U.S. Silver Mining Company
OME-6797 (Gold-Silver-Copper)
Saguache County, Colorado

We have reviewed the subject contract and wish to call to your attention several items for your consideration.

With the exception of the Rawley patented claim which was deeded to U.S. Silver Mining Company (Company), the Company's interest in the remainder of the proposed project area is derived from a lease and option agreement dated June 1, 1968 between Weems Weaver Mining Corporation (Weems-Weaver), lessor and the Company, lessee. This agreement grants to the Company a 20 year lease on the claims which comprise the remainder of the proposed project area together with a 20 year option to purchase the claims. Section 8 of the agreement provides that "[n]o lien of any kind whatsoever will be created by the Lessee upon or against the premises herein demised" (See also section 9). Section 16 provides that the "Lessee will not mortgage or otherwise encumber this lease, and said Lessee will not mortgage or otherwise encumber the demised premises."

Article 6(e) of the proposed exploration contract (MME Form 51) provides specifically that the Company "grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom."

In our opinion the Company would technically be in breach of its agreement with Weems-Weaver upon its execution of the exploration contract. To avoid placing the Company in this position, we suggest that article 6(e) of the exploration contract be lined out and initialed by the Company and the Government. The Government's interest would be protected by the performance bond to be submitted by the Company. If the Company obtains a Lien and Subordination Agreements (MME Form 52) from Weems-Weaver in the future, as it suggests, the Government could agree to cancellation of the bond provided the exploration contract is amended to reinstate article 6(e).

If the Company exercises its option to purchase the claims prior to the termination or expiration of the exploration contract, the Government could also agree to cancellation of the bond provided artice 6(e) is reinstated.

We also wish to point out that the Company may be a limited partnership (see first paragraph, page 1 of the agreement between the Company and Weems-Weaver). A limited partnership is one in which one or more of the partners are not liable for the debts of the partnership beyond any contribution they have made to the partnership. We are unable to ascertain from the file which partners are limited, what their contributions were, what the assets of the partnership are or what the personal assets of any general partner are.

We would like to discuss these points with you before preparing the contract in final.

Your file is enclosed herewith.

D R Tindal

Donald R. Tindal
Assistant Solicitor
Mines and Mienrals Exploration

Enclosure

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

March 8, 1971

Memorandum

To: Chief, Office of Minerals Exploration

From: Assistant Solicitor--Mines and Minerals Exploration

Subject: U.S. Silver Mining Company
OME-6797 (Gold-Silver-Copper)
Saguache County, Colorado

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We would like to discuss these points with you before preparing the contract in final.

Your file is enclosed herewith.

Donald R. Tindal

Donald R. Tindal
Assistant Solicitor
Mines and Mienrals Exploration

Enclosure

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/23/71	Emerick	120E
		120
2/23	cac	220
		120M

FEB 23 1971

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado

Dear Mr. Bates:

We enclose a copy of the voucher form used on OME contracts in reporting monthly costs incurred and claimed by an operator, as you requested today in your telephone conversation with Mr. Emerick. Detailed directions for the preparation of the voucher are given on the reverse side of the form. However, if you have any questions prompted by the form, please contact us.

Sincerely yours,

Harold Kirkemo
gla

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III
Mr. Emerick

WLEmerick/gla 2-23-71

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/25/71	Emerick	120
		120
1/25	cac	220
		120M

JAN 25 1971

AIRMAIL

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado

Dear Mr. Bates:

In response to your telephone conversation with Mr. Emerick on Friday, January 22, 1971, we are enclosing a draft copy of the proposed contract for your inspection. We also enclose a copy of the Lien and Subordination Agreements form.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region III
Mr. ~~XXXX~~ Emerick

WLEmerick/bsl 1/25/71

DRAFT 11/12/70
WLEMERICK/bsl
MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

To Legal 1/4/71

~~120~~ WR

120 HK

220

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6797	Gold-Silver-Copper		Saguache	Colorado

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

U. S. Silver Mining Company

_____,

whose mailing address is **P. O. Box 326, Salida, Colorado 81201**, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within **9** months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ **63,200.00**. The Government will contribute **62-1/2** percent of the total fixed unit costs of the work performed, not in excess of $ **39,500.00** in accordance with the provisions of Articles 4 and 5.

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

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

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

SEE ANNEX I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

SEE ANNEX I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

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

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

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

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

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

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

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

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

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

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

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

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

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

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

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

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

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

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

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

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

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

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

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

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

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

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

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

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

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

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

ARTICLE 14. Changes and added provisions.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

U. S. SILVER MINING COMPANY
(Operator)

By _____

Title _____

THE UNITED STATES OF AMERICA

By **Director, U. S. Geological Survey**

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

_____

CORPORATE SEAL

EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of nine (9) patented lode mining claims in Section 18, T. 47 N., R. 8 E., Kerber Creek Mining District, Saguache County, Colorado. These claims are shown on Figure 1, entitled "Poverty, June, and Antoro Claims, Saguache County, Colorado," which is attached and made part hereof.

The patented lode mining claims are identified as:

Name	U. S. Survey No.
June	1,364
Poverty	938
Antoro	937
Independence	14,183
Ouray	14,183
Peary	14,183
North Pole	14,183
Orphan Bell	14,183
Rawley	980

The Operator is in possession of all of these claims except the Rawley under terms of an Agreement of Lease and Option to Purchase executed June 1, 1968 from the owner, Weems-Weaver Mining Corporation.

The Operator is in possession of the Rawley patented claim under terms of a Quit Claim Deed executed September 3, 1969 from the owner, American Industrial Leasing Company.

A Performance Bond in lieu of Lien and Subordination Agreements in the amount of $39,500.00 will be furnished by the Operator, and attached and made part hereof.

EXPLORATION CONTRACT
U. S. SILVER MINING COMPANY
OME-6797

EXHIBIT A

The purpose of the project is to explore by drifting, raising and long-hole drilling on the 200-foot level of the Rawley mine for gold-silver-copper-bearing ore bodies in a steeply-dipping fissure vein in andesite.

General Provisions

Drifts shall be not less than 7 by 8 feet in cross section and raises not less than 5 by 7 feet in cross section and shall be timbered as necessary. Drift and raise sets shall be not less than 8- by 8-inch timber, or equivalent round timber. Raises shall be timbered to provide a chute and manway with 3-inch thick lagging on the chute side and ladders on the manway side.

Mine rails shall be not less than 12-pound size, air lines not less than 2-inch diameter, water lines not less than 1-inch diameter, and vent lines not less than 12-inch diameter.

All significantly mineralized areas traversed by the drifts and raises shall be sampled normal to the trends of the deposits at intervals not exceeding 5 feet, or by a representative bulk sample of each round broken. Significantly mineralized cuttings from the long holes shall be sampled with no sample representing more than 5 linear feet of hole.

All samples, from whatever source, shall be split as necessary and one split assayed. The Operator shall store one split of each sample in a suitable container properly labeled. Stored samples shall be made available for Government inspection and possible use, and may be disposed of with prior Government approval.

All splits of samples assayed shall be analyzed for gold, silver, and copper.

True copies of assay certificates and maps or sketches showing the work completed, the location, width, and assay value of all samples assayed, and the geological formations and structures traversed by the long-holes and workings shall be furnished monthly to the Government.

The Operator shall provide such equipment, materials, supervision, labor, and technical services as may be required to perform the work in a satisfactory manner.

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

Description of the Work

The work shall consist of extending the drift on the 200-foot level of the Rawley mine an additional 600 feet along the vein, driving a 100-foot raise up dip on the vein from the end of the completed drift, and drilling about 1,800 feet of long-holes at sites to be selected by the Operator to test the width and grade of mineralized areas in the hanging and footwall sides of the vein.

The approximate locations of the proposed drift extension and raise are shown on Figure 2 entitled "Antoro Tunnel, Bonanza, Colorado," attached and made part hereof.

Estimated Costs of the Work

1/ 2/

Fixed Unit Costs	
Drifting, including timbering,	
600 feet @ $64.00/foot	$ 38,400.00
Raising, including timbering,	
100 feet @ $90.00/foot	9,000.00
Long-hole drilling,	
1,800 feet @ $1.33/foot	2,394.00
1 Supervisor,	
9 months @ $800.00/month	7,200.00
1 Outside Consultant,	
20 days @ $75.00/day	1,500.00
Travel, Outside Consultant,	
3,000 miles @ $0.12/mile	360.00
Per diem, Outside Consultant,	
20 days @ $25.00/day	500.00
Office Expense,	
9 months @ $50.00/month	450.00

Payroll taxes, insurance,

$7,200.00 @ 15% $ 1,080.00

Assaying, 331 samples,

Gold and silver @ $2.50/sample

Copper, lead, zinc @ $1.50/ea., (rounded) 2,316.00

Total Estimated Cost of the Work . . . . . $ 63,200.00

Government Participation @ 62-1/2% (rounded) $ 39,500.00

1/ Includes all costs whatsoever such as mobilization and demobilization, labor, equipment, materials and supplies, and services.

2/ The Government retains no equity in any of the equipment or materials used.

OFFICIAL
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O. M. E.
RECEIVED
MAR 11 1971
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gfa 1120
NK 1120
WE 1200

U. S. Silver Mining Company
21 University Road
Canton, Mass. 02021
March 9, 1971

Mr. William L. Emerick
Office of Minerals Exploration
Geological Survey
Dept. of Interior
Washington, D.C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
Saguache County, Colorado

Dear Mr. Emerick,

Enclosed you will find a copy of our Partnership Agreement dated April 15, 1968 and a supplement agreement dated May 7, 1968.

I would also like to inform you that George Abrams is no longer a partner. The current partnership interests are as follows:

Dwight Rounds - 60%
John Flender - 20%
George Bates - 20%

The form of the partnership has not been changed.

Very truly yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Enc. - 2

PARTNERSHIP AGREEMENT

WHEREAS, DWIGHT M. ROUNDS, of Wichita, Kansas, hereinafter referred to as Rounds, has heretofore been the owner of all the rights created by a certain agreement dated April 16, 1964, between the American Industrial Leasing Company, a Delaware corporation, and Reid Johnston of Salida, Colorado, and Terry Weldon of Durango, Colorado; and

WHEREAS, on even date herewith the said Rounds has assigned and conveyed to GEORGE S. ABRAMS of Waban, Massachusetts, GEORGE P. BATES of Weston, Massachusetts, and JOHN O. FLENDER of Cambridge, Massachusetts, each an undivided one-sixth (1/6) interest in said Lease and Purchase Agreement; and

WHEREAS, each of the separate owners of the rights created by the Lease and Purchase Agreement desire to enter into a partnership agreement to hold and develop the properties owned by them.

NOW BE IT KNOWN, that said parties above named do hereby associate themselves together in the formation of a partnership in accordance with the provisions of this agreement as follows:

1. Formation of Partnership.

Each of the parties hereto do hereby convey and assign to the partnership all of their right, title and interest in and to the said Lease and Purchase Agreement above identified.

2. Name of the Partnership.

The name of the partnership shall be _____ U.S. Silver Mining Company.

3. Scope of Partnership Business.

The partnership is formed for the purpose of engaging in the business of mining silver and other ores, the operation of a mill, the milling of silver, copper, gold, lead and zinc,

and other ores, the sale of these ores, and the conduct of activities incidental to the foregoing principal activities.

4. Offices of the Partnership.

The principal place of business of the partnership shall be at or near Bonanza, Colorado, and the partnership may maintain such other offices at any other place or places as the partners deem advisable.

5. Contribution of the Partners and Percentage of Ownership.

Each of the partners have contributed their interest in the contract above described as their contribution to the capital of this partnership.

Each of said partners further agrees to contribute funds either in the form of additional capital or as loans to the partnership in the following percentages:

Dwight M. Rounds	50%
George P. Bates	16.67%
John O. Flender	16.67%
George S. Abrams	16.66%

The percentages of ownership of the partnership assets and the division of profit and loss shall be on the same percentage basis. No demand for contribution of additional capital or for loans to the partnership shall be asserted by the partnership except by vote of a majority in interest of said partners. A failure to comply with the written request for the contribution of additional capital or for the making of loans to the partnership within twenty (20) days of receipt of such written request shall result in the partners willing to contribute the additional capital obtaining a new percentage interest based on the ratio of the partner's total contribution to the partnership and no partner can object to the reevaluation of his partnership interest so long as a majority in interest of the partners are in agreement with such action and such partner has failed for twenty (20) days after receipt of written notice to make his percentage

capital contribution and/or loan to the partnership.

6. Commencement of Business.

The partnership shall begin operation on April 15, 1968 and shall thereafter continue until terminated as herein provided.

7. Management, Duties and Restrictions.

The partners shall manage the partnership business and each shall devote such time to the partnership as shall be reasonably required for its welfare and success. No partner shall on behalf of the partnership borrow or lend money or make, deliver or accept any commercial paper, or execute any mortgage, bond or lease, or purchase or contract to purchase or sell any property for or of the partnership unless said partner shall have written authorization for said act agreed to by a majority in interest of the partners. No partner shall assign, mortgage, or sell his share in the partnership or in its capital assets or property, nor shall any partner enter into any agreement as the result of which any person shall become interested with him in the partnership without written consent of a majority in interest of the partners. No partner shall do any willful act detrimental to the best interest of the partnership.

8. Banking.

All funds of the partnership shall be deposited in its name in such checking account or accounts as shall be designated by a majority in interest of the partners. All withdrawals therefrom are to be made upon checks signed by George P. Bates and/or such other people as a majority in interest of the partners shall designate.

9. Conveyance.

Any deed, bill of sale, mortgage, lease, contract of sale, or other commitment purporting to convey or encumber the

interest of the partnership in all or any portion of any real or personal property at any time held in its name shall be signed by George P. Bates and such other person as the partners by majority in interest vote shall designate.

10. Books.

The partnership shall maintain full and accurate books in its principal office or such office as shall be designated for such purpose by a majority in interest of the partners, and all partners shall have the right to inspect and examine such books at reasonable times.

11. Non-assignability.

No partner shall have the right to assign, pledge, borrow, or otherwise encumber in any way his interest in the partnership; no assignment of any partner's right to proceeds distributable to him shall be valid unless consented to by a majority in interest of the partners.

12. Death or Insanity of a Partner.

In the event of the death or insanity of a partner, the partnership may be dissolved or continued by a majority in interest vote of the remaining partners. In the event of a decision to terminate the partnership, the affairs of the partnership shall be temporarily continued by the remaining partners for the purposes of winding up the partnership affairs and liquidating the partnership as provided in Paragraph 13 immediately following. In the event the remaining partners elect to continue the partnership, then the remaining partners shall, from time to time, account to the personal representatives or successors in law of the deceased or insane partner.

13. Termination.

The partnership may be terminated by the partners, or the survivors of them by the filing of written notice of termination at least sixty (60) days prior to any desired

termination date. In such event, or in the event of the death or insanity of a partner and a vote by the majority in interest of the surviving or remaining partners to terminate, the partners (or the remaining partners) shall wind up and liquidate the partnership by any one of the following three methods:

a). Selling the partnership assets and distributing the net proceeds therefrom after the payment of partnership liabilities to each partner in satisfaction of his interest in the partnership.

b). Distributing the partnership assets to the partners in kind, each partner accepting an undivided interest in the partnership assets, subject to its liabilities, in satisfaction of his interest in the partnership.

c). Redistributing the partnership interest of the partners so as to allow some or all of the partners to sell all or part of their partnership interest to other members of the partnership on mutually agreeable terms or under the terms and provisions of the arbitration procedures hereinafter set forth so as to arrive at an acceptable determination of the value of the partnership interest or interests to be sold.

Provided that each of the partners shall have the option for a period of sixty (60) days following notice of termination or dissolution, to purchase for cash any or all of the partnership property, including any undivided interest in any of such property under the following terms and conditions:

1). Such option shall be exercised by mailing a written notice thereof to each other partner, before the expiration of such sixty (60) day period.

2). In the event more than one partner wishes to purchase the same interest, they shall be entitled to purchase undivided interests therein which bear the same ratio to each other as their respective shares in the profits and losses of the

partnership bear to each other.

3). The purchase price shall be a negotiated value of the partnership interest to be purchased, whether the whole interest or a portion of it. If the parties shall be unable to arrive at a negotiated agreement, then upon demand of any party hereto, the valuation shall be referred to the arbitration of two disinterested persons, one to be appointed by each party, or of an umpire to be appointed by the arbitrators in writing; and if either party shall refuse or neglect to appoint an arbitrator within ten (10) days after the other party shall have appointed an arbitrator, and shall have served a written notice upon the first mentioned party requiring such party to make such appointment, then the arbitrator appointed as aforesaid shall, at the request of the party appointing him, proceed to hear and determine the matters in difference as if he were an arbitrator appointed by both parties for the purpose and the award or determination which shall be made by the said arbitrators, arbitrator, or umpire shall be final and binding upon the said parties hereto respectively, and their respective executors, administrators, and assigns.

Upon completion of the liquidation, the partnership shall be deemed completely dissolved and terminated.

14. Distribution of Proceeds on Liquidation.

The proceeds of liquidation shall be distributed, as realized, in payment of the liabilities of the partnership in the following order: 1). to creditors of the partnership, 2). to all of the partners in respect of their capital accounts as determined pursuant to the provisions of this agreement.

If the liquidation occurs because of the death or insanity of one or more partners, the surviving partners shall proceed with reasonable promptness to liquidate the business of the partnership. The surviving partners shall be entitled

to use the partnership name in any business in which they may thereafter engage. The profits and losses of the business during the period of liquidation shall be divided among or borne by the surviving partners, the estate of the deceased or insane partners, in accordance with the various interests of the partners.

15. This agreement shall be binding upon all of the parties and their estates, heirs or legatees.

16. This agreement and the rights of the parties thereunder shall be interpreted in accordance with the laws of the State of Colorado.

17. Notices.

All notices provided for in this agreement shall be directed to the parties at the addresses herein set forth and to the partnership at its principal offices by registered or certified mail.

Dwight M. Rounds	430 North Waco Wichita, Kansas
George P. Bates	266 Glen Road Weston, Massachusetts
John O. Flender	112 Avon Hill St. Cambridge, Massachusetts
George S. Abrams	22 Bernard Lane Waban, Massachusetts

IN WITNESS WHEREOF, the undersigned partners hereto have hereunto set their hands and seals this 15th day of April, 1968.

Dwight M. Rounds
Dwight M. Rounds

George P. Bates
George P. Bates

John O. Flender
John O. Flender

George S. Abrams
George S. Abrams

SUPPLEMENTAL AGREEMENT

Notwithstanding any terms or provisions of the U. S. Silver Mining Company partnership agreement of April 16, 1968, the parties to that agreement affirm and agree that any of the partners can sell or transfer any or all of their interests among themselves without restriction, but, other than transactions among themselves, all of the terms and conditions restricting the sale or transfer of each of their partnership interests remain in full force and effect.

Witness our hands and seals this 7th day of May, 1968.

Dwight M. Rounds

Dwight M. Rounds

George S. Abrams

George S. Abrams

George P. Bates

George P. Bates

John O. Flender

John O. Flender

U. S. Silver Mining Company
21 University Road
Canton, Mass. 02021
February 23, 1970

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Mr. William L. Emerick
Office of Minerals Exploration
Geological Survey
Dept. of Interior
Washington, D.C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
Saguache County, Colorado

Dear Mr. Emerick:

With reference to your phone call today and also a letter which I received from your office dated January 14, 1971, I want to let you know that initially we will be using a performance bond. During the first year under this contract, it will be our intention to cancel the performance bond and substitute a lien and subordination agreement.

Upon receipt from you of date and number of the contract, I will make arrangements to get the completed bond forms to you.

Thank you very much for your continued help.

Very truly yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/14/71	Emerick	120E
		120
1/14	cac	220
		130

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

JAN 14 1971

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado

Dear Mr. Bates:

This letter will confirm your telephone conversation with Mr. Emerick on January 13, 1971, regarding the status of your efforts to obtain lien and subordination agreements from the claim owners in lieu of a performance bond.

We are sorry to hear that your efforts to date have been unsuccessful in obtaining the lien and subordination agreements. However, on the basis that you will furnish a performance bond, we will resume preparing a contract.

We will advise you of the date and number of the contract and the penal sum of bond required as soon as the proposed contract has been signed for the Government. You or the corporate surety should enter this information on the bond in the appropriate spaces. You should then send two copies of the completed bond to this office for approval and attachment to two copies of the contract. We will forward the proposed contract to the Field Officer who, after reviewing it, will send it to you for consideration and signature if acceptable.

If, at a later date, you obtain lien and subordination agreements acceptable to the Government, the performance bond can be cancelled and the contract amended accordingly.

Sincerely yours,

Harold Kirkemo
gla

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III
Mr. Emerick

WLEmerick/gla 1-14-71

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OFFICIAL FILE COPY

Date	Surname	Code
1/14/71	Emerick	120E
1/14/71	Kirkham	120

January 14, 1971

Memorandum

To: Chief, Office of Minerals Exploration

From: William M. Emerick,
Office of Minerals Exploration

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado

Mr. George P. Bates, Managing Partner, U. S. Silver Mining Company, Canton, Massachusetts, was contacted by telephone on January 13, 1971, regarding the status of efforts by the company to obtain lien and subordination agreements from the claim owners in lieu of a performance bond. Mr. Bates said that to date the company had been unsuccessful in obtaining the lien and subordination agreements, but that it was the wish of the company that OME proceed with processing the proposed contract based on a performance bond.

Mr. Bates asked if it would be possible for U. S. Silver Mining Company to cancel out and replace the performance bond if and when the company is successful in obtaining lien and subordination agreements from the claim owners. Mr. C. L. Martin, Jr., of the Solicitor's office, confirmed that this could be done.

The contract is in draft form and processing can be resumed immediately.

W L Emerick
W. L. Emerick

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Emerick

WLEmerick/gla 1-14-71

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/10/70	Emerick	120
"	Kirkemo	120
		220
		120M

November 10, 1970

Memorandum

To: Chief, Office of Minerals Exploration

From: William L. Emerick, Assistant Chief
Office of Minerals Exploration

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado

Mr. George P. Bates, U. S. Silver Mining Company, Canton, Massachusetts, was contacted by telephone on November 10, 1970 regarding assurance that a Performance Bond could be furnished if it was required. Mr. Bates assured the writer that his company had already inquired and could obtain a 10 year bond from a corporate surety if necessary. He was told that it was estimated that a bond in the amount of about $39,500 would be required and that copies of Standard Form 25, Performance Bond, were being sent to him for use if required.

Mr. Bates stated, however, that presently the company was attempting to obtain Lien and Subordination Agreements from the owners of the claims because it would be less expensive. This effort is being made through the claim owner's legal advisors in New York City.

William L. Emerick

William L. Emerick

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region II
Mr. Emerick

WLEmerick/bsl 11/10/70

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/11/70	Emerick	120
		120
10/10	Cae	220
		120M

NOV 10 1970

Mr. George P. Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado

Dear Mr. Bates:

Thank you for the copy of the Quit Claim Deed covering the Rawley Claim, Patent No. 980, and for the information given Mr. Emerick in your telephone conversation on November 10, 1970, regarding a Performance Bond and Lien and Subordination Agreements.

Since you are trying now to obtain Lien and Subordination Agreements from the various claim owners involved, we assume that you are in possession of the necessary forms. However, in the event that you do not, or that you may need an additional supply, we are enclosing several copies of MME Form 52 for your use. In executing the Lien and Subordination Agreements, be certain to follow directions exactly as given on the forms.

We enclose also three copies of Standard Form 25, Performance Bond, in the event yourattempt to obtain Lien and Subordination Agreements is unsuccessful, and you are required to furnish a Performance Bond in the amount of the Government's share of the total estimated cost of the project. In completing the form, please follow the instructions on the back of the form exactly as requested.

As Mr. Emerick mentioned to you over the telephone, it is now estimated that a bond in the amount of about $39,500 would be required (62-1/2 percent of the total estimated cost of $63,200.) If the Performance Bond is required, we will advise you of the date and number of the contract and the penal sum of bond required as soon as the proposed

contract has been signed by the Government. You or the corporate surety should enter this information on the bond in the appropriate spaces. You should then send two copies of the completed bond to this office for approval and attachment to two copies of the contract. We will forward the proposed contract to the Field Officer who, after reviewing it, will send it to you for consideration and signature if acceptable.

Thank you again for the information.

Sincerely yours,

Harold Kirkemo (gfa)

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region II
Mr. Emerick

WLEmerick/bsl 11/10/70

U.S. Silver Mining Company
21 University Road
Canton, Mass. 02021
November 6, 1970

Mr. William L. Emerick
Office of Minerals Exploration
Geological Survey
Dept. of Interior
Washington, D.C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
Saguache County, Colorado

Dear Mr. Emerick:

As per your telephone request I am enclosing a copy of a deed covering our acquisition of the Rawley Claim, Patent No. 980. I think this is all you need, however, please let me know if you need more information.

Very truly yours,

George P. Bates

George P. Bates

Deed filed left-hand side

OFFICIAL COPY
O. M. E.
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NOV 9 1970

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bal	120
HK	120
WE	120

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

November 3, 1970

OFFICIAL COPY
O. M. E.
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NOV 4 1970

INITIALS	CODE
gla	30
HK	120
WC	120 E

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Au, Ag, Cu)
U. S. Silver Mining Company
(June, Antoro and Poverty Claims)
Saguache County, Colorado

Enclosed are additional copies of illustrations for possible contract use for the subject application.

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

OFFICIAL
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O. M. E.
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NOV 4 1970
INITIALS | CODE
Ja | 130
WEP | 20 E
HK | 120

U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021
Phone 617-828-6660

November 2, 1970

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
United States Department of the Interior
Washington, D. C. 20242

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
Saguache, County, Colorado

Dear Mr. Kirkemo:

I am writing in answer to your letter dated October 27, 1970, concerning the Rawley Claim, Patent No. 980. This Claim is now owned by the U. S. Silver Mining Company. Do not hesitate to write or call if you have any further questions.

Sincerely yours,

George P. Bates

George P. Bates
U. S. Silver Mining Company

GPB/rmf

CC: Mr. J. William Hasler - Office of Minerals Exploration

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

October 30, 1970

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JR	120
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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Au, Ag, Cu)
U. S. Silver Mining Company
June, Antoro and Poverty Claims
Saguache County, Colorado

Enclosed are two bids for assaying costs on the subject docket, and a letter from the applicant expressing his desire to use Root and Norton, Inc., Durango, Colorado for the work in the event that an OME contract is executed.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

Complete Fluorescent X-ray Spectrograph: $10.00

ASSAY PRICE LIST

Charles O. Parker & Company
2114 Curtis St., Denver, Colorado 80205
623-1852

Gold	$ 1.50
Silver	1.50
Gold & Silver (Same Sample)	2.50
Copper, Lead, Zinc, each	1.50
Aluminum	5.00
Antimony	5.00
Arsenic	5.00
Barium	5.00
Beryllium	7.50
Bismuth	7.50
Chromium	7.50
Cobalt	7.50
Columbium - Tantalum (Conbined)	10.00
Fluorspar	4.50
Iron	2.50
Insoluble	2.50
Lime	2.50
Magnesium	3.00
Manganese	3.00
Mercury	5.00
Molybdenum	7.50
Nickel	5.00
Phosphorus	5.00
Platinum	7.50
Silica	3.00
Sulphur	2.50
Thorium	10.00
Tin	7.50
Titanium	7.50
Tungsten	7.50
Uranium	7.50
Vanadium	3.00
Rare Earths	10.00
Fusion, Silica, Lime Iron, each	3.00
Complete Qualitative Analysis	15.00

One Pound Makes A Good Sample

U.S. Silver Mining Company
21 University Road
Canton, Mass. 02021
October 27, 1970

OCT 29 1970

Mr. J. William Hasler
Office of Minerals Exploration
U.S. Geological Survey
Denver Federal Center
Building 53, Room 200
Denver, Colorado 80225

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
Rawley Vein Project
Saguache County, Colorado

Dear Mr. Hasler:

In connection with our loan application I am enclosing quotations on the assay work that will be required. One quote is from Charles Parker and the other from Root & Norton. Although Charles Parker came in with a much lower quote, we would prefer to use Root and Norton since they have done excellent work for us in the past. I can not understand how Parker can do good work at such low prices.

We will need the following samples assayed:

drift	150
long holing	150
raise	34
Total	334, or 1670 determinations (gold, silver, copper, lead, and zinc)

In my application I estimated that the determinations would cost $3 each for a total cost of $5010. Root and Norton's quote is $4175 and Parker's quote comes to $2338.

I will send the additional copies of the maps you requested yesterday within the next few days.

Very truly yours,

George P. Bates

George P. Bates

TELEPHONE MAIN 3-1852
2114 CURTIS STREET
DENVER 5, COLORADO

Oct. 19, 1970.

George P. Bates,
U. S. Silver Mining Co.,
21 University Road,
Canton, Massachusetts. 02021

Dear Mr. Bates:

In reply to your inquiry of the 16th of October, we are pleased to quote a charge of $7.00 per sample for gold, silver, copper, lead and zinc. The individual charges are: Gold and silver on sample, $2.50; Copper, lead and zinc, each $1.50. We do not make a special price on quantity samples, since you will recognize that our prices are as low as it is possible to make them with high quality work.

Thank you for your inquiry, and trust that we may be of service to you.

Very truly yours,

CHARLES O. PARKER & CO.,

By Charles O Parker

CP-a
General price lists inclosed.

L. B. STEWARD, *President & Treasurer*
W. B. STEWARD, *Secretary*
HAL W. SLADE, *Vice President*

Route 1, Box 389
Phone 247-3786
Area Code 303

ROOT & NORTON, Inc.

Metallurgical Assayers and Chemists

DURANGO, COLORADO 81301

Oct. 21, 1970

U. S. Silver Mining Co.
21 University Road
Canton, Mass.

Attn: Mr. G. P. Bates

Dear Sir:

In reply to your letter of Oct. 16, we are pleased to quote the following:

A minimum of $12.50 per sample for the five determinations requested, Au, Ag, Pb, Cu & Zn.
A minimum of $3.00 per determination for Pb, Cu or Zn.
A minimum of $4.00 per determination for Au or Ag when run alone; $6.00 for both at same time.
On the above basis, the 334 samples proposed would be assessed a total of $4175.00.

Thanks for your inquiry.

Very truly yours,

L. B. Steward

Root & Norton, Inc.

LBS/m

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/26/70	Emerick	120
		120
10/27	cc	220
		120M

OCT 27 1970

AIRMAIL

U. S. Silver Mining Company
P. O. Box 326
Salida, Colorado 81201

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado

Gentlemen:

We have been reviewing the property rights to claims pertinent to your exploration proposal, and note that your rights to the Rawley Claim, Patent No. 980, which is one of five adjacent properties, is covered by an Agreement of Lease and Option to Purchase separate from all the other claims.

We would appreciate receiving a copy of this agreement covering the Rawley Claim in order to complete our records.

Sincerely yours,

Harold Kirkemo (gh)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region III
Mr. Emerick

WLEmerick/bsl 10/27/70

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

October 20, 1970

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O. M. E.
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OCT 23 1970
INITIALS | CODE

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6797 (Gold, Silver, Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado

Enclosed is a report of examination on the subject property recommending that a contract be prepared and executed to complete exploration work, as recommended, along the Rawley Vein. Revised estimated total cost is $67,962.00. The Government's participation at 75 percent will be $50,971.50. Enclosed are extra copies of a claim map, Figure 1, and Figure 3 for inclusion in a possible contract.

Enclosed also is a copy of the Applicant's revised costs, one copy of a map of the Rawley 200 level and extra copies of Figure 4 for your use.

The applicant is in the process of obtaining two bids from assaying offices. They will be sent to you as soon as they arrive at this office.

Please send Mr. George P. Bates the necessary copies of Performance Bond No. 25, Revised, for his use, if you concur in my recommendations.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

On-site Exam Report

UNITED STATES

DEPARTMENT OF THE INTERIOR

WALTER J. HICKEL, SECRETARY

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION III

OME-6797 (Gold, Silver, Copper)

U. S. SILVER MINING COMPANY

JUNE, ANTORO, AND POVERTY CLAIMS

SAGUACHE COUNTY, COLORADO

BY

J. WILLIAM HASLER

GEOLOGIST

OCTOBER 1970

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Illustrations

Figure 1. Claim map showing Poverty, June and Antoro claims, Saguache County, Colorado.

Figure 2. Plan of the Parallel and Rawley Veins, 200 Level, Rawley Mine, Bonanza, Colorado by Andrew J. Lang, and J. H. Garrett.

Figure 3. Antoro Tunnel map showing Rawley Tunnel and proposed 600-foot drift off 200 level (5 copies).

Figure 4. Longitudinal section of Rawley Mine showing proposed drifting and 100-foot raise (5 copies).

OME-6797 (Gold, Silver and Copper)

U. S. Silver Mining Company

June, Antoro, and Poverty Claims

Saguache County, Colorado

Introduction and Summary

Mr. George P. Bates, Managing Partner of 21 University Road, Canton, Massachusetts, 02021, applied to the Office of Minerals Exploration on May 16, 1969 for financial assistance to explore for gold, silver, and copper on the June, Antoro, and Poverty Claims, Bonanza Mining District, Saguache County, Colorado.

The application was referred to the field on February 18, 1970 and a field examination was made on July 28 and 29, 1970 by the Field Officer, Region III in company with Mr. George P. Bates and Mr. Reid Johnson. The estimated cost of the project is $79,734.00 of which the Government would furnish 62-1/2% or $53,160.00.

A prior application was made on the Antoro Claim, DMEA Docket No. 2604 (Lead and Zinc), and the applicant's names at the time were S. E. and W. E. Burleson. The examination was made by M. H. Salsbury, Mining Engineer, Bureau of Mines, and E. N. Harshman, Geologist, U. S. Geological Survey who recommended that the exploration program, with slight changes suggested in the engineering report, be approved and that a loan of $27,400.00 (Government participation 50%) be granted. It was further recommended that the contract be written to include royalties on ore produced from the Northeast vein as well

as from the Antoro and Poverty veins, however, the contract Idm-E-492 was never executed, consequently no exploration work on the Antoro vein was completed.

Location

The June, Poverty, Antoro and Independence claims leased by the applicant are located in Section 18, T. 47 N., R. 8 E., N. M. P. M., in the Bonanza Mining District, Saguache County, Colorado. The nearest railroad heading is at Salida, Colorado some 45 miles distant from the mine. The property may be reached from Denver, Colorado by travelling southwest on U. S. Highway 285, to Poncha Springs, via Fairplay and Buena Vista, Colorado, a distance of some 137 miles, thence south over Poncha Pass to Villa Grove a distance of 22 miles, then turn right or westerly at Villa Grove to Bonanza, a distance of of some 15 miles from the U. S. Highway 285 turnoff.

Property

The applicant, U. S. Silver Mining Company, reserves the right to work the following patented mining claims under the terms of an Agreement to Lease and Option to Purchase from the Wiems Weaver Mining Corporation. (Agreement with application). There are no liens, mortgages or other encumbrances on the land. Figure 1.

June Claims -- Survey #1364 -- Sec. 18, T. N. 47, R. E. 8

Poverty Claim - Survey #938 - Sec. 18, T. N. 47, R. E. 8

Antoro Claim - Survey #937 - Sec. 18, T. N. 47, R. E. 8

Independence Claim - Survey #14183 (1) - Sec. 18, T. N. 47, R. E. 8

The U. S. Silver Mining Company has the above listed rights to the

above properties and all adjacent lands to the above properties and all adjacent lands to the above through the attached "Agreement". (See application). The adjacent properties are:

Ouray Claim #14183 (5)

Peary Claim - #14183 (3)

North Pole Claim #14183 (2)

Rawley Claim #980

Orphan Bell Claim #14183 (9)

All rights to the Rawley Claim are granted in a similar "Agreement" as the one attached. A copy of this agreement is available upon request.

Lien and Subordination Agreements will not be executed however, the U. S. Silver Mining Company will, in the event a contract is executed, obtain a Performance Bond in lieu of Lien and Subordination Agreements. The applicant has been assured by his insurance agent in Salida, Colorado that the "Employer's Group" will issue a performance bond. In the event of a contract the applicant will furnish his share of the exploration costs from personal savings of the partners of the company.

Geologic Features[1/]

General Summary

"The rocks in the vicinity of the Rawley mine are the Rawley andesite and the Bonanza latite. These are much broken by north-south faults that drop the formations on the east and also by a series of northeasterly and northwesterly faults that drop the formations

successively southward. The Paragon fault is the largest known of the east-west system. Practically all the faults are of premineral age, but the north-south faults are possibly older than the Paragon fault. The Rawley vein occupies a north-south fissure of comparatively small displacement and is largely the resulte of a filling of open spaces with minor replacement. The main gangue mineral is quartz, but barite, calcite, rhodochrosite, manganiferous calcite, and siderite are found in small quantities. The main ore minerals are pyrite, sphalerite, galena, chalcopyrite, bornite, enargite, tennantite, and stromeyerite. The vein shows a change in metal content from a lead-silver-copper ore in the upper levels to predominating copper-silver ore with a minor amount of lead in depth. A less pronounced change in the metal content is indicated from the south toward the north in the vein on several of the levels. These geologic features are discussed in more detail in the following paragraphs."

Drainage and Haulage Tunnel

"A geologic section from the portal of the drainage tunnel to the Rawley vein is shown in Plate 25. The geologic structure is very complex, and consequently it is not possible to make accurate correlations between the surface and underground data along the line of the tunnel. At the portal in Squirrel Gulch the tunnel starts in andesite, although the debris from the fault block of Bonanza latite that forms a high ledge above the tunnel portal completely obscures the outcrop of the underlying andesite near the portal. The Bonanza latite is encountered 70 feet from the portal and continues about 140 feet beyond this point.

Two much smaller fault blocks of latite occur at about 400 and 900 feet from the portal. The remainder of the tunnel lies entirely in intricately faulted andesite. About three-quarters of its length is overlain at the surface by tilted and faulted latite. The large block of latite lying above the portal of the tunnel strikes about north and dips 45° - 50° W. The latite is repeated many times at the surface along the line of the tunnel by faults which throw successive blocks downward toward the east. A great many fault fissures are encountered in the tunnel and the andesite is much fractured between the larger faults. Very little of the andesite is free from alteration, and the rock is either silicified, chloritized, or altered to sericite and impregnated with carbonates and pyrite. Despite this extreme alteration of the rocks for nearly the whole length of tunnel, a comparatively small number of economically valuable veins are found. The Clark vein, which is described below, is the largest of these. This vein occupies a fault zone of complex structure, most of the ore so far developed lying at the intersection of north=south and east-west faults."

"About halfway from the portal of the tunnel to the Clark vein there is another small mineralized fissure of northward trend and easterly dip, but it has not been exposed."

"About two-thirds of the way from the portal to the Rawley vein a strong fault zone is intersected by the tunnel. At the time of driving the tunnel a large volume of water issued from this fault, considerably delaying the work. From the position of the Paragon fault at the surface and its approximate dip, it appears reasonable to assume that this fault is the continuation of the Paragon fault."

Evidence of strong silicification and fissuring of the andesite is noticeable in the tunnel beyond the fault, and there are a few small veins, but the immediate vicinity of the fault is largely concealed by timber."

"Lack of open fissures seems to have been the main reason for the character of the mineralization revealed in the tunnel. As mentioned elsewhere in this report the kind of faulting which occurred in areas of steeply tilted formations seems to have been unfavorable to the production of open fissures."

Rawley Vein and Paragon Fault

"General features.--The Rawley vein lies about 6,100 feet from the portal of the tunnel and occupies a fault fissure, probably of slight displacement. The country rock of the vein, except for a porphyry dike on the lower levels, consists of the lava flows of the Rawley andesite. These are too much altered near the vein to permit the recognition of individual flows and the measurement of the exact displacement along the fissure. On the third level at the north end of the drift both hanging wall and footwall consist of a conspicuously porphyritic andesite. This particular rock appears to correspond with one of the flows in the upper part of the Rawley andesite and is believed to have a thickness of about 100 feet, providing the flow has not been steeply tilted. Some small displacement has also occurred along the Parallel vein fissure on the third level, as the hanging wall there is a porphyritic andesite and the footwall a volcanic breccia. In all probability the displacement on the Rawley fissure does not exceed a few tens of feet in magnitude."

"The main ore shoot of the Rawley vein is bounded south of the main shaft by the east-west Paragon fault, which cuts the Rawley vein nearly at right angles. (See pl. 24). If the southerly dip of 55° to 60° continues below the 900-foot level its intersection with the Rawley vein would lie about 750 to 800 feet south of the shaft on the haulage-tunnel level."

"The relative age of the Rawley fissure and the Paragon fault and the relations between them are problems over which opinions have differed. Simonds and Burns say regarding the Paragon fault:

"Across the country from east to west, cutting the Rawley vein nearly at right angles, is a zone of faulting some 50 feet wide, dipping at an angle of about 55° S."

"This faulting was subsequent to the vein formation, and the zone incloses, at various places, bunches of ore detached from the veins which it intersected. The lateral throw of the fault was slight, if any, but there is reason to believe that the vertical throw must have been considerable. However, no definite data existed at the time, and only meager data have since been developed to indicate the amount of this vertical displacement. There being but little lateral throw, the alinement of vertical or nearly vertical veins was only slightly disturbed by this faulted zone."

"Patton concurred in this opinion."

"From the character of the Paragon fault in the Rawley mine and at several other places along Rawley Gulch where it has been disclosed by mining operations the writer is of the opinion that

the major part of the displacement on this fault is of premineral age, although some relatively late postmineral movement has undoubtedly occurred. The main reasons for this belief are as follows:

"The Paragon fault is itself mineralized, not only within the Rawley mine but also in several openings on it along Rawley Gulch east of the outcrop of the Rawley vein. Except locally the mineralization has not been greatly or at all disturbed by post-mineral movement. The gouge along the Paragon fault is also strongly sericitized and pyritized, showing that it was penetrated by mineralizing solutions. The results of mineralization within the fault and of alteration adjoining it along the Rawley Gulch east of the Rawley vein occurred prior to the formation of the Paragon fault this would indicate two periods of similar mineralization in the veins of Rawley Gulch. There is good reason, however, to believe that this did not happen, as nearly all the veins show a mineral paragenesis that is very similar, although the proportions of different minerals may differ from vein to vein."

2. "Where the relation between the Rawley vein and the Paragon fault can be seen only a slight disturbance of the Rawley vein material is evident. The displacement of the Rawley fissure in small steps as the Paragon fault is approached is quite evident, yet as the Rawley fissure narrows the mineralization follows the turns and offsets in the fissure until close to the main fault zone. Where the drift has penetrated farther into the fault the fault itself is mineralized. The writer is informed by Mr. A. E. Ring that on

the 500 and 600 foot levels, where ore in the Paragon fault was stoped, this ore was as regularly in place on the dip of the fault as in any vein. Slight postmineral movement on fault fissures is almost invariably shown in mineralized regions, and the small amount of crushed ore found at other places within the Paragon fault can not in itself be considered evidence that it was dragged in from intersecting veins. The greatest disturbance of vein material seen by the writer indicated, under a most liberal interpretation of dragging, a possible movement of about 2 feet on one of the parallel fissures shown in Figure 23. Slight postmineral movement has undoubtedly occurred, and inasmuch as ore deposited within the Paragon fault is crushed at places, some cursing of the Rawley ore close against the fault might have occurred at the same time."

3. "The distribution of minerals in the Rawley vein appears to be in part related in position to the Paragon fault."

"Just what proportion of the movement on the Paragon fault occurred before the formation of the Rawley ore and what proportion after can not be definitely proved. But it has been pointed out in the section on the relation of mineralization and faulting (pp. 93-98) that in general the greater part of the faulting movement throughout the district is of premineral age. So far as direct evidence is available there is no indication that the Paragon fault is an exception to this general relation."

"Character of the vein.-- The Rawley vein is fairly well defined between its walls and ranges in width from a narrow barren fissure where pinched to a maximum of about 12 feet. Its average width in the lower part of the mine is 3-1/2 to 4-1/2 feet. It can not be profitably stoped at most places unless the width exceeds 3 feet. Along some portions of the vein a sericitized gouge a foot or less in thickness lies against the hanging wall, and less commonly against the footwall. Although the vein material is on the whole of fairly uniform character, with no delicate banding, the vein at some places is composed of several bands of somewhat different composition. Bodies of galena may run along either or both walls and here and there may be seen to cut diagonally across the more siliceous part of the vein."

"Although replacement of portions of the wall rock has been very pronounced, it was mainly of a siliceous or pyritic nature. The greater part of the commercial ore evidently resulted from filling between the fissure walls. Some replacement of breccia material probably occurred within the fissure. The ore is not notably porous but rather massive, although very small vugs lined with quartz and sulphides are fairly common. In the vein on the 600-foot level south of the Paragon fault rhodochrosite crystals are found lining vugs, with a late coating of pyrite."

"The gangue minerals are quartz, barite, calcite, rhodochrosite, manganiferous calcite, or rarely a little siderite. Quartz is by far the predominating gangue. The sulphides are pyrite, sphalerite, galena, chalcopyrite, bornite, enargite, tennantite, chalcocite, covellite, and stromeyerite. Chalcocite, covellite and enargite occur

only in small amounts and are usually recognized only under the microscope on polished faces. It has been considered that the silver is largely or entirely in tennantite, but microscopic examination shows stromeyerite to be widely distributed in the vein in small amounts. It is associated with bornite, tennantite, and galena. Its presence probably accounts for the high silver content of some of the bornite-bearing ore. At the south end of the ore shoot stromeyerite continues to the twelfth level. It is undoubtedly a primary mineral."

"No pronounced oxidation or enrichment of the vein is evident except within 50 feet or less of the surface. Above the first and second levels near the surface some native copper occurs in small seams in the ore or in the adjacent wall rock."

"Distribution of metals in and value of the vein . . . The most noteworthy features if the gradual but pronounced increase in copper content and decrease in lead content with increase in depth." ?

"The horizontal change in the ratio of lead and copper toward the Paragon fault seems to be definitely shown by the data available, though it is not nearly as pronounced as the vertical change. The enrichment of the ore in lead noticeable at places near the Paragon fault is believed to be due to openings formed during the later stages? states of ore formation, caused presumably by contemporary movements on the Paragon fault."

"The correspondence between the silver and copper content of the ore from the Rawley vein is very close in nearly all parts

of the mine. The average silver content of the ore from the four upper levels mined prior to 1923 was about 5.6 ounces to the ton, or about 5 ounces of silver to 1 percent of copper. The ratio of silver to copper in 11,820 tons of ore from the four upper levels mined by lessees in 1926 and 1927 is practically the same, 4.9 ounces of silver to 1 per cent of copper. There appears to be no definite relation between the silver and lead content. The minerals that probably carry most of the silver are tennantite and stromeyerite. In the Rawley ore stromeyerite is nearly always associated with bornite or tennantite and less commonly with other minerals. The bornite-bearing ore from the 700-foot level averaged about 10 ounces of silver to the ton, which is considerably higher than the average of mine-run ore from the upper levels."

"The total ore mined and milled in the period from 1926 to 1930 had an average assay value of close to 8 ounces of silver to the ton, 3.2 per cent of lead, and 2 per cent of copper. Data as to the zinc content of the ore at various places in the mine are not as complete as those for lead and copper, but on the whole zinc is rather persistent. The highest content of zinc in the vein is said to have been encountered on the fourth level near the north end of the ore shoot, where it was about 4 to 5 per cent. The zinc content of the vein as a whole lies between 2 and 3 per cent. The average gold content is close to 0.01 ounce to the ton. The table on page 113 covering the mine production approximately by levels during 1927 shows the variation in value of the vein and also brings

out strikingly the decrease in lead content of the ore with increasing depth of operations."

"The close association of silver and copper is shown by Figure 24, based on the early production of the mine, prior to 1923, and on the monthly production of company mine ore during 1927. This chart shows that the percentage of lead in the company ore from the lower levels during November and December, 1927, was exceptionally low. The average for the lower levels is probably nearer 1 per cent, if several months' run in considered. The silver, however, shows no relation whatever to this fluctuation in the lead content but follows the copper curve very closely."

1/ Burbank, W. S., 1932, Geology and Ore Deposits of the Bonanza District of Colorado, U. S. Geol. Survey Prof. Paper 169 pp. 107, 108, 109, 110 and 111.

History and Production

2/"The lead and silver deposits of the district attracted attention early in the history of the San Juan country, and the town of Bonanza attained considerable importance by 1880. Most of the mining operations were relatively small, however, until the driving of the 6,200-foot Rawley drainage tunnel from Squirrely Gulch in 1911 and 1912 to tap the silver-lead-copper-zinc ore shoot of the Rawley vein at depth. The greater part of the ore in the Rawley shoot above the tunnel level was mined and milled between 1923 and 1930, and the mill was then dismantled. Some lateral exploration was undertaken on the veins across the Paragon fault that bounded the ore shoot on the south, but bodies of ore large enough to be of commercial interest at that time were not found. Besides some known

and inferred ore remaining within reach of the Rawley tunnel developments, many other veins in the district contain small reserves but none large enough to warrant the construction of a large-scale plant for economical treatment of low-grade ores."

"The total production of the district to 1946 has been about $9,000,000, most of which represents the output of the Rawley mine. About 3,000 tons of zinc metal were actually recovered from ores mined in the district; but the equivalent of approximately 5,000 tons of zinc mined with the ore from the Rawley vein was not recovered, and many smaller operations failed to mine or recover zinc. Most of the zinc mined and recovered in the district came from the Cocomongo and Bonanza properties in the Bonanza latite on the west edge of the mineralized area. This ore also contains lead, silver and copper. Contributions to the gold and silver output of the district were made by the Empress Josephine and St. Louis mines, partly telluride-bearing ores. The Eagle mine in the southern part of the district yielded ore valuable chiefly for the silver content. Manganese ore was also mined from the Pershing mine in the extreme southern part of the district. Lately the output of all metals from the district has ranged between $150,000 and $200,000 annually."

2/ W. S. Burbank, Mineral Resources of Colorado, p. 445, 1947.

3/ "The Antoro mine was worked as early as 1882 but the first reported production was in 1891 and consisted of lead-silver ore from shallow workings. The reported production from 1881 to 1900 was 1,000 tons of lead-silver-zinc ore. The property was operated intermittently from 1908 to 1927 with a production of about 1,400 tons of lead-zinc ore. The last operator of this period was the American Smelting and Refining Company which did considerable exploration on the Antoro vein. After 1927 or 1928, the mine was idle until 1947, when the present operations started."

"Since 1927, the mine has produced approximately 12,000 tons of lead-zinc ore with an average assay of 0.02 ounces gold and 5.75 ounces silver per ton, 9.79 percent lead, 11.82 percent zinc, and about 1.25 percent copper. The copper is not paid for at the mill. These figures include production through May 1952 and are verified by settlement sheets. The gross value of the total production for the period 1927 - 1952 is $408,219.85. The total metal content was 2,349,600 pounds of lead and 2,836,800 pounds of zinc.

The gross value of this ore per ton was $34.12 and the net value to the shipper, after treatment, freight, royalty and production and tax deductions were made, was $21.28 per ton.

All of this production came from the Northeast and Antoro veins, the largest part coming from the Northeast vein. In the period 1947 - 50, 1,700 tons were mined from the Antoro vein. Since January 1951, ores from the two veins have not been segregated and the

applicant has no records to indicate what proportion came from either vein." 3)

The applicant reports that some 6,796 tons of ore was mined from the Copper Winze in the Antoro Mine. The settlement sheets from the shipments show them to have an average value of 0.0337 oz. Au, 5.707 oz. Ag, 10.29% Pb, and 1.1615% Cu per ton. At current metal prices (10/8/70), the value of this ore would gross approximately $55.00 per ton. Production from the main level of the Antoro Mine between 1957 to 1959 as reported by the applicant totalled some 3,000 tons. This ore was mined by the National Minerals Corporation but was a blend consisting of ores from other mines in the Bonanza district.

Other claims by the applicant state that production from the Rawley 200 level totalled some 16- 20,000 tons, since the mine first operated. More recent production by the Rawley Metals, Inc. from the Rawley 200-level between August 1964 and May 1966 totalled some 6,000 tons of ore, some of which was direct shipping ore, and some was concentrated on the property. The ore shipped direct to the U. S. Smelting and Refining Company Smelter at Salt Lake City, Utah averaged 0.017 oz. Au, 7.16 oz. Ag, 6.66% Pb and 0.786% Cu per ton. At current metal prices (10/8/70) the ore would gross approximately $41.76 per ton.

3/ Salsbury, M. H., and Harshman, E. N., DMEA-2604, Report of Examination on S. E. and W. E. Burleson, Antoro Mine, Saguache County, Colorado, August 8, 1952.

The applicant, U. S. Silver Mining Company, mined some 1,116 tons of ore from three stopes off the Rawley 200 level, during 1969 that averaged 6.5 oz. Ag, 8.3% Pb, 4.2% Zn and 0.6% Cu. At current metal prices (9/25/70) would gross $49.34 per ton.

There are no ore reserves in the area of proposed exploration at the present time.

Applicant's Proposed Exploration

The applicant, in his original application proposes an exploratory drift for 500 feet along the Rawley Vein on the 200 level, from a point 1900 feet from the portal, as well as two 100-foot raises to explore up-dip on the Rawley vein at a point 1900 feet from the portal, and one at the end of the proposed exploratory drift. Recent drilling, some 1500 feet from the Antoro mine portal, tested an area 125 feet below the main level and showed the vein to be as wide as 4 feet. As a result of drilling the applicant indicates that there may be a possible convergence of the Rawley, Antoro and Poverty veins, some 800 feet northeast of the currently proposed exploration project or about 200 feet from the southeast corner of the Antoro claim.

Evaluation and Proposed Exploration

The Rawley vein had contributed substantially to the total production of the Bonanza district, since a good portion of the total amount of $9,000,000 dollars produced from the district came from the Rawley mine. Throughout its length the Rawley vein ranges in width

from a narrow barren fissure where pinched to a maximum of about 12 feet. Its average width in the lower part of the mine is 3-1/2 to 4-1/2 feet. The character of the ore appears to change but little both along the Rawley vein as well as down the vein from the surface to the 1200 foot level, except that there is a gradual but pronounced increase in copper content and decrease in lead content with increase in depth. Figure 4.

The correspondence between the silver and copper content of the ore from the Rawley vein is very close in nearly all parts of the mine. The average silver content of the ore from the four upper levels mined prior to 1923 was about 5.6 ounces to the ton, or about 5 ounces of silver to 1 percent of copper. The ratio of silver to copper in 11,820 tons of ore from the four upper levels mined by lessees in 1926 and 1927 is practically the same, 4.9 ounces of silver to 1 percent of copper. This ratio is somewhat higher than that of the average mine-run ore of the lower levels, which range between 2.8 and 3.9 ounces of silver to 1 percent of copper. There appears to be no definite relation between the silver and lead content. The minerals that probably carry most of the silver are tennantite and stromeyerite. In the Rawley ore stromeyerite is nearly always associated with bornite or tennantite and less commonly with other minerals. The bornite-bearing ore from the 700-foot level averaged about 10 ounces of silver to the ton, which is considerably higher than the average of mine-run ore from the upper levels.

The total ore mined and milled from the Rawley Vein in the period from 1926 - 1930 had an average assay value of 8.0 ounces of silver to the ton, 3.2 per cent of lead, and 2 per cent of copper. The zinc content as a whole lies between 2 and 3 per cent. The average gold content is close to 0.1 ounces to the ton. At current metal prices (10/9/70) this ore would gross some $55.50 per ton, with eligible minerals totalling $38.39 per ton or 69 percent of the total value of the ore. Burbank states that the north end of the Rawley ore shoot appears to be limited by the pinching of the fissure walls and by splitting of the main Rawley fissure into flatter breaks. See plate 26, USGS Prof. Paper 169. The several operators, have since drifted along the Rawley vein and its several splits and have produced additional tonnages of ore from stopes off the 200 level, and good mineralized material has been mined and indicated from the Antoro mine some 400 feet above the Rawley 200 level, as well as the extensive stoping below the 200 level, down to the Rawley 1200-foot level. The applicant has mined in excess of 160 feet along the Rawley vein, as shown on the accompanying geologic map by A. J. Lang, Jr. and Garrett, Figure 2, and is shown to range in thickness from nearly nil to as wide as 7 feet, and the latter portion mined averaged 3.5 feet thick containing vein material that averaged 7.7 ounces Ag per ton, 5.6% Pb, 0.9% Cu, and 2.52% zinc. It is therefore concluded that further exploration along the Rawley vein is warranted and that significant new and undiscovered reserves of silver, copper and gold may be found by further exploring along

the Rawley vein system on the 200-foot level.

The applicant's revised proposal includes 600 feet of drifting along the Rawley vein system and one 100-foot raise to explore the up-dip extension of the vein. It is recommended that a contract be prepared to explore the Rawley vein system as herein outlined. Figure 3.

The applicant, Mr. George P. Bates, Managing Partner, U. S. Silver Mining Company assures us that if a contract is offered to him he can and will obtain a Performance Bond in lieu of Lien and Subordination Agreements.

If the weather holds out the exploration work can commence immediately and continue throughout the winter without too much difficulty. Proposed costs are as follows:

OME-6797 Alternate 1

Drifting — 600 feet.

Labor — $23.75 / 10.00 — 33.75

5.06 ins, FICA etc

20.00 Materials, supplies, timber, etc.

4.55 Depreciation 1/60

$63.36 / ft. $64.000 rounded

Raising — 100 feet.

Labor — $35.20 / 14.00 — 49.20

7.38 FICA + ins.

27.65 Materials, supplies, timber, etc.

5.40 Depreciation 1/60

$89.63 / ft.

$90.00 rounded

OME-6797 Alternate 2.

Drafting - 600 feet

$ 23.75 } Labor & supervision
10.00 }
15.00 }
7.31 - ms. FICA
20.00 - Materials, etc.
4.55 - Degree

$ 80.61 = $81.00 Rounded

Raising - 100 feet

$ 35.20 } Labor & Supervision
14.00 }
21.00 }
10.53 - FICA, etc.
27.05 - Mat'l, etc.
5.40 - Degree

$ 113.78 = $114.00 Rounded

Recommended Costs

Drifting

600 feet of drifting 7' x 8' to allow for unobstructed clearance for a 5' x 7' timbered drift, as there may be as much as 300 feet of timbered drift required. The timber will be 8" x 8" x 8'. Rate of advance 4 feet per shift, 30 weeks or 174 working days, is estimated by the applicant.

1.	Independent Contract		none
2.	Labor and Supervision		Cost per foot
	2 men underground - labor		$23.75
	Outside maintenance man		
	30 weeks at $200.00/week		$10.00
	Supervisor - 30 weeks at $300.00/week		$15.00
	Mining Engineering - Geologist,		
	Consulting:		
	20 days at $75.00/day	$1,500.00	
	20 days at $16.00/day	320.00	
	20 days travel, 150 miles/day at $0.12 per mile	360.00	
		$2,180.00	$3.63
	FICA, Workman's compensation and other insurance less performance bond: 15% of $48.75		$7.31 2.25 = 5.06

Operating Materials and Supplies

Materials and supplies including timber, rail, air pipe, water pipe, 1600' vent tube, powder, drill steel etc. $20.00

	Cost per foot
Depreciation on equipment to be supplied by U. S. Mining Co. including: air powered chain saw, trammer, ore cars, mine fan, air compressor, mucking machine, air hammers, compressor building and charger.	
Total cost $23,425.00 for 7 months at 1/60 per month	$4.55
Miscellaneous:	
Assays:	
1500 assay determinations at $3.00	$7.50
Long hole drilling two days each 100 feet of drifting to test FW and HW of Hawley vein zone	$1.33
Total cost per foot for drifting	$ 93.07

600' drifting at $93.07 per foot = $55,842.00

(Including 300' timbered drift).

Recommended Raise Costs

One 100-foot raise, not less than 5' x 7' in cross section, and shall be timbered as necessary. Raise sets shall be of not less than 8" x 8" timber, or equivalent round timber. The raise shall be timbered to provide a chute and manway, with 3-inch lagging on the chute side and ladders on the manway side.

1. Independent Contracts	None
2. Labor and Supervision	
2 men underground Labor	
Raising including timber (rounded)	$35.20
Outside maintenance, 7 weeks at $200.00/week = ~~$1,000.00~~ 1,400.00	$14.00
Supervisor, 7 weeks at $300.00 per week = ~~$1,500.~~00 2,100.00	$21.00

Recommended Costs

Raising (Cont.)

	Cost per foot
Consulting Engineer - Geologist: 20 days provided for drifting should suffice for raising as well	None
FICA and other insurance (15% of labor and supervision)	$10.53 -3.15= 7.38
Operating Materials and Supplies	
Materials and supplies including timber, ladders, air and water hoses, air vent tubing, powder, drill steel etc. (1/3 off applicant's proposed 13' x 6' raise)	$27.65
Depreciation on equipment to be supplied by U. S. Silver Mining Co. including air powered chain saw, trammer, ore cars, mine fan, air compressor, air hammers, compressor building charger, air hoist, hauling skip etc. Total cost $21,625.00 - 1-1/2 months at 1/60 per month	$5.40
Miscellaneous	
Analytical work	
170 assay determinations at $3.00 per determination	$5.10
Office expense, etc.	$0.75
$50.00 per month 1-1/2 months	
Maintenance, repair, etc. 1.5 month	$1.57
	$121.20

100 ft. raise at $121.20/foot = $12,120.00

600 ft. drifting at $93.07/foot = $55,842.00

Total cost drifting and raising = $67,962.00

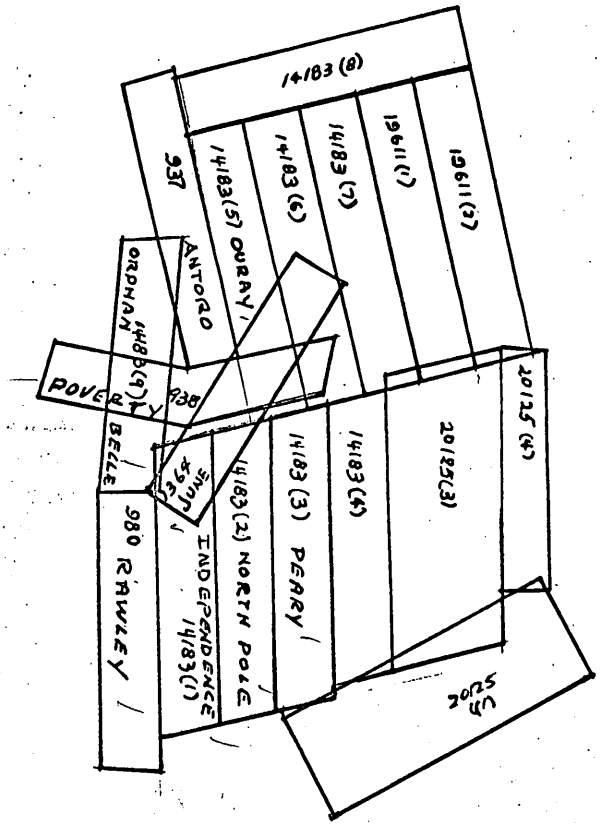
Government participation (gold, silver, copper) at 75% = $50,971.50

62½% = 42,476.25

DEPARTMENT OF THE INTERIOR
U.S. GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
DOCKET 6797

CLAIM	PAT. No.
June	1364
POVERTY	938
INDEPENDENCE	14183 (1)
DURAY	14183 (5)
PEARY	14183 (3)
NORTH POLE	14183 (2)
ORPHAN BELLE	14183 (9)
RAWLEY	980
Antoro	937



Scale 1" = 12,000'
Traced from U.S. G.S. Prof. Paper 169 Pl. 1
10/12/70 by JWH

POVERTY, JUNE AND ANTORO CLAIMS
SAGUACHE COUNTY, COLORADO

Figure 1

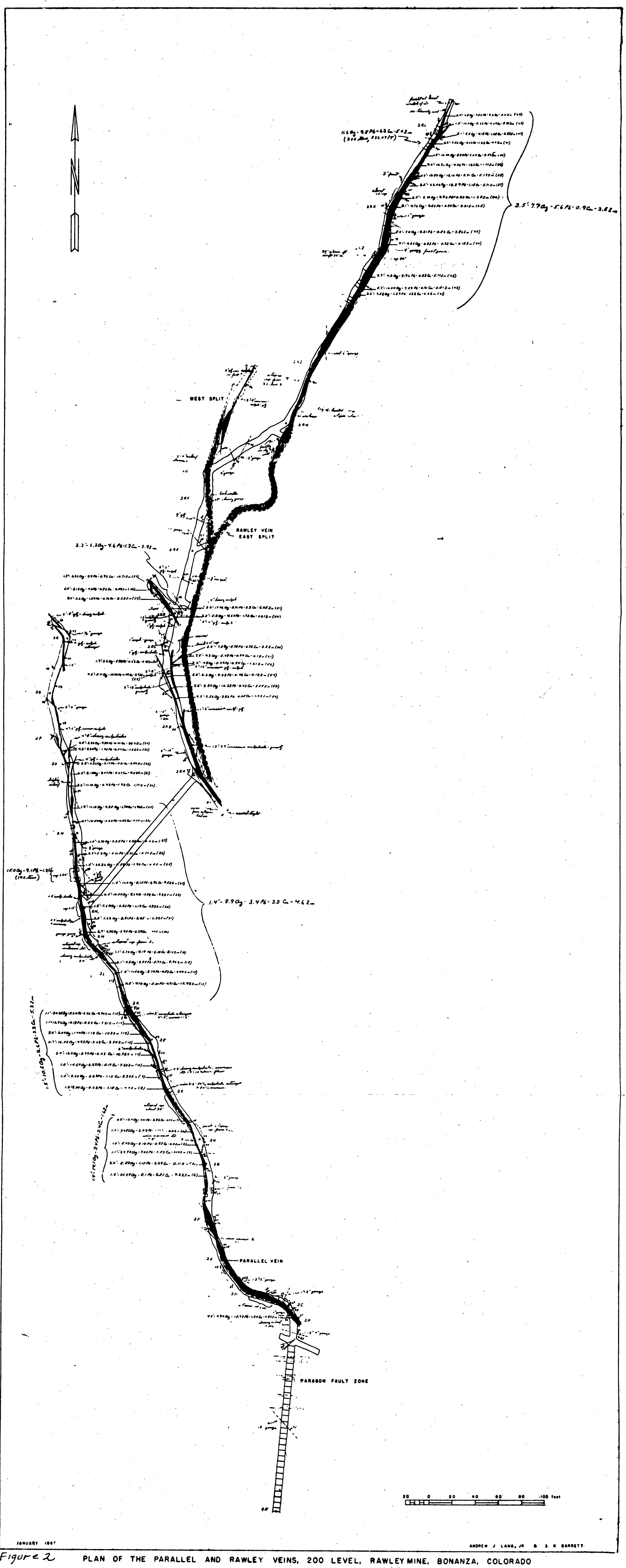
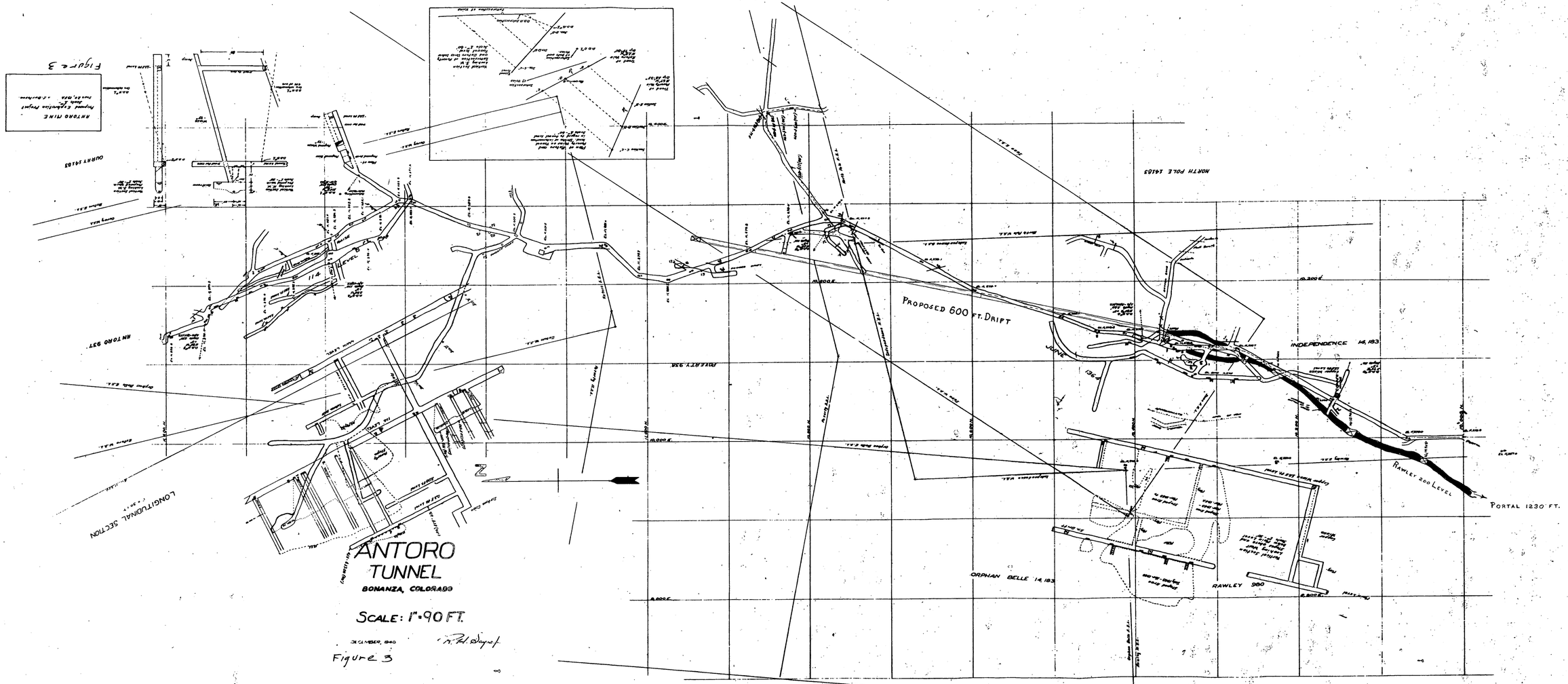
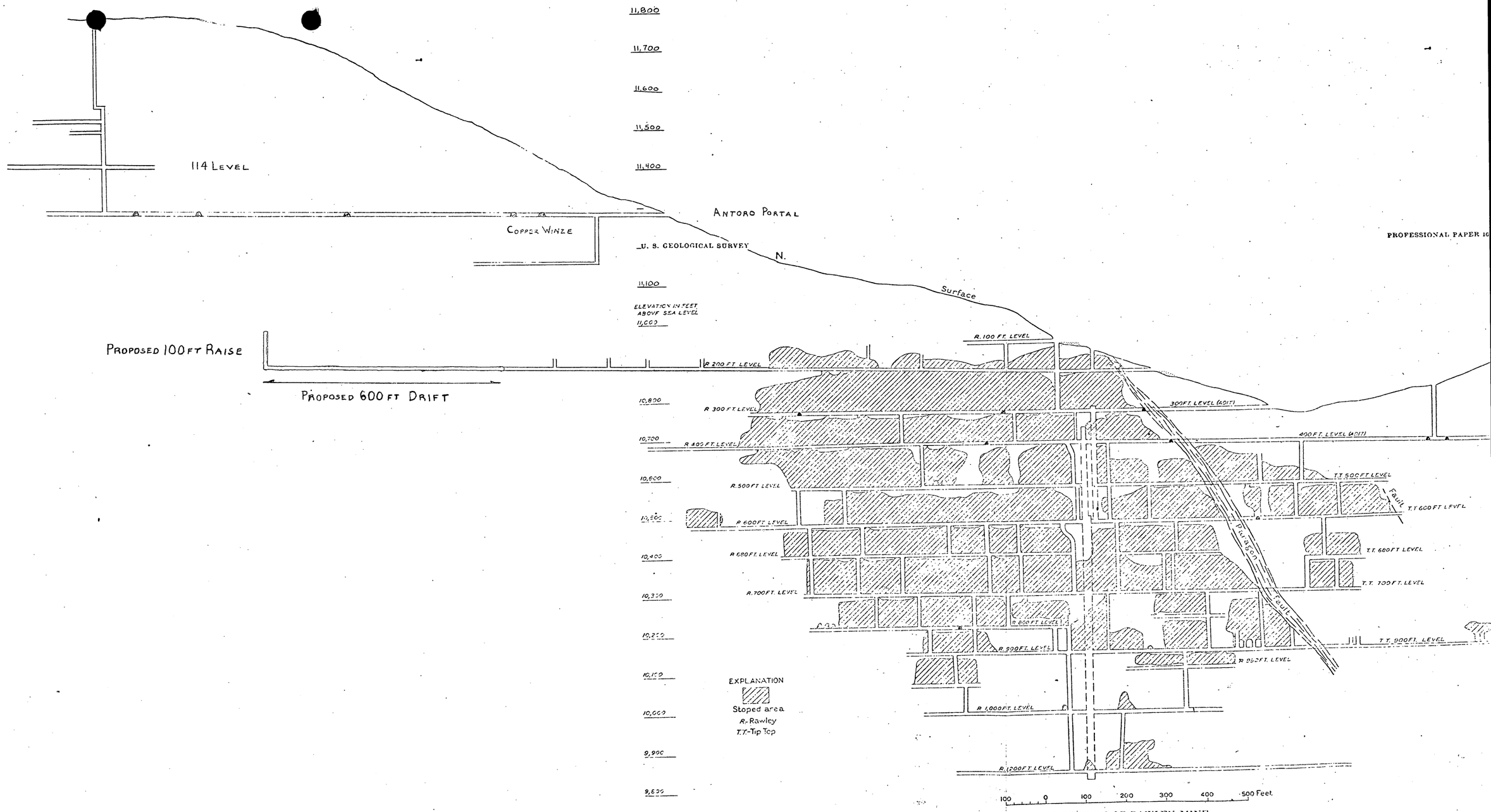


Figure 2 PLAN OF THE PARALLEL AND RAWLEY VEINS, 200 LEVEL, RAWLEY MINE, BONANZA, COLORADO


ANTORO
TUNNEL
BONANZA, COLORADO
SCALE: 1" = 90 FT.
DECEMBER, 1940
Figure 3
PROPOSED 600 FT. DRIFT
INDEPENDENCE 14,183
RAWLEY 200 LEVEL
PORTAL 1230 FT.
ORPHAN BELLE 14,183
RAWLEY 980
JANE 136
LONGITUDINAL SECTION
ANTORO 937
NORTH POLE 14103
QUARTY 14183
ANTORO MINE
114 LEVEL



LONGITUDINAL SECTION OF RAWLEY MINE

Figure 4

U.S. Silver Mining Company
21 University Road
Canton, Mass. 02021
Sept. 4, 1970

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
Room 200, Building 53
Federal Center
Denver, Colorado 80225

SEP 11 1970
Denver, Colorado

Re: OME-6797 (Gold, Silver, Copper)
U.S. Silver Mining Company
Rawley Vein Project
Saguache County, Colorado

Dear Mr. Hasler:

I have been assured by my insurance agent, Harold R. Koster, in Salida, Colorado, that the Employers' Group will issue us a performance bond if our loan application is approved. I have assumed in my cost estimate that we would only be required to carry the bond for one year at an approximate cost of $500. If we were required to have this bond for a total of 10 years there would be an additional expense of $4500 which should be included with my application.

The date of our original loan application was May 16, 1969. Since that date the drift on the Rawley #200 level has been extended from 1650' to 1744' at which point work was terminated. We had been following an excellent vein of ore, but it pinched during the last 40' to the breast. We had hoped to be able to open up enough new stoped soon enough to keep our 150 tons per day mill operating, but when the ore pinched it became clear that we should stop the mill and stop mine production until sufficient exploration and development work could be completed.

U.S. Silver Mining Company did open up three new stopes on the Rawley # 200 level before closing down and production from these stopes during 1969 was as follows:

		Assays			
Stope	tons	Ag	Pb	Zn	Cu
1400'	546	4.7 oz	5.9%	3.8%	0.6%
1500'	267	6.5	7.7	4.6	0.7%
1600'	303	8.5	11.2	4.2	0.6%

Revised Cost Estimates

Since the vein is pinched at the breast of the 200 level tunnel we would like to change our planned exploration work to eliminate the first of the two proposed 100' raises. It is also not necessary to put in this exploratory raise since we have already opened up three new stopes just south of this point (1400', 1500', and 1600' raises). Instead we want to increase the length of our proposed drift from 500' to 600', and then put in one 100' raise at the end of the extended drift. It should be noted that any ore found along this drift would prove reserves not only above the 200 level up to the Antoro workings, but also below the 200 level since the area underneath the proposed drift is virgin ground.

Using the basic cost estimates which we used in our original application I have converted the figures to a per foot basis for the drift and the raise. We plan to use 2 miners underground, 1 outside maintenance man, and one supervisor plus a part time mining engineer and a part time geologist as consultants. We plan to work 6 days per week. While drifting we would expect to average 4 feet per day. We also plan to allow 2 days every 100 feet for long-holing at least 50 feet to the east and west as we progress along the new drift. I estimate that ½ the distance, or 300 feet would require timbering, but I would expect this could bedone and still maintain our average forward progress at 4 feet per day. In addition to the above I estimate that it would take 2 weeks to get the present tunnel in shape for this project. Therefor I estimate that the total time required to complete the drifting would be 174 working days or 30 weeks.

For the 100' raise, I estimate that we would progress at the rate of 3 feet per day which would take six weeks, and then I have allowed another week for cleaning up and closing down the project for a total of 7 weeks. I have allowed a total of 8½ months for completing all the work.

For assaying I have figured that we would obtain determinations for gold, Silver, lead, zinc, and copper, and that we would take samples from every 4 feet of drift and long hole, and every 3 feet of raise.

You will find my cost estimates for the drift and the raise on the next two pages. The summary of the costs is as follows:

600' drift at $97.67/foot is	$58,602
100' raise at $171.47/foot is	17,147
Total	$75,749

Also attached are the following maps:

5 copies showing Rawley 200 and Antoro levels and proposed work

5 copies of cross section Rawley 200 level showing proposed work

2 copies of recent Paul Davis survey of Rawley 200 level

2 copies Garrett-Lang geological map of Rawley 200 level

Please let me know if you need additional information or if any of the information I have submitted is not in proper order.

Sincerely yours,

George P. Bates

George P. Bates
Managing Partner
U.S. SIlver Mining Company

Cost estimates for 600 feet of drift--Rawley 200 level:

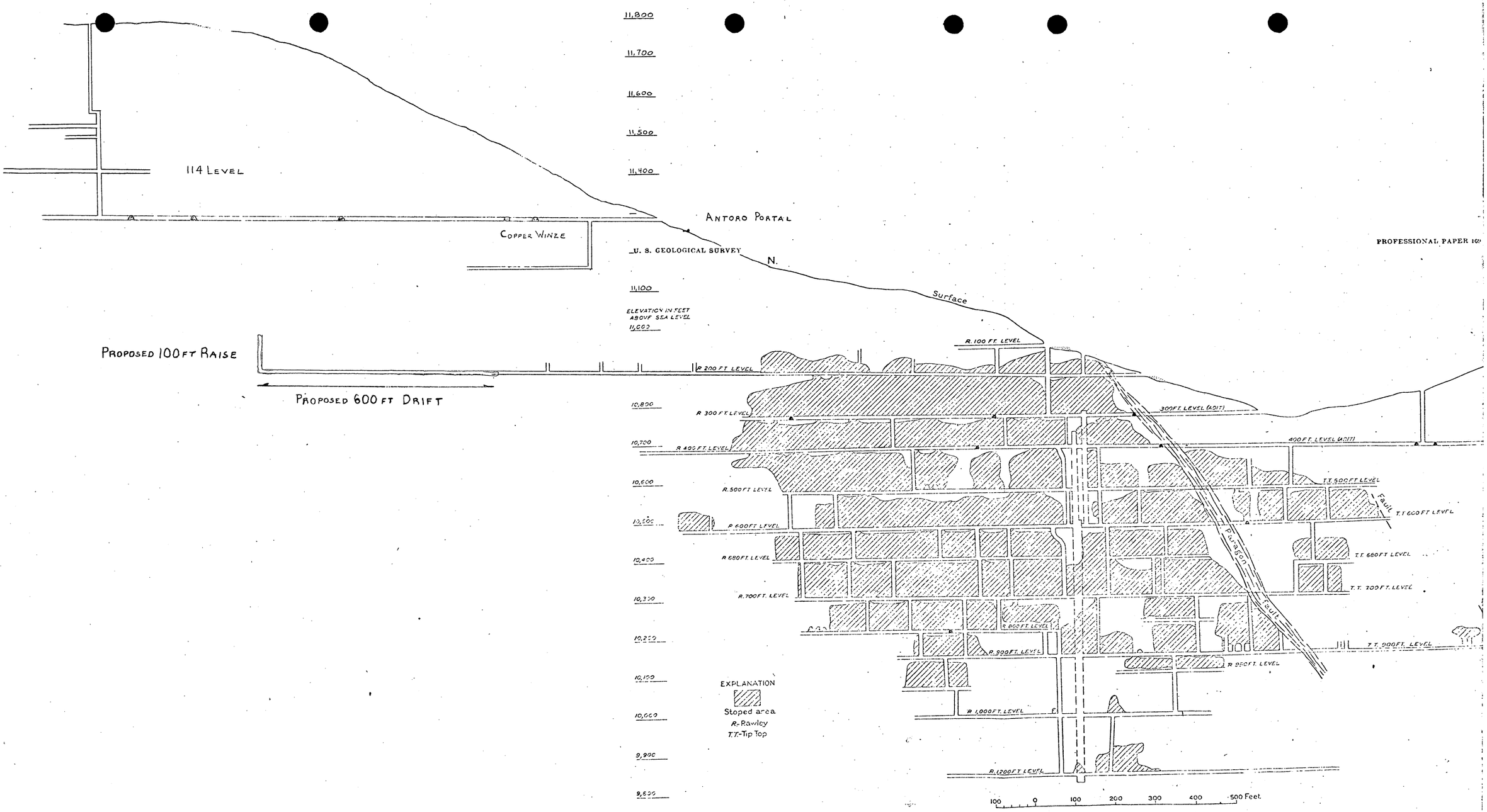
	Cost per foot
2 men underground drifting-labor	$20.00
2 men underground timbering-labor (300')	3.75
outside maintenance man-30 weeks-$200/week	10.00
supervisor-30 weeks-$300/week	15.00
2 men underground preparation and long holing-labor	1.33
material and supplies for preparing tunnel; rail, timber, pipe, etc.	2.00
1500 assay determinations at $3	7.50
14 days mining engineer pay at $75/day and travel and per diem expenses at $65/day	3.27
10 days geologist at same rates as mining engineer	2.33
Material and supplies including timber, rail, air pipe, water pipe, 1600' vent pipe, powder, drill steel, etc.	20.00
Depreciation on equipment to be supplied by U.S. Silver Mining Co. including: air powered chain saw, trammer, ore cars, mine fan, air compressor, mucking machine, air hammers, compressor building, and charger--total cost $23,425-7 months at 1/60 per month	4.55
Miscellaneous: performance bond, payroll taxes, workmen's compensation, accounting and office services, maintenance performed by other than company personnel, replacement parts for equipment, etc.	7.94
Total cost of drift per foot	$97.67

600 feet of drift times $97.67 per foot is $58,602.

Cost estimates for 100 feet of raise--Rawley 200 level:

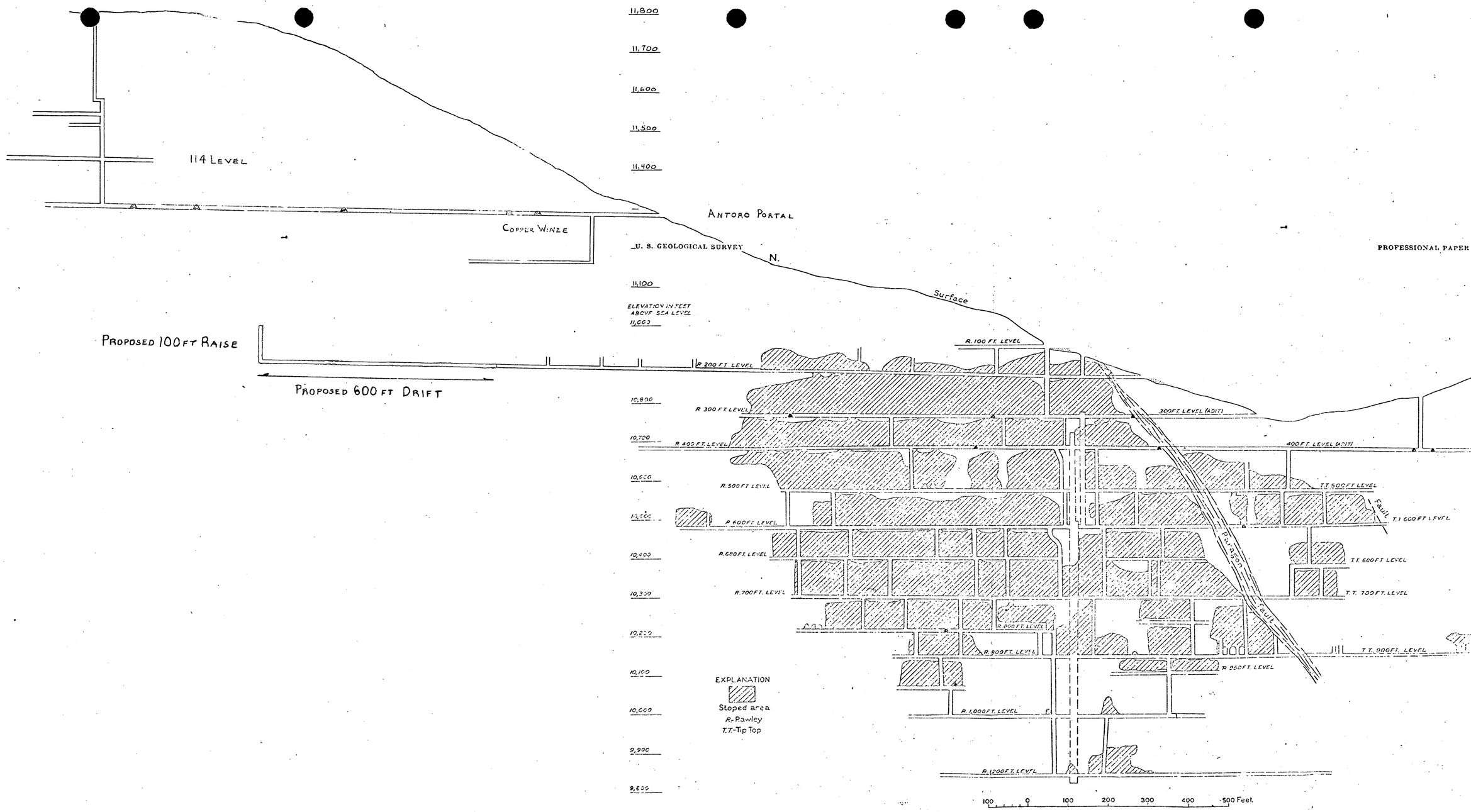
	Cost per foot
2 men underground-raising-labor	$25.00
2 men underground-timbering-labor	10.20
outside maintenance man-7 weeks-$200/week	14.00
Supervisor-7weeks-$300/week	21.00
170 assay determination at $3	5.10
5 days mining engineer including final survey and mapping at pay of $75/day plus travel and per diem of $65/day	7.00
5 days geologist at same rates as mining engineer	7.00
Material and supplies including timber, ladders, air and water hoses, air vent tubing, powder, drill steel,etc.	41.47
Depreciation on equipment to be supplied by U.S. Silver Mining Co. including; air powered chain saw, trammer, ore cars, mine fan, air compressor, air hammers, compressor building, charger, air hoist, hauling skip,etc. Total cost $21,625-1½ months at 1/60 per month	5.40
Miscellaneous: payroll taxes, workman's compensation, accounting and office services, maintenance performed by other than company personnel, etc.	35.30
Total cost of raise per foot	$171.47

100 feet of raise times $171.47 per foot is $17,147



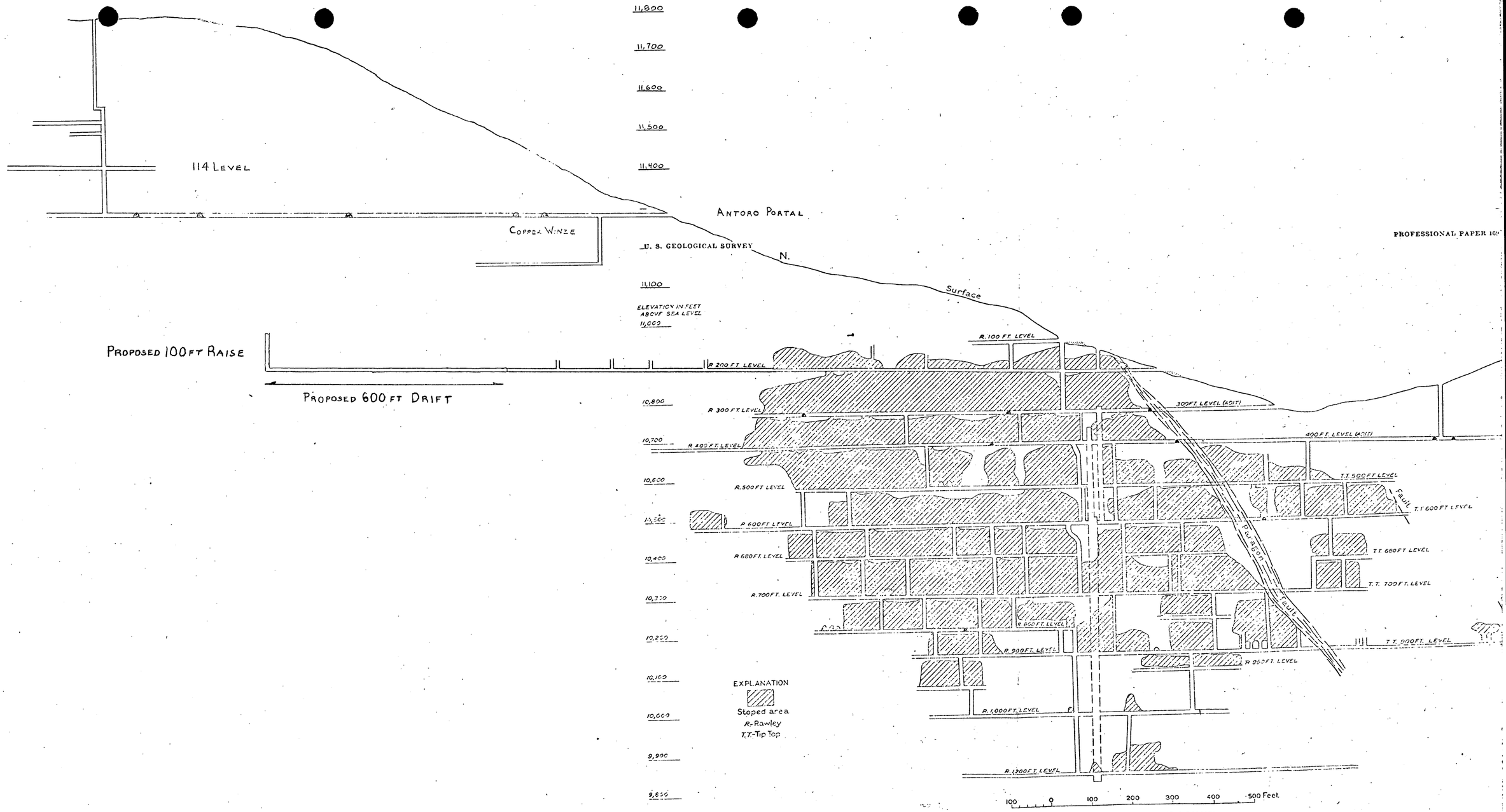
LONGITUDINAL SECTION OF RAWLEY MINE

Figure 4



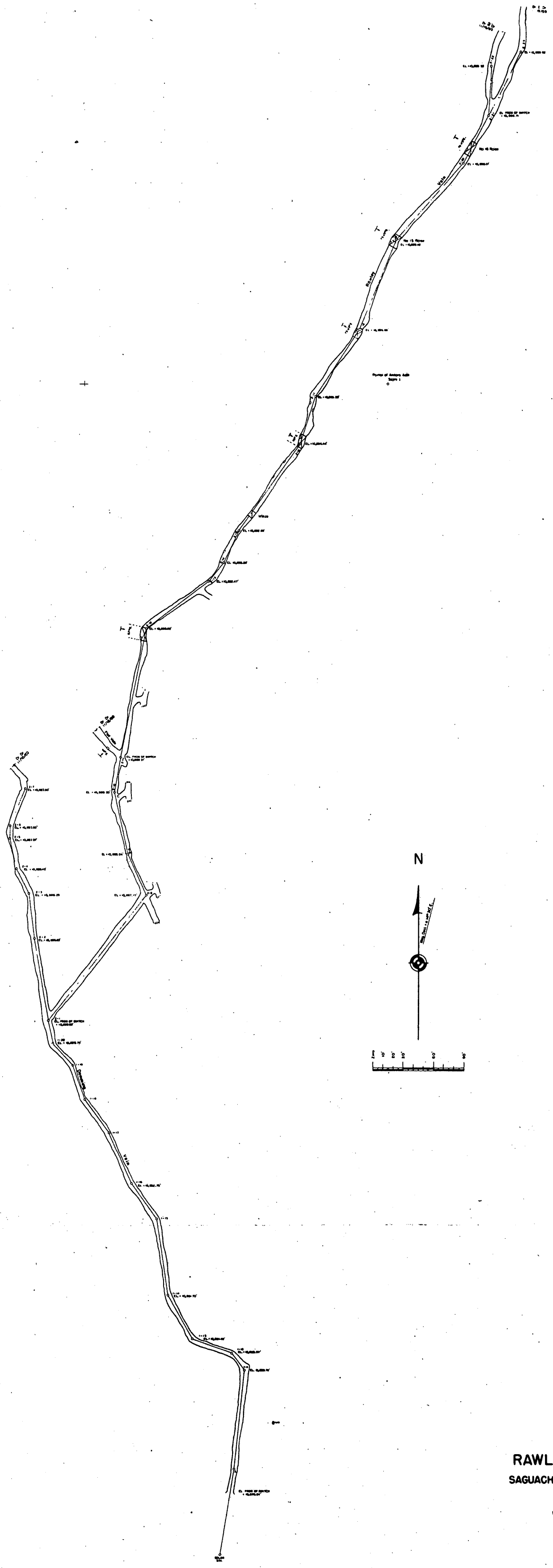
LONGITUDINAL SECTION OF RAWLEY MINE

Figure 4



LONGITUDINAL SECTION OF RAWLEY MINE

Figure 4



MAP OF

RAWLEY 200' LEVEL

SAGUACHE COUNTY, COLORADO

SCALE: 1" = 90'

SURVEYED NOVEMBER 1969

BY

Davis Engineering Service, Inc.
8 PB Bonsai Street
Del Norte, Colorado 81132

Note on Schofield - Davis survey of November 1969

1 - The detail on 200' level Rawley was actually measured from 2-1 north on the Dimming Vein and from 2 - 8 north on the Rawley Vein.

2 - Bearings were determined by solar observation.

3 - Elevations are taken from the Robert Soyre map of 1948 and carried into the Rawley 200' level.

4 - Elevations shown were taken on top of rail at each survey station. Where rails had been removed average bottom elevation was taken.

Office of Minerals Exploration
Building 53 Room 200

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 11 1970
INITIAL COPY

August 7, 1970

	30
Cof	20
	20

Mr. George Bates
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Copper

Re: OME-6797 (Gold-Silver-Gold)
U. S. Silver Mining Company
Rawley Vein Project
Saguache County, Colorado

Dear Mr. Bates:

Enclosed is a sample copy of a portion of an OME contract showing the description of the kind of exploration work to be done and the provisions describing how the work is to be accomplished including the estimated costs of the work on a fixed unit basis.

Enclosed also are some sample work sheets for arriving at the costs, as well as an exploration contract, MME Form 51, June 1963 (Short Form) for your information.

Thank you for your hospitality and assistance during my examination of the property last week.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

cc: Chief, OME
OME chron
Mr. Hasler
OME-6797

OME Region III
RECEIVED
APR 28 1970
Denver, Colorado

U. S. Silver Mining Company
21 University Road
Canton, Mass. 02021

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O. M. E.
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MAY 1 1970
INITIALS DATE
HK 4/20

Mr. J. William Hasler, Field Officer, Region III
Office of Minerals Exploration
Room 400, Building 53
Denver Federal Center
Denver, Colorado 80225

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antero, and Poverty Claims
Saguache County, Colorado

Dear Mr. Hasler,

Thank you very much for your letter dated April 10, 1970 relative to a field examination of our Bonanza property. I would suggest that either the second or third week in June would be a suitable time. It would definitely be advantageous to wait until most of the snow has melted.

I will give you a call around the middle of May and try to set up a definite time.

Sincerely,

George P. Bates

George P. Bates
Managing Partner
U. S. Silver Mining Company

GPB/rmf

ORIGINAL COPY
O. M. E.
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bol 1/30
bol 1/20 M
JOE 1/20 C

Office of Minerals Exploration
Building 53 Room 200

April 10, 1970

Mr. George P. Bates, Managing Partner
U. S. Silver Mining Company
21 University Road
Canton, Massachusetts 02021

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antero, and Poverty Claims
Saguache County, Colorado

Dear Mr. Bates:

This letter is written in reply to your inquiry dated March 27, 1970 concerning the scheduling of a field examination on the subject property.

My tentative plans are to be in the field during the latter part of May or early June and I can possibly make an examination at about that time. Perhaps, because of winter snow storms a June timing would be advantageous insofar as the geology of the area is concerned.

Will you kindly inform me of a date suitable to you and your staff?

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: U. S. Silver Mining Company
P. O. Box 326
Salida, Colorado 81201

Chief, OME
OME chron
Mr. Hasler chron

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

OME Region III
RECEIVED
APR 2 X 1970
Denver, Colorado

828-0800

21 University Road
Canton
Massachusetts 02021
617-828-6660

March 27, 1970

Mr. J. William Hasler, Field Officer, Region III
Office of Minerals Exploration
Room 203, Building 53
Denver Federal Center
Denver, Colorado 80225

Dear Mr. Hasler:

I am the managing partner of the U.S. Silver Mining Company and I am writing you concerning our application # OME-6797 (Gold, Silver, Copper), June, Antoro, and Poverty Claims, located near Bonanza, Saguache County, Colorado. My main office is located at the above address and that is where I spend most of my time. I go to Bonanza about once a month to check on our operation there.

I hope that someone will be able to visit our location sometime during the summer to help determine the feasibility of our proposed project. I understand that a field check is necessary before final approval can be obtained. It would be best if I could be at the mine at the time of the visit in order to answer any questions that might arise. Therefore I would appreciate it if you could let me know in advance when such a field examination would take place.

Sincerely yours,

George P. Bates

George P. Bates
Managing Partner
U.S. Silver Mining Company

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/5/69	Kirkemo	120
9/8	Peterson	
9/8	Murphy	220
		120M

SEP 9 - 1969

Honorable Peter H. Dominick
United States Senate
Washington, D. C. 20510

Dear Senator Dominick:

This is in reply to your letter of August 28, 1969, on behalf of Representative Harold R. Koster of the Colorado House of Representatives concerning the OME application (OME-6797) submitted by Mr. George P. Bates, U. S. Silver Mining Company, Salida, Colorado.

We wrote to the U. S. Silver Mining Company on July 18, 1969, and explained the status of funds for new OME contracts, and the reason for postponing action on pending applications. A copy of our letter is enclosed.

The Applicant responded to our letter on July 29, 1969, and requested that we process the application whenever possible, as shown on the enclosed copy.

As the situation with respect to funding has not changed, we have not made a final disposition of this application. We will be glad to advise you of our decision as soon as circumstances permit.

Sincerely yours,

Arthur A. Baker

Director

Enclosures

cc: General Files
Director's Chron
Division File
Mineral Resources
OME docket
OME Reading File
OME Region III
Mr. Kirkemo

HKirkemo/gla 9-5-69

182361

[illegible]

United States Senate

COMMITTEE ON
LABOR AND PUBLIC WELFARE
WASHINGTON, D.C. 20510

August 28, 1969

P 4

Mr. William T. Pecora, Director
Geological Survey
Department of the Interior
Washington, D. C.

Dear Mr. Pecora:

I have received a letter from Representative Harold R. Koster of the Colorado House of Representatives concerning the application of Mr. George P. Bates of the U. S. Silver Mining Company near Salida, Colorado. Mr. Bates submitted his application to the Denver Office of Minerals Exploration on May 16, 1969. It was then sent to the Washington Office. The number of the application is OME-6787. The amount of the loan is $50,000.

I would appreciate your checking into the status of this application and informing me if a decision has been made so that I may respond to my constituent.

Best regards.

Sincerely,

Peter H. Dominick
United States Senator

PHD:b

182361

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/18/70	Peterson	120
	Emerick	120
2/18	cae	220
		120M

FEB 1970

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado

In accordance with the Applicant's request of February 13 we are resuming the processing of his application for exploration assistance, and we are referring it to you for further study, a field examination if warranted when you are in the vicinity of the property on other field work of the program, and recommendations.

A review of the Applicant's cost estimate indicates that most costs are considered high. If a contract is contemplated, the Applicant should provide the necessary data to support these estimates.

William L. Emerick (glc)

W. L. Emerick
For: Harold Kirkemo

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Peterson
130

ECPeterson/bsl 2/18/70

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/18/70	Peterson	120
	Emerick	120
		220
		120M

FEB 18 1970

AIRMAIL

U. S. Silver Mining Company
P. O. Box 326
Salida, Colorado 81201

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado

Gentlemen:

This will acknowledge receipt of your letter of February 13 requesting that we keep your application for exploration assistance in an active status.

Accordingly, the application is now being referred to Mr. J. William Hasler, Field Officer, Region III, Office of Minerals Exploration, Room 203, Building 53, Denver Federal Center, Denver, Colorado 80225.

Mr. Hasler will notify you if he requires additional information concerning the application. The processing of the application will follow the action outlined in our letter to you dated December 19, 1969.

Sincerely yours,

William L. Emerick (gfa)

W. L. Emerick
For: Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME DOcket
OME Reading File
OME Region III w/copy of incmg. ltr.
Mr. Peterson

ECPEterson/bsl 2/18/70

U.S. Silver Mining Company
P.O. Box 326
Salida, Colorado 81201

Feb. 13, 1970

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
Geological Survey
Washington, D.C. 20242

Dear Mr. Kirkemo:

I am writing in answer to your letter dated Dec. 19, 1969

Re: OME-6797 (Gold-Silver-Copper)
U.S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado

I understand that you have had to curtail your program. However, I feel that we have an excellent prospect which is definitely worth pursuing. For that reason I would like you to keep our application active.

Is there a possibility that you could arrange a field examination of our property this coming summer? I have found practically no records of any exploration done in the Bonanza area. Yet there are records of considerable ore production which I feel is a strong indication of the possibility of finding additional ore deposits. If you could arrange for a field examination, at least we would have a better idea as to how we stand.

Please make note of the small change in our mailing address; from P.O. Box 749 to P.O. Box 326 as listed above.

Sincerely yours,

George P. Bates

George P. Bates
Managing Partner
U.S. Silver Mining Company

CORR
O. M. E.
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FEB 17 1970
INITIALS CODE
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MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/18/69	Peterson	120
		120
12/19	Coe	220
		120M

AIRMAIL

DEC 19 1969

U. S. Silver Mining Company
P. O. Box ~~749~~ 326
Salida, Colorado 81201

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado

Gentlemen:

We wrote you on July 18, 1969, to advise that our funding situation then precluded full consideration of your application for financial assistance to explore the June, Antoro, and Poverty claims. In late November 1969 we learned that funds for contracting purposes in the fiscal year ending June 30, 1970, are sufficient for only a few new contracts. The extent of future contracting will depend on availability of funds.

Owing to curtailment of the program, the processing of applications is being delayed. Therefore, field examinations necessary to reach decisions on applications are being made largely in connection with other field work of the program. In due course of time we will inform you whether or not your application can be approved for a contract when funds are available. Priority on available funds will be given to approved applications offering the best opportunities for making significant discoveries.

Under these circumstances, should you wish to withdraw your application, please so advise. If you wish to keep your application in active status, we will process it as explained above.

We regret that this action is necessary, but under present funding circumstances we cannot offer better service at this time.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region III
Mr. Peterson

ECPeterson/bsl 12/18/69

MME Form 7
(2/63)

OME

OFFICIAL FILE COPY

Date	Surname	Code
8/13/69	Kirkemo	120
8/14	W. [illegible]	
8/14	[illegible]	
		120M

AUG 18 1969

Honorable Peter H. Dominick
United States Senate
Washington, D. C. 20510

Dear Senator Dominick:

This is in reply to your letter of August 6, 1969 to Mr. Harold Kirkemo, Chief, Office of Minerals Exploration, on behalf of Mr. George P. Bates, Managing Partner, U. S. Silver Mining Company, P. O. Box 749, Salida, Colorado, inquiring about the status of the company's OME application (OME-6797) for financial assistance.

We enclose a copy of our letter of July 18, 1969 to U. S. Silver Mining Company explaining the current situation with respect to funds for new OME contracts, and the reason for postponing action on pending applications.

The Applicant replied to this letter on July 29, 1969, and requested that we process the application when circumstances permit. A copy of the letter is enclosed.

We will be pleased to advise you of the final disposition of this application.

Mr. Bates' letter to you is returned herewith.

Sincerely yours,

Frank E Clarke
Acting Director

Enclosures

cc: General Files
Division Copy
Director's Chron
~~Mineral Resources~~
OME File
OME Reading File
Region III
Mr. Kirkemo

HKirkemo/bsl 8/13/69

Control No. 182248

Contr

JOHN C. STENNIS, MISS., CHAIRMAN

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STUART SYMINGTON, MO.
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CHARLES B. KIRBOW, CHIEF CLERK

United States Senate

COMMITTEE ON ARMED SERVICES
WASHINGTON, D.C. 20510

August 6, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 11 1969

INITIALS	CODE
	120

Mr. Harold Kirkemo
Chief
Office of Minerals Exploration
Geological Survey
Department of Interior
Washington, D. C. 20240

OMEG 797

Dear Mr. Kirkemo:

I am enclosing copy of a letter I have received from Mr. George P. Bates, Managing Partner of the U. S. Silver Mining Company, which company has applied for a loan from the Office of Minerals Exploration.

I hope that this application will be given careful consideration and I would be grateful if you would advise me its present status, as well as advising me of the outcome.

Best regards.

Sincerely yours,

Peter H. Dominick

Peter H. Dominick
United States Senator

PHD:er

U.S. Silver Mining Company
P.O. Box 326
Salida, Colorado 81201

July 29, 1969

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
U.S. Dept. of Interior
Washington, D.C. 20242

Dear Mr. Kirkemo:

Re: OME-6797 (Gold-Silver-Copper)
Saguache County, Colorado

I am writing in answer to your letter dated July 18, 1969. Despite the delays you have mentioned because of reduced funding, I want to let you know that we still want very much for you to process our application when you are able.

Very truly yours,

George P. Bates

George P. Bates
Managing Partner

OFFICIAL COPY
O. M. E.
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AUG 11 1969
MINERALS FILE
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120 P

628-0800

SHIELD CHEMICAL CO., INC.

AEROSOL & PRESSURE PACKAGING

21 University Road
Canton
Massachusetts 02021

RECEIVED
PETER DOMINICK
AUG 4 9 12 AM '69

July 31, 1969

Senator Peter Dominick
U.S. Senate
Washington, D.C.

Dear Senator Dominick:

I am the managing partmer of the U.S. Silver Mining Company which has been operating in the Bonanza, Colorado area for the past two years. We have applied for a loan in the amount of $50,000 from the Office of Minerals Exploration in Denver. Our application dated May 16, 1969 was subsequently forwarded to Washington (Mr. Harold Kirkemo, Chief, Office of Minerals Exploration, Geological Survey, Dept. of Interior) and it has been assigned Docket No. OME-6797.

The exploration work that would be funded by this loan is essential if we are to profitably operate our mill in that area. As I am sure you are aware this project would contribute significantly to this part of Colorado which desparately needs economic help. Anything you can do to help us obtain this loan would be greatly appreciated. Please let me know if I can supply you with any additional information.

Very truly yours,

George P. Bates

George P. Bates
Managing Partner
U.S. Silver Mining Company

U.S. Silver Mining Company
P.O. Box 326
Salida, Colorado 81201

July 29, 1969

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
U.S. Dept. of Interior
Washington, D.C. 20242

Dear Mr. Kirkemo:

Re: OME-6797 (Gold-Silver-Copper)
Saguache County, Colorado

I am writing in answer to your letter dated July 18, 1969. Despite the delays you have mentioned because of reduced funding, I want to let you know that we still want very much for you to process our application when you are able.

Very truly yours,

George P. Bates

George P. Bates
Managing Partner

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 11 1969
INITIALS CODE
130
bal 120 M
HK 120
120 P

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/4/69	Kirkemo	120
8/6	Peterson	
8/6	Clegg	
8/11	Cal	220
		120M

AUG 7 - 1969

Hon. Gordon Allott
United States Senate
Washington, D. C. 20510

Dear Senator Allott:

This is in reply to your letter of July 31, 1969, inquiring about the status of an OME application (OME-6797) for financial assistance submitted by U. S. Silver Mining Company, P. O. Box 749, Salida, Colorado.

We enclose a copy of our letter of July 18, 1969, to U. S. Silver Mining Company explaining the current situation with respect to funds for new OME contracts, and the delay in processing new applications. We will continue our review of the application when funds are available and advise the Applicant of our decision as soon as possible thereafter.

We will be pleased to advise you of our final decision.

Sincerely yours,

Frank E Clarke

Acting Director

Enclosure

cc: General File
Director's Reading File
Division File
Mineral Resources
OME Reading File
OME Region III w/cy incoming letter
OME docket
Mr. Kirkemo

HKirkemo/gla 8-4-69

[illegible]

United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, D.C. 20510

July 31, 1969

OFFICIAL COPY
O. M. B.
RECEIVED
AUG 4 1969
INITIALS CODE

Mr. William T. Pecora, Director
Geological Survey
Department of the Interior
Washington, D. C.

Dear Mr. Pecora:

I am informed application has been made by the U. S. Silver Mining Company for assistance with exploration work and that the application is assigned your docket number OME 6797.

The request would, I know, be given careful and considerate review and I would appreciate your informing me the final decision thereon when it is reached. Meanwhile, it would be helpful to have a report on the current status of the case.

Best regards.

Sincerely yours,

Gordon Allott
United States Senator

GA:jd

192202

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/17/69	Peterson	120
		120
7/22	cae	220
		120M

JUL 18 1969

AIRMAIL

U. S. Silver Mining Company
P. O. Box 749
Salida, Colorado 81201

Re: OME-6797 (Gold-Silver-Copper)
U. S. Silver Mining Company
June, Antoro, and Poverty Claims
Saguache County, Colorado

Gentlemen:

Reference is made to your application for exploration assistance dated May 16, 1969.

We have postponed processing applications received recently pending definite information regarding availability of funds for the fiscal year beginning July 1, 1969. Although appropriations have not yet been made for the current year, we understand that funds will be much less than were available for the year that ended June 30, and we are authorized to operate only at the level of the anticipated reduced funds. Under this situation, action on pending applications must be postponed, as proposed contracts already drafted and awaiting execution will require more funds than are available. When we can again process new applications, first priority will be given to those offering the best opportunities for making significant discoveries.

We regret that we cannot make a decision on your application at present and we are unable to estimate when we may be of possible assistance to you. When circumstances permit, we will process your application within the limitations stated above.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo, Chief
Office of Minerals Exploration

cc: Director's ReadingFile
Mineral Resources File
OME Docket
OME Reading File
Region III
Mr. Peterson

ECPeterson/bsl 7/17/69

U. S. Silver Mining Company

BONANZA, COLORADO 81155

OME 6797

REID JOHNSTON
MINE SUPERINTENDENT

Box 749
Salida, Colo. 81201

June 9, 1969

Mr. J. William Hasler
Office of Mineral Exploration
Denver Federal Center
Bldg. 53, Room 200
Denver, Colorado

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 23 1969

INITIALS	CODE
	~~120~~
gla	120
	120

Dear Mr. Hasler:

Enclosed are the two copies of claim maps of section 18 that Mr. Beasley promised to send you.

Yours very truly,

Reid Johnston

June 9, 1969

U. S. Silver Mining Company
Post Office Box 749
Salida, Colorado 81201

Subject: OME-6797

Gentlemen:

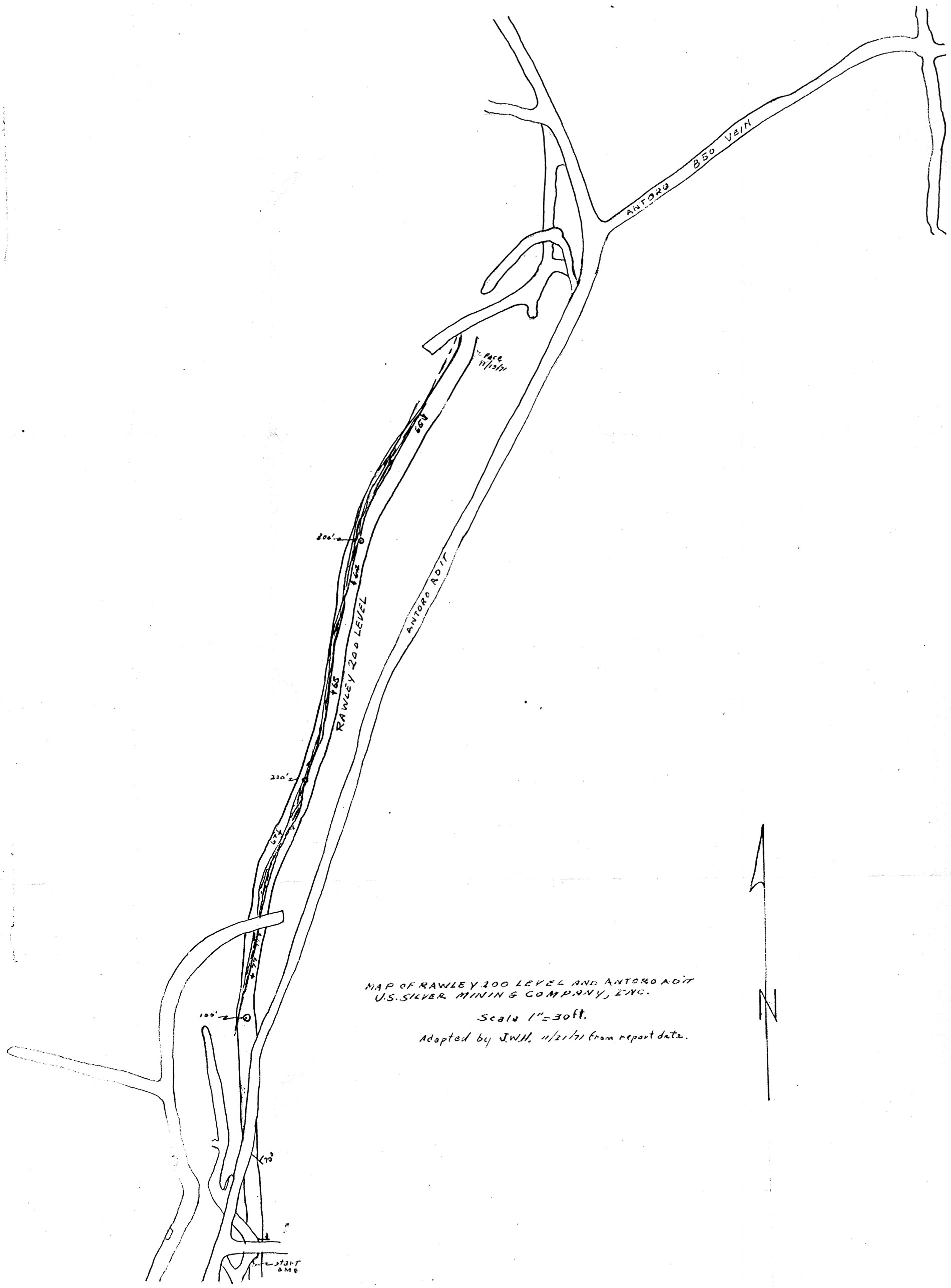
Your application for exploration assistance, dated May 16, 1969, submitted to our office at Denver, Colorado, has been assigned Docket No. OME-6797.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

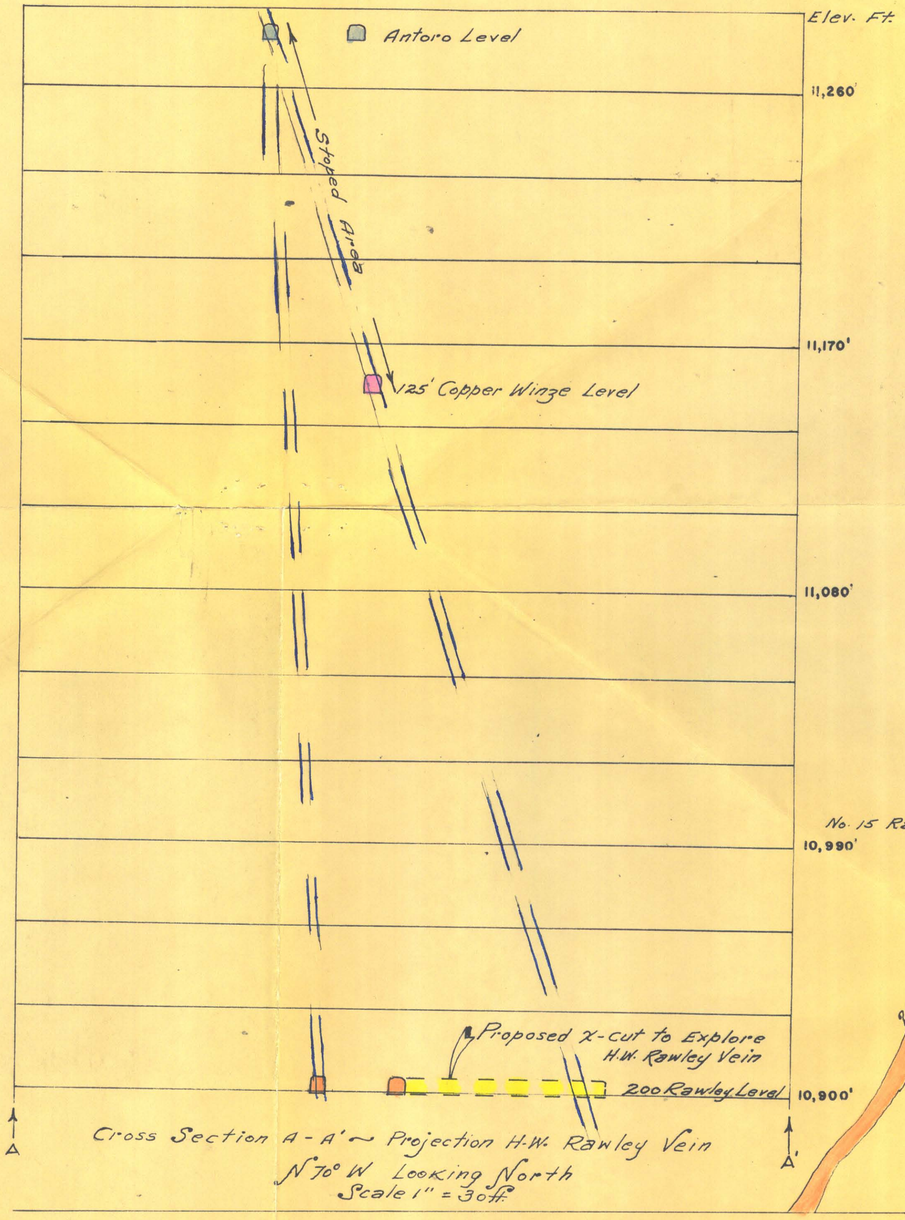
Copy to Region III



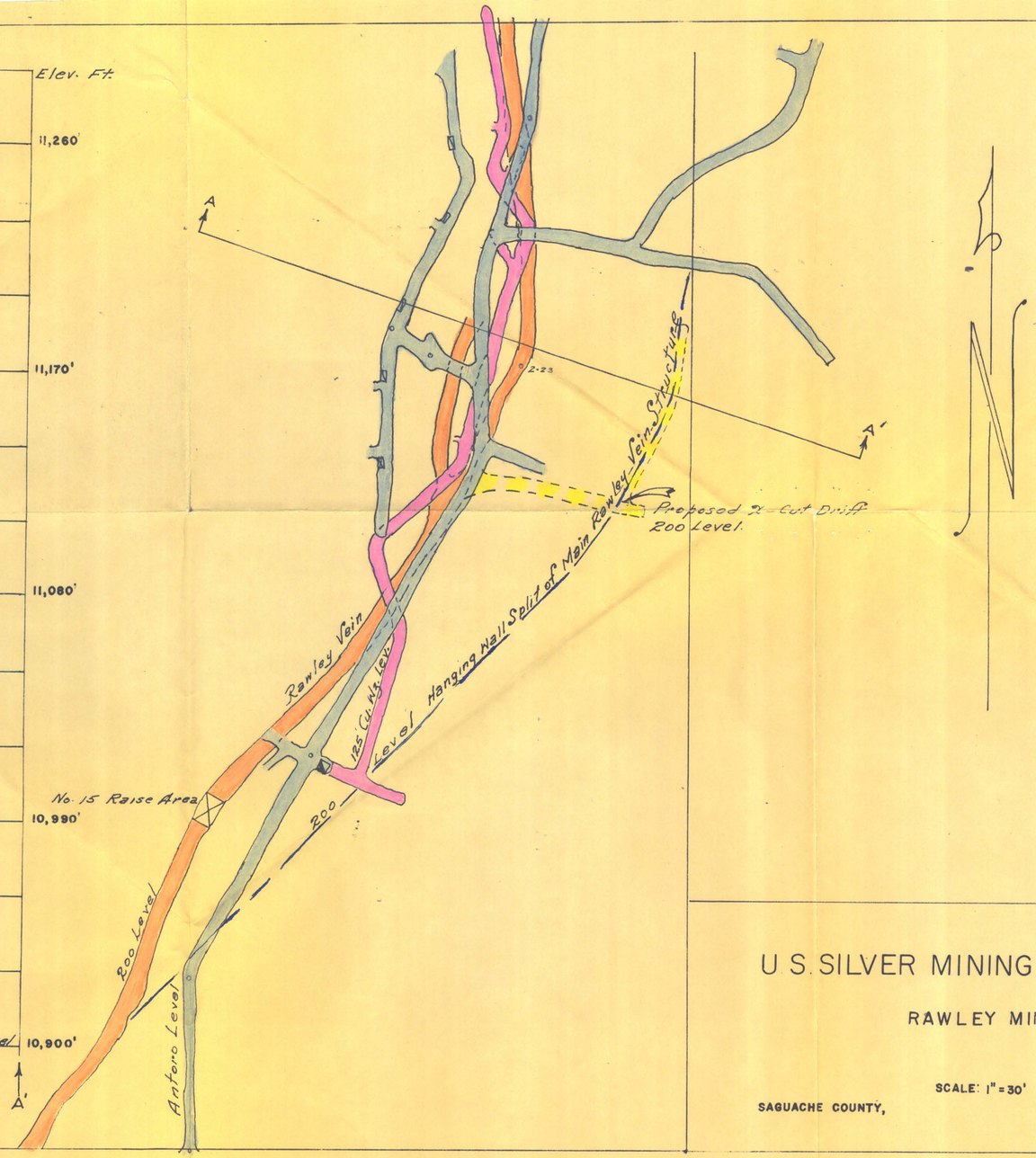
MAP OF RAWLEY 200 LEVEL AND ANTORO ADIT
U.S. SILVER MINING COMPANY, INC.

Scale 1" = 30 ft.

Adapted by J.W.H. 11/21/71 from report data.



Cross Section A-A' ~ Projection H.W. Rawley Vein
N 70° W Looking North
Scale 1" = 30ft.



N

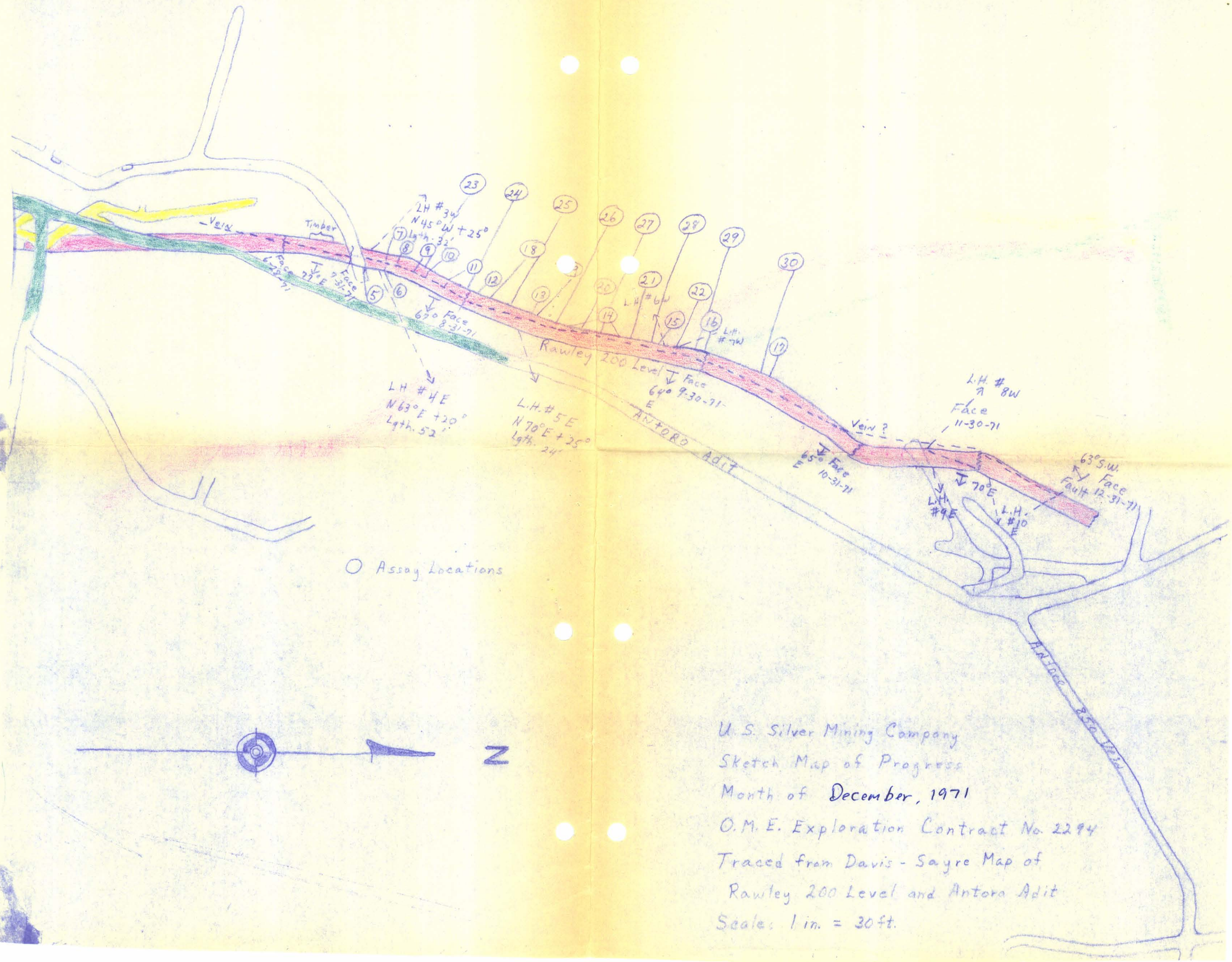
U.S. SILVER MINING COMPANY

RAWLEY MINE

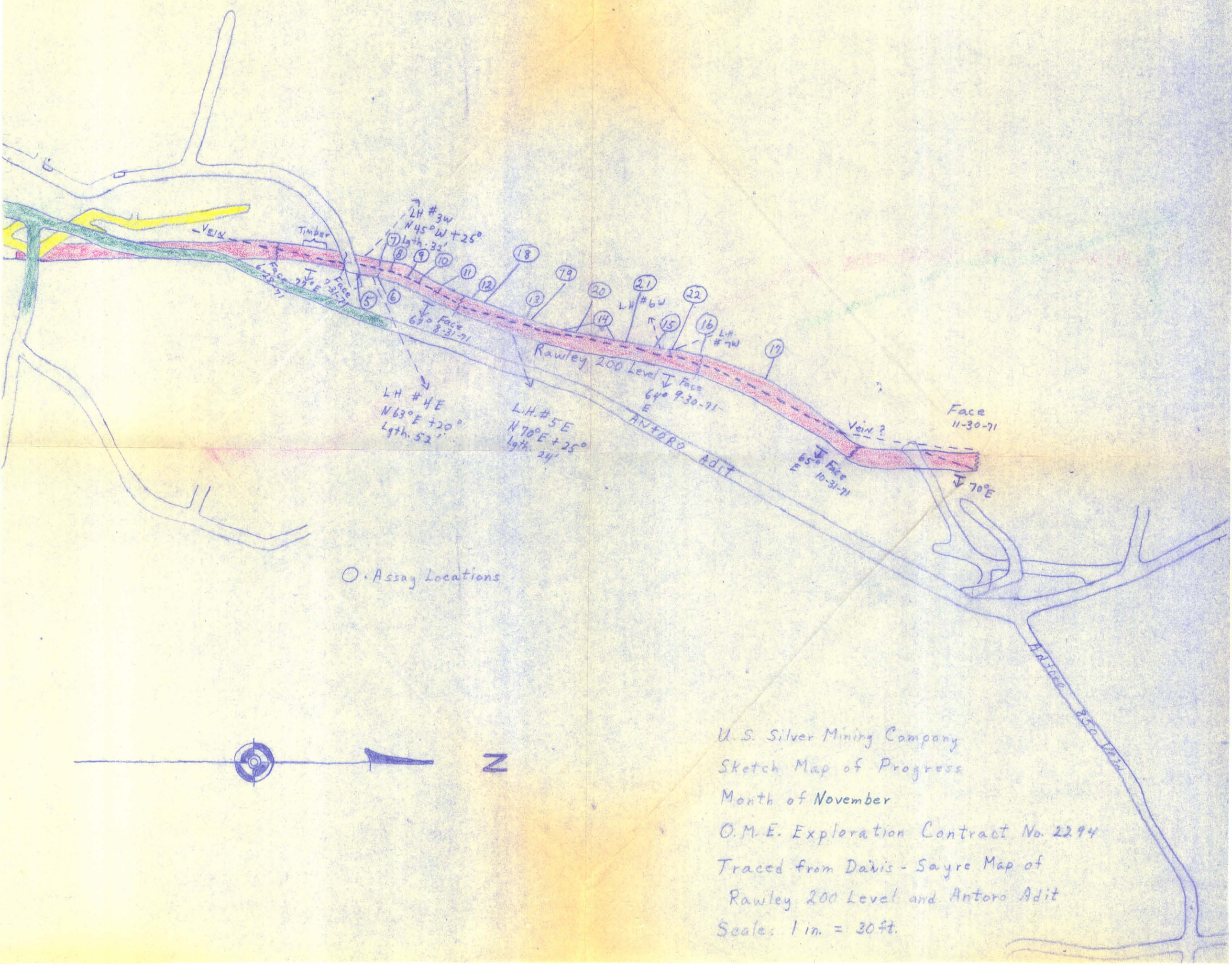
SCALE: 1" = 30'

SAGUACHE COUNTY, COLORADO

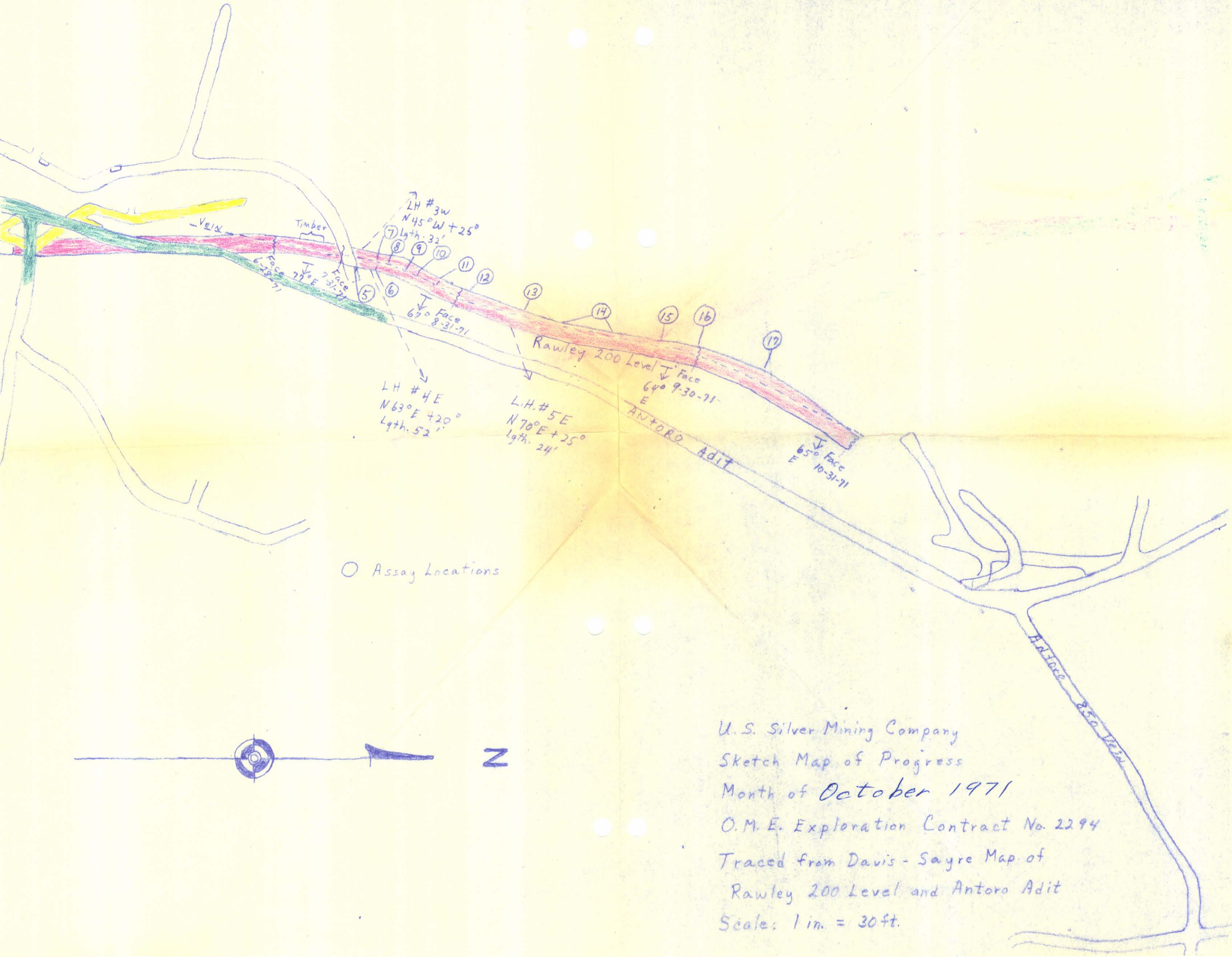
M.T. Evans 5-72



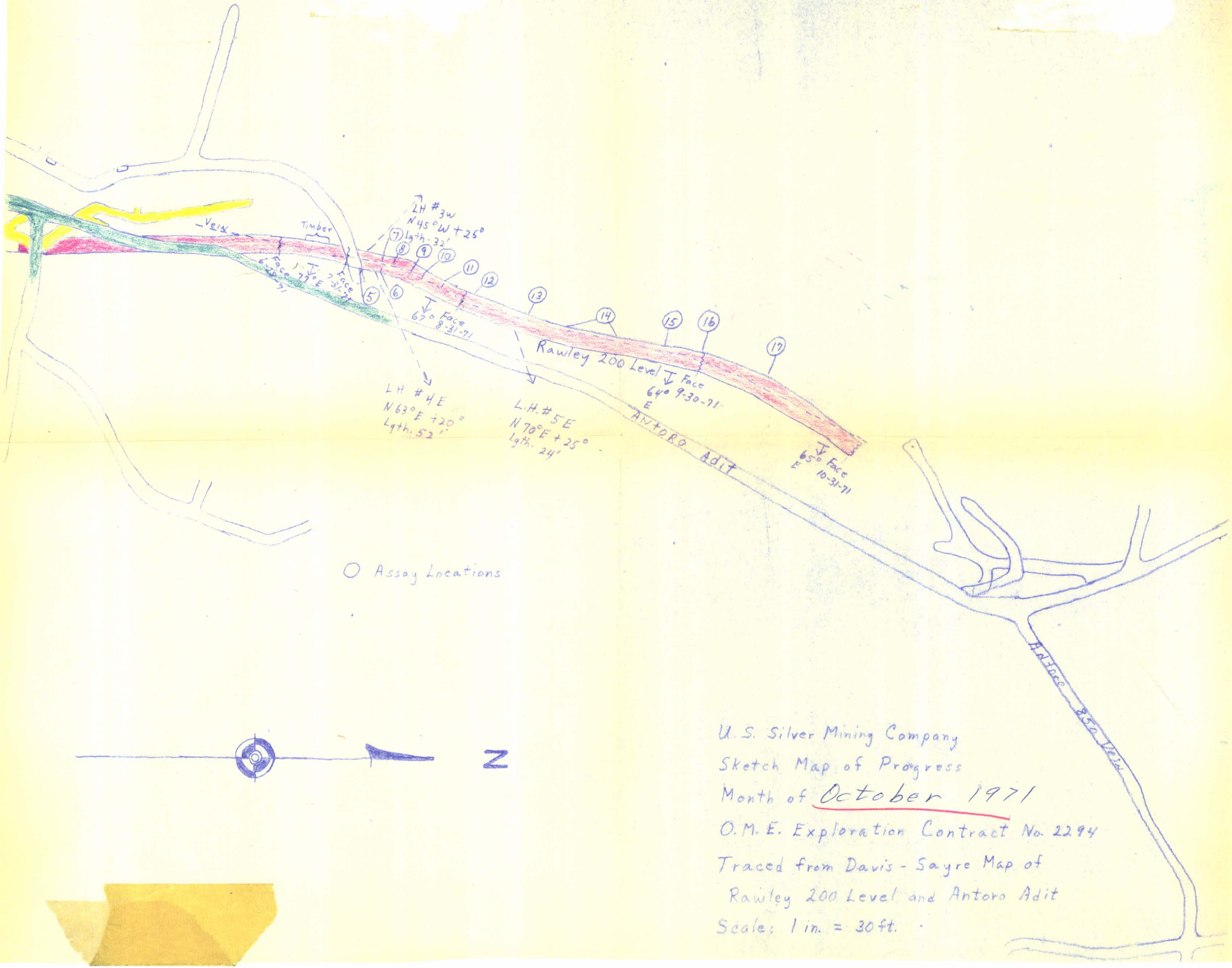
U. S. Silver Mining Company
Sketch Map of Progress
Month of December, 1971
O. M. E. Exploration Contract No. 2294
Traced from Davis - Sayre Map of
Rawley 200 Level and Antoro Adit
Scale: 1 in. = 30 ft.



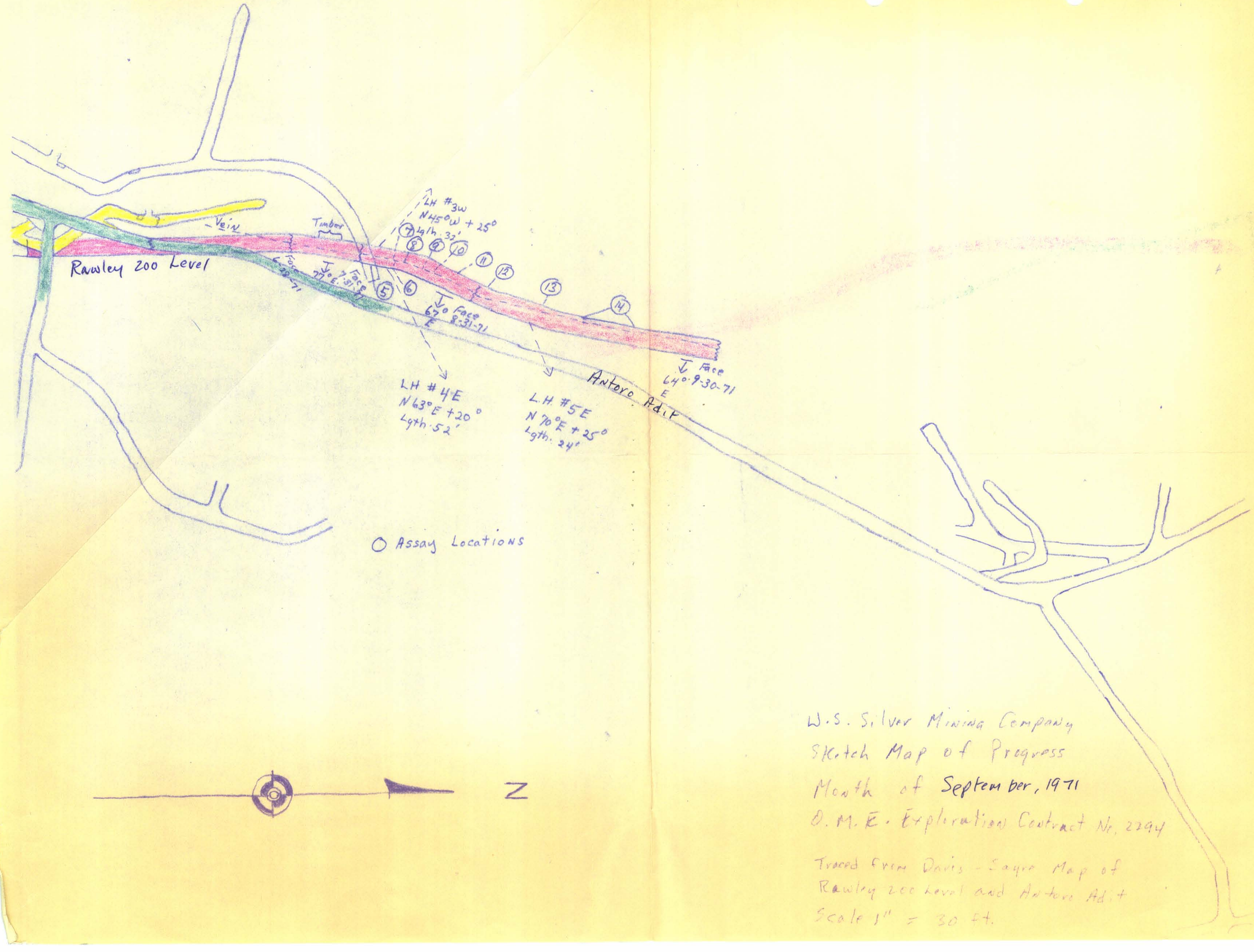
U.S. Silver Mining Company
Sketch Map of Progress
Month of November
O.M.E. Exploration Contract No. 2294
Traced from Davis - Sayre Map of
Rawley 200 Level and Antoro Adit
Scale: 1 in. = 30 ft.



U.S. Silver Mining Company
Sketch Map of Progress
Month of October 1971
O.M.E. Exploration Contract No. 2294
Traced from Davis - Sayre Map of
Rawley 200 Level and Antoro Adit
Scale: 1 in. = 30 ft.

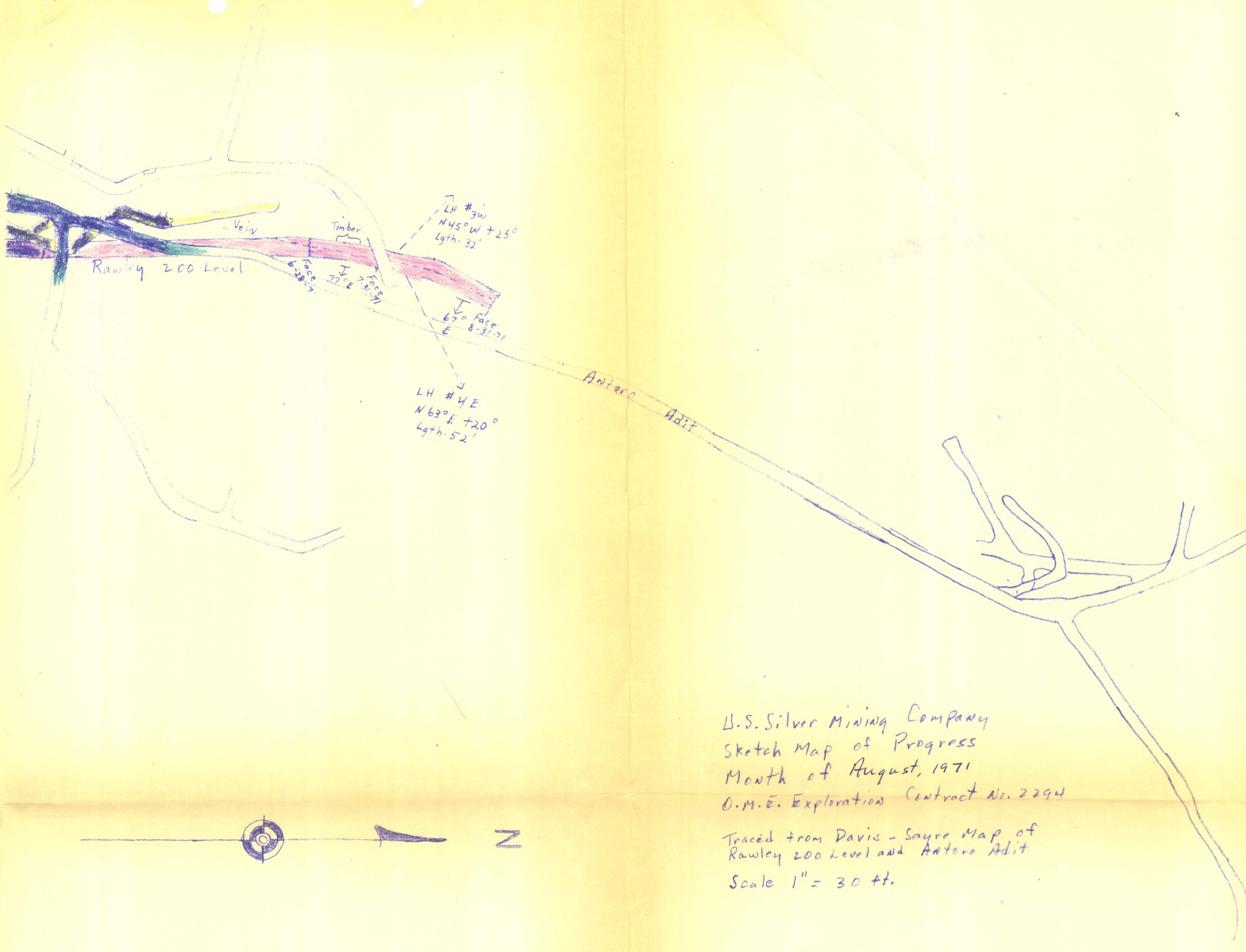


U. S. Silver Mining Company
Sketch Map of Progress
Month of October 1971
O. M. E. Exploration Contract No. 2294
Traced from Davis - Sayre Map of
Rawley 200 Level and Antoro Adit
Scale: 1 in. = 30 ft.



W.S. Silver Mining Company
Sketch Map of Progress
Month of September, 1971
O.M.E. Exploration Contract No. 2294

Traced from Davis - Sayre Map of
Rawley 200 Level and Antoro Adit
Scale 1" = 30 ft.



U.S. Silver Mining Company
Sketch Map of Progress
Month of August, 1971
O.M.E. Exploration Contract No. 2294

Traced from Davis - Sayre Map of
Rawley 200 Level and Antero Adit

Scale 1" = 30 ft.