UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

## OFFICIAL DOCKET FILE

Terminated (or cancelled) without certification. DMEA No. 1238

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

**Left Side**

- ✓ Certificate of Audit (Final).
- Interim Audit(s).
- Report of Review.
- ✓ CLOSING LETTER
- Termination Notice or Agreement.
- Recision Notice.
- Assignment of Contract.
- ✓ Contract Amendments (latest on top).
- ✓ Contract with all exhibits and annexes.
- Owner's Consent to Lien.
- Subordination Agreement.
- Leases and assignments of leases.
- ✓ Application and attachments.
- Schedule of Collections.
- ✓ Operator's monthly reports and all attachments (latest on top).

**Right Side**

- ✓ Project summary.
- ✓ Work completed analysis.

All other material is filed in chronological order with correspondence including the following reports as checked:

- ✓ Final Field Team Report. (Tab)
- Operator's Final Report. waived.
- ✓ Interim Reports.
- ✓ On-site Exam Report(s). (Tab)
- Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number II

Operator's Monthly Reports in folder number _____

CW
Reviewer's Initials

7973

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

## AUDIT CERTIFICATE

I have examined the records and transactions of

Hope Silver-Lead Mines, Inc.
Kennewick, Washington

pertaining to Exploration Project Contract No. Idm-E130, Docket No. DMA 1238X, for the period of September 5, 1951 through July 31, 1952.

My examination, with the collaboration of C. A. Turner, was made in accordance with generally accepted standards applicable in the circumstances.

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

| | | |
|---|---|---|
| Total cost as billed by contractor | | $37,953.33 |
| Exceptions (see audit report for details) | | |
| During this audit | $ 487.88 | |
| Prior to this audit | 1,053.78 | 1,541.66 |
| Total adjusted cost | | $36,411.67 |
| Total contract cost of project | | 36,000.00 |
| In excess of contract | | $ 411.67 |
| Total accepted cost | | $36,000.00 |

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Eighteen Thousand Dollars

$18,000.00

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

November 24, 1952

Robert M. Hull

Robert M. Hull, Auditor

## I INTRODUCTION

On November 19 and 20, 1952 a final audit (covering the period of September 5, 1951 through July 31, 1952) was made of the records and accounts of operations pertaining to Contract No. Idm-E130, Docket No. DMA 1238X, dated September 5, 1951 and as subsequently amended on January 17 and June 10, 1952, with the

Hope Silver-Lead Mines, Inc.
Kennewick, Washington

covering a project of exploration for lead and zinc.

The exploration project is located near Clark Fork, Bonner County, Idaho. The accounting records pertaining to this contract are located in the Tri-City Herald Building, Kennewick, Washington.

During the course of the audit the following officers of the company were consulted as required:

Mr. Glenn C. Lee, President
Mr. Richard Gilbraith, Accountant

Their cooperation and assistance greatly facilitated the audit. Mr. Charles A. Turner, DMEA Auditor, collaborated in this audit.

## II GENERAL INFORMATION ON RECORDS

The accounting records for the exploration project consist of summary monthly statements supported by comprehensive payroll records, copies of purchase invoices or suppliers' statements, and duplicate copies of the bank checks.

In some instances duplicate purchase invoices were not available for examination during the audit. Such invoices had been attached to the

monthly Form MF-104 and filed in compliance with the documentation requirements of the DMEA Finance Officer. The auditors, however, were able by examination of cancelled checks or monthly statements from suppliers to satisfy themselves concerning the propriety of such items. In addition, the supporting data forwarded to the Finance Officer by the Operator was reviewed in the Spokane office of the Defense Minerals Exploration Administration.

At the time of the audit the Operator's MF-104 for the month of July 1952 had been received in the Bureau of Mines office, Spokane, Washington, but had not been processed for payment because of the pending termination of the contract.

## III SCOPE OF AUDIT AND FINDINGS

The audit consisted of a detailed examination of all accounting data as to accuracy, propriety, and validity of the costs as shown in the "Totals to Date" column of Form MF-104, "Operator's Monthly Report and Voucher" for July 1952. The extent of the audit and the findings under each of the "Items of Cost" follow:

(2) Labor and Supervision

The charges under this item were checked against the payroll records. The weekly time reports were examined as to labor time, rates and charges. They were checked to the payroll records for the entire period under audit and the duplicate payroll checks were also examined.

The payroll for the month of June was overstated by $188.96. The Operator claimed the sum of $754.90 for labor; however, by computation the proper amount should have been $565.94. (Schedule B)

(3) Operating Materials and Supplies (timber, explosives, gas, oil, power)

The charges against this category were checked against the monthly statement. The purchases for the period under audit were verified for adequate accounting support and were checked for proof of payment against the duplicate copy of the check. There was erroneous distribution of $77.01 to "Explosives"; this should have been charged to "Miscellaneous", "Fire Insurance."

The power charges, while appearing excessive, were caused by the unusually large amount of water that had to be constantly pumped from the mine. This point was verified by E. A. Magill, the engineer assigned to the project by the DMEA Field Team.

(4) Operating Equipment - Furnished by the Operator

Exhibit "A" of the exploration contract provides for monthly depreciation allowances on sundry equipment furnished by the Operator. Charges for this item were made at the authorized rates when such equipment was indicated as being in use on the project.

The Operator erroneously claimed the maximum allowable for depreciation ($276.67) twice on the November MF-104. The sum of $276.67 was disallowed by the DMEA Finance Officer.

(7) Miscellaneous

a. Repairs to Equipment

The charges for this item were examined, analyzed as to propriety and found to be properly supported.

b. Fire Insurance

The Operator claimed $188.47 for "Fire Insurance" through January 1952. The DMEA Finance Officer disallowed the sum of $66.41 claimed in February 1952. In the ensuing five months the Operator made no further claim. The balance of $111.46 as reported by the Operator on Form MF-104 was incorrect inasmuch as an item of $77.01 was improperly classified under "Explosives." This item of $188.47 was disallowed by the audit as it was considered an overhead item and not covered by the exploration contract.

c. Workmen's Compensation Insurance and Payroll Taxes

The charges for Workmen's Compensation Insurance were checked by computation at the rates shown by the company files to be in effect. These rates were:

| | |
|---|---|
| Mining | $5.50 per $100.00 |
| Surface labor | $2.00 per $100.00 |
| Office | $0.05 per $100.00 |

The Operator erroneously stated the Workmen's Compensation Insurance by claiming the entire amount paid to the Idaho Compensation Commission during periods when the entire payroll was not chargeable to the exploration program.

The Operator did not claim any payroll taxes.

## IV CONCLUSIONS AND RECOMMENDATIONS

The audit has disclosed that the costs as charged to this project as reflected in Schedule A attached to this report are in accordance with the terms of the contract and amendments thereto.

The total cost claimed by the Contractor was $37,953.33; however, with the exceptions taken prior to and during the audit the total adjusted cost was $36,411.67. Whereas the agreed estimated total cost of the project was $36,000.00, with a 50 percent participation by the Government, the project was overexpended by $411.67.

Robert M. Hull

Robert M. Hull, Auditor

HOPE SILVER-LEAD MINES, INC.
Contract Idm-E130

SCHEDULE A

| | Totals 7/31/52 MF-104 | Distribution corrected | Disallowed by Finance Officer | Disallowed by audit | Allowed by audit |
|---|---|---|---|---|---|
| 2. Labor and Supervision | | | | | |
| Labor | $18,037.62 | $18,293.66 | $ 67.27 | $188.77 | $18,037.62 |
| Supervision | 4,969.70 | 4,969.70 | | | 4,969.70 |
| Engineering | | 100.00 | 100.00 | | |
| 3. Operating Materials and Supplies | | | | | |
| Timber | 71.50 | 71.50 | | | 71.50 |
| Explosives | 932.38 | 1,173.90 | 318.53 | | 855.37 |
| Other | 560.20 | 560.20 | | | 560.20 |
| Power | 7,936.20 | 8,061.20 | 125.00 | | 7,936.20 |
| 4. Operating Equipment Furnished by Operator | 2,498.02 | 2,774.69 | 276.67 | | 2,498.02 |
| 7. Miscellaneous | | | | | |
| Repairs to Equipment | 568.72 | 568.72 | | | 568.72 |
| Fire insurance | 111.46 | 254.88 | 66.41 | 188.47 | |
| Workmen's Comp. | 1,024.98 | 1,124.88 | 99.90 | 110.64 | 914.34 |
| | $36,710.78 | $37,953.33 | $1,053.78 | $487.88 | $36,411.67 |
| In excess of contract | | | | | 411.67 |
| Allowed by contract | | | | | $36,000.00 |

HOPE SILVER-LEAD MINES, INC.
Contract Idm-E130

SCHEDULE B

| | Monthly Payroll | | Claimed Payroll | | Excess Claimed | |
|---|---|---|---|---|---|---|
| | Labor | Comp. Ins. | Labor | Comp. Ins. | Labor | Comp. Ins. |
| **1951** | | | | | | |
| Sept. 5 to Oct. 31, 1951 | | | | | | |
| September | $ 1,982.40 | $ 81.92 | | | | |
| October | 2,062.00 | 85.29 | $ 3,721.93 | $ 153.56 | — | — |
| November | 2,129.70 | 84.37 | 1,992.80 | 84.37 | — | 4.88 |
| December | 2,007.53 | 81.15 | 1,996.42 | 81.15 | — | 29.44 |
| **1952** | | | | | | |
| January | 2,477.80 | 99.90 | 2,425.40 | 99.90 | — | 3.15 |
| February | 3,139.80 | 123.61 | 3,139.80 | 123.61 | — | — |
| March | 3,371.99 | 132.45 | 3,371.00 | 132.45 | — | — |
| April Claimed 2/3 $2802. | 2,802.00 | 103.27 | 1,868.00 | 103.27 | | 28.75 |
| May " " $2993.40 | 2,993.40 | 117.19 | 1,995.60 | 117.19 | | 37.59 |
| June " 1/3 $1698.00 | | | | | | |
| " 1/5 584.70 | 2,282.70 | 86.18 | 871.84 | 86.18 | 188.96 | 58.94 |
| July " actual drift labor | 3,288.80 | 143.20 | 2,391.80 | 143.20 | | 47.79 |
| | $28,538.12 | $1,138.53 | $23,074.59 | $1,124.88 | $188.77 | $210.54 |
| Disallowed by Finance Officer | | | 67.27 | 99.90 | — | 99.90 |
| | | | $23,007.32 | $1,024.98 | $188.77 | $110.64 |

FILE COPY
SURNAME:

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

Griswold
Chambers
Bishop
Hofflund
Chamber

Mr. Glenn C. Lee, President
Hope Silver-Lead Mines, Inc.
P. O. Box 126
Kennewick, Washington

APR 1 1953

Re: Docket No. DMA-1238 (Lead-Zinc)
Hope Silver-Lead Mining Co.
Bonner County, Washington
Contract No. Idm-M130

J.C. 4/1/53

Dear Mr. Lee:

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

The final audit of the contract expenditures and the final report of the Field Team have been received and accepted by this Administration. The final report by the Operator has been waived.

Of the total amount of $36,000 approved under the contract, this total sum was expended, 50 per cent of which, or $18,000, represented the Government's share. There were no unused materials, supplies or equipment to be disposed of for the joint account of the Operator and the Government. The work performed under the contract was done in a satisfactory manner.

Because the results of the exploration were unfavorable, we did not make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 11 of the contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract."

Your interest in the Exploration Program of the Defense Minerals Exploration Administration, and your willingness to participate therein are appreciated.

WRGriswold/HCRubin/em
Copy to: Mails and Files
Adm. R. File
Op. Comm.
Base Metals
Reg. III (2)
Mr. Kinkel
Mr. Bishop
Mr. Griswold
Mr. Hofflund
Mr. Rubin
Mr. Kinkel
pending

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

500 FILE COPY
SURNAME:

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

Journal
Chronic

rewritten
3/27/53
HCR/em

Mr. Glenn C. Lee, President
Hope Silver-Lead Mines, Inc.
P. O. Box 126
Kennewick, Washington

Re: Docket No. DMA 1238 (Lead-Zinc)
Hope Silver-Lead Mining Co.
Hope Mine, Bonner County, Wash.
Contract No. Idm-E130

Dear Mr. Lee:

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

The final audit of the contract expenditures and the final report of the Field Team have been received and accepted by this Administration. The final report by the Operator has been waived.

Of the total amount of $36,000.00 approved under the contract, this total sum was expended, 50 percent of which, or $18,000.00, represented the Government's share. There were no unused materials, supplies or equipment to be disposed of for the joint account of the Operator and the Government. The exploration work was completed in a satisfactory manner.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 11 of the contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract".

Your interest in the Exploration Program of the Defense Minerals Exploration Administration, and your willingness to participate therein are appreciated.

WRGriswold/hmj (3/23/53)
CC to: Docket
Admin. R. File
Op. Committee
Base Metals
Region III (2)
Mr. Kinkel
Mr. Bishop
Mr. Griswold
Chron.

Sincerely yours,

Administrator

RECEIVED Government Copy
JUN 23 1952
U. S. G. S.
SPOKANE, WASH.

(Amendment to Change Starting and Completion Dates)

AMENDMENT NO. 2

It is agreed this 10th day of June 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Hope Silver-Lead Mines, Inc. Kennewick, Wash. (Docket 1238 - lead-zinc)

each acting in consideration of the agreement to the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E130 of September 5 1951 between the parties hereto be modified and amended to change ~~the starting date from xxxxxxxx to within xxxxxxxx of the date of the contract and~~ the completion period from nine (9) (No. of days) to twelve (12) (No. of months) from the date of the contract. The effective date of this amendment shall be June 1 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum".

Executed in sextuplicate the day and year first above written.

HOPE SILVER-LEAD MINES, INC.
(Operator)
By Glenn C. Lee

The United States of America
By A. E. Weissenborn
A.E.Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 30 1952

Washington - 3 cc

FEB 1 1952

Dma-1238
Contract + Audit Div.

AMENDMENT NO. 1

It is agreed this 17th day of January 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Hope Silver-Lead Mines, Inc.
Kennewick, Wash.

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E130 of September 5 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached therto, is made a part of this aggrement. The effective date of this amendment shall be September 5 1951.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be constued to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

HOPE SILVER-LEAD MINES, INC.
(Operator)

By Glenn C. Lee

The United States of America

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

Mr Moneds approved
Amendment #1 2/13/52
(NB)

HOPE SILVER-LEAD MINES, INC.
Exploration Project Contract Idm-E130

AMENDMENT NO. 1

EXHIBIT "F"

Changes and modifications

In Exhibit "A" of the contract under Labor and Supervision change the wages per 8-hour shift of miners, hoistman and skiptender from $12.00 to $12.80 per shift.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 1 1951

APPROVAL

December 7, 1951

Under authority granted by Order No. 2653 of the Acting Secretary of the Interior, approval is hereby given to an adjustment in the miners wage scale from $1.50 p.h. to $1.60 p.h. as requested by Glenn C. Lee, President, Hope Silver-Lead Mines, Inc., by letter dated December 4, 1951, copy attached, and pertaining to a portion of the work to be performed under Exploration Contract Idm-E130, dated September 5, 1951.

This approval shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

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

M. E. Volin
Member, DMEA
Field Team, Region II

C
O
P
Y

HOPE SILVER-LEAD MINES, INC.
Clark Fork, Idaho

December 4, 1951

Executive Officer of Region #2
Defense Minerals Administration
1201 Division St.
Spokane, Washington

Dear Sir:

HOPE SILVER-LEAD MINES, INC., DMA loan Contract Idm-E 130, was paying a labor scale to its miners of $1.50 per hour when our first request was submitted to DMA for loan consideration.

Before the loan was granted the scale was raised to $1.60 per hour.

We therefore ask and request your approval that our scale of $1.60 be authorized as related to our contract.

Mr. Gle[illegible] Reed of the Bureau of Mines has returned our first fi[illegible] report to us outlining that this was one of the reasons why our [illegible]port was not accepted.

We have [illegible] sent our detailed report into Mr. Reed and will appreciate if you will approve a $1.50 to $1.60 per hour.

Will you kindly advise me the action that you take in this respect.

Thank you.

Very truly yours,

HOPE SILVER-LEAD MINES, INC.

Glenn Lee (signed)

Glenn C. Lee
President

GCL:lm

MF-200
(June 1951)

Docket No. DMA 1238X
Commodity Lead-Zinc
Idm-E130

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

# EXPLORATION PROJECT CONTRACT [1]

It is agreed this 5th day of September, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Hope Silver-Lead Mines, Inc. Kennewick, Washington

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Idaho, County of Bonner described as follows: [3] NW 1/4 NW 1/4 of Section 35, T. 56 N., R. 2E., B.m., Known as the Hope Mine.

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None.

(*b*) ~~That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached~~

3. *Exploration project.* The Operator, within Thirty (30) days from the date of this contract shall commence work on a project of exploration for [5] Lead and Zinc; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] Nine (9) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $18,000.00, which is 50 percent of the agreed estimated total cost of this project, $36,000.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

Hope Silver-Lead Mines, Inc.
(Operator)

By Glenn C. Lee
President

THE UNITED STATES OF AMERICA

By C O Mettendorf
Director, Production Expansion Division
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

Hope Silver-Lead Mines Inc.

Bonner County, Idaho

Exploration Project Contract

EXHIBIT "A"
Page 1 of 3 pages and map

Exploration Project

Time Schedule

Months

9 1. Drift on Red Vein on 700 level 1200 feet from present face to side line or intersection of Nordquist fault.

Estimated Cost of Exploration

1. Drifting 1200 feet @ $30/foot* $36,000.00

* Per foot cost includes labor, supervision, pipe, rail, equipment, air, water, sampling, assaying, and all operating expenses.

This crosscut is to be not greater than six feet wide by seven feet six inches high, within practical limits.

Fixtures and improvements

No additional facilities, buildings, or fixtures are needed, and none are to be charged against the cost of the project.

DMA Docket No. 1238X

Hope Silver-Lead Mines, Inc.

Bonner County, Idaho

Exploration Project Contract

EXHIBIT "A"
Page 2 of 3 pages and map

Operating equipment

To be rented: ----------None.

To be purchased: ----------None.

To be furnished by Operator:

| | Value | Maximum Allowable Monthly Depreciation |
|---|---|---|
| 1 Stationary electric air compressor 420 cfm or equivalent | $4,000.00 | $ 66.67 |
| 2 Drifters mounted on jumbo | 2,500.00 | 41.67 |
| 1 Eimco 12-B mucking machine | 3,000.00 | 50.00 |
| 1 1-1/2 T battery locomotive | 5,000.00 | 83.33 |
| 10 21 cu. ft. mine cars | 1,500.00 | 25.00 |
| 1 Stoper | 600.00 | 10.00 |
| Total | | $276.67 |

Hope Silver-Lead Mines Inc.

Bonner County, Idaho

Exploration Project Contract

EXHIBIT "A"
Page 3 of 3 pages and map

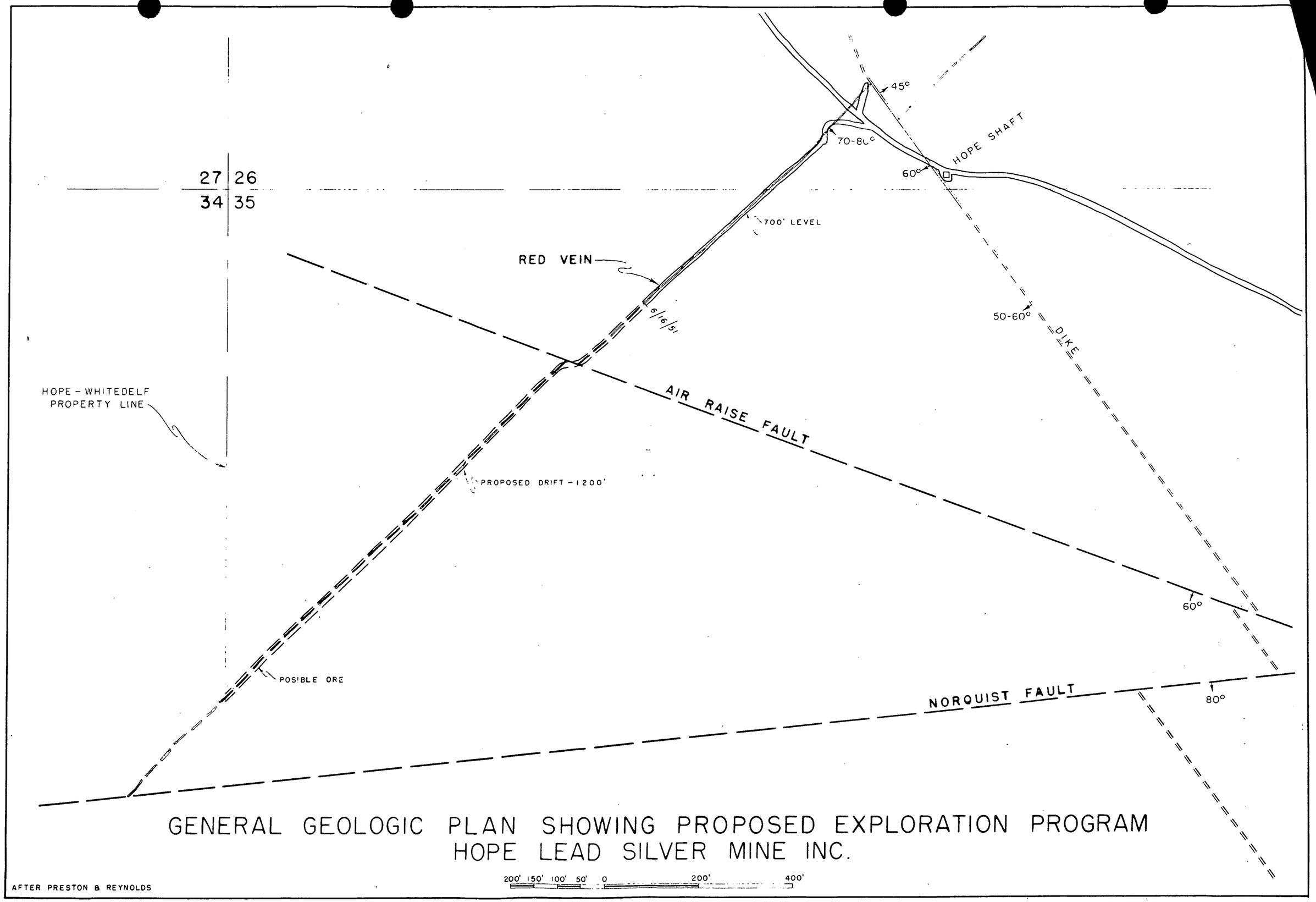
Labor and Supervision

| | Wage per 8-hr. shift |
|---|---|
| Miners | $12.00 |
| Hoistman | 12.00 |
| Skip Tender | 12.00 |
| Mechanic-Blacksmith | 14.80 |
| Foreman | 14.80 |
| | Salary per month |
| Mine Superintendent (part time) | $100.00 |
| Engineer (part time) | 100.00 |

The above rates are subject to lawful overtime increases and revisions of pay scale under union contract.

Rehabilitation and Repairs

No rehabilitation or repairs are planned on existing facilities, installations, and buildings.




GENERAL GEOLOGIC PLAN SHOWING PROPOSED EXPLORATION PROGRAM
HOPE LEAD SILVER MINE INC.

AFTER PRESTON & REYNOLDS

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

# APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. Dma-1238 X

Date received 5/21/51

Participation

Hope Silver-Lead Mines, Inc.
% Glenn C. Lee, President
Kennewick, Washington

Name and address of applicant

Date May 7, 1951

FILL IN THIS BLOCK

Date of application April 10, 1951 (Original)

Estimated cost $ 40,983.50

Mineral or metal Lead-zinc

Percentage of Government participation 50%

Location of mine Clark Fork, Bonner County, Idaho

Date of filing MF-100

DMA Docket Number, if available Dma-1238X

## INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

## THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Corporation

*2. If a partnership, state names and addresses of partners.

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. See Supplemental sheet.

*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project. See supplemental sheet

*5. Are you the owner or the lessee of the property? Owner

6. If owner, state what claims, liens, or encumbrances, if any, are against the property. None

7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. See supplemental sheet.

9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? See supplemental sheet.

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

## THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

    See supplemental sheet.

*11. State the present and former names of the property, if any. See supplemental sheet.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads. See supplemental sheet.

*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source. See supplemental sheet.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work. See supplemental sheet.

15. State in detail how the ore could be shipped and how and where milled. See supplemental sheet.

*16. History: Previouslu submitted.
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

| | *Tons per day* | *Grade or analysis* | *Cost per ton* | *Net value per ton* |
|---|---|---|---|---|
| (1) Mining | Other than small scale leasing no ore is now being mined or milled. | | | |
| (2) Milling | | | | |
| (3) Shipped or sold | | | | |

*18. Ore or mineral reserves: (If property is or has been operating.) Previously submitted.
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

## THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? °

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. °

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. Previously submitted

    ° For 20 and 21 see supplemental sheet.

## THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows: See supplemental sheet.
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent. See supplemental sheet.

## CERTIFICATION

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

Hope Silver Lead Mines, Inc.
(Name of company)

By Glenn C. Lee *Glenn C. Lee*
(Signature of authorized official)

May 8, 1951.
(Date)

President.
(Title)

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

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Supplement to Form MF-103

Hope Silver-Lead Mines, Inc.

THE APPLICANT

3. Officers and Directors:

Glenn C. Lee, Kennewick, Washington - President
Edwin L. Groenig, R.F.D., Yakima, Washington - Vice-President
L. P. Larson, Coeur d'Alene, Idaho - Secretary-- Treasurer

The above, with the following persons, consist the Board of Directors:

Lawrence Brulotte, R.F.D., Yakima, Washington - Director
Albert M. Nash, Clark Fork, Idaho - Director.

Five large stockholders with their addresses:

J. E. Stiegler, Naches, Washington
Zelia Brulotte, Rte #1, Yakima, Washington
Ferdinand A. Chott, Box 446, Rte 2, Yakima, Washington
Frank H. Souther, Box 3, Yakima, Washington
Francis S. Kohls, Box 95, Moxee City, Washington

4. Operations at the Hope Silver-Lead Mine are under the supervision of Mr. Elmer Shields, Mine Foreman. Mr. Shields has been at the Hope for a number of years. He had previously worked in several of the larger mines in the Coeur d'Alene District. The general supervision, together with all engineering and geological work, is done by the private consulting firm of Preston & Reynolds, Kellogg, Idaho. Mr. Kenneth L. Preston is a graduate mining engineer and prior to going into the consulting business had worked as an engineer for Sunshine Mining Company and Denver Development, both in the Coeur d'Alene District. Mr. John R. Reynolds graduated from the University of Idaho in geology. He worked for one year with the U.S.G.S. and for five years with the U.S.Bureau of Mines. Mr. Reynolds left the Bureau of Mines in 1945 and worked for a year as geologist for Denver Development. In 1946 he and Mr. Preston started their consulting practice.

8. See Exhibit A, Exhibit B and Exhibit C attached to this supplement.

9. The corporation is prepared to spend $25,000.00 or whatever its share of the cost might be.

10. (a) NE$\frac{1}{4}$NE$\frac{1}{4}$ (less railroad); SE$\frac{1}{4}$NE$\frac{1}{4}$;SW$\frac{1}{4}$ (less tax 1); NE$\frac{1}{4}$SE$\frac{1}{4}$;NW$\frac{1}{4}$SE$\frac{1}{4}$, all in Section 26-Township 56-Range 2 East of Boise Meridian, Bonner Co. Idaho.

NE$\frac{1}{4}$SW$\frac{1}{4}$ and NW$\frac{1}{4}$SW$\frac{1}{4}$ Sect. 25- Township 56, Range 2 East Bonner Co., Idaho

(10. continued)
NW$\frac{1}{4}$ of NW$\frac{1}{4}$ Section 31, Township 56, Range 3 East, Bonner County, Idaho.

S$\frac{1}{2}$ of SW$\frac{1}{4}$ Section 30, Township 56, Range 3 East, Bonner County, Idaho.

N$\frac{1}{2}$NE$\frac{1}{4}$; S$\frac{1}{2}$NE$\frac{1}{4}$ (less tax 1); NE$\frac{1}{4}$NW$\frac{1}{4}$; NW$\frac{1}{4}$NW$\frac{1}{4}$ Sec. 35, Twp. 56 Range 2 East, In Bonner County, Idaho.

SW$\frac{1}{4}$NW$\frac{1}{4}$ (undivided $\frac{1}{2}$ interest) Sec. 35-Twp. 56 Range 2 East, Bonner County, Idaho.

SE$\frac{1}{4}$NW$\frac{1}{4}$ (Less R.R.) Sect. 35- Township 56, Range 2 East, Bonner County, Idaho. (3/4 interest - $\frac{1}{4}$ int. belonging to E. O. Clagg, Clark Fork, Idaho)

Also the following Mining Claims:

Hope No. 1; Hope No. 2; Hope No. 3; Hope No. 4; Hope No. 5; Hope No. 6; Hope No. 7; Hope No. 8; Recorded in Book 10 of Quartz locations, Bonner County, Idaho.

Amended Hi-Point, recorded in Book 10, Quartz Locations, Bonner County, Idaho.

Amended Lone Pine, recorded in Book 10 of Quartz Locations, Bonner County, Idaho.

C.Q. No.1 and C.Q. No.2, recorded in Book 10 of Quartz Location, in Bonner County, Idaho.

Hummer No. 1 and Hummer No. 2 recorded in Book 10 of Quartz Locations Notices, Bonner County, Idaho. (Lode Mining Claims).

(b)

The block of ground to be explored consists of all of the NW$\frac{1}{4}$NW$\frac{1}{4}$ of section 35, Township 56 N.-Range 2 East, Boise Meridian.

11. The property is now known as the Hope. It was formerly the Elsie K.

12. The Hope Mine is situated about two miles due north of the railroad station at Clark Fork, Idaho. A good, all weather, road extends from U.S. 10A at Clark Fork to the mine.

13. At the present time approximately 6000 gallon of water per hour are being pumped from the mine. Mill and domestic water is pumped from a 30 foot well near Lightning Creek. There is sufficient water for all purposes at all times.

    Electric power is purchased from the Mountain States Power Co. on a peak demand basis. The power bill is currently averaging about $475.00 per month. The rate should remain nearly the same during the period of the proposed exploration and development program.

14. The following buildings will be used in the proposed program:

1. The shop and compressor rooms are combined in one building size 26' x 46' and is of a wooden construction covered with galvanized iron.
2. The dry house is 20' x 32' wooden construction covered with heavy roofing paper.
3. The hoist house is 18' x 24' wooden construction covered with galvanized iron.
4. The mill building is 32' x 100' wooden construction covered with galvanized iron.

The following equipment will be used in the proposed program:

Compressors: 1 Ingersoll Rand 625 cu. ft., 1 Worthington 420 cu. ft.
1 Chicago Pneumatic 160 cu. ft.

Shop Equipment:
1 Gardner Denver steel sharpener, 1 oil furnace
1 blacksmith forge and complete set of blacksmith tools, electric and oxyacetylene welders, drills, grinders, and all necessary tools for repairing our equipment.

Hoist: C.D.A 200 HP electrically controlled

Pumps:
1 Pamona turbine type 75HP
1 Pamona turbine type 60 HP
2 Ingersoll Rand motor pumps 40HP

Rock Drills:
3 I.R. DA30 drifters, two of these machines are mounted on an air bar jumbo.
2 I.R. R48 stopehammers
2 Worthington stopehammers
2 Chicago Pneumatic stopehammers

Mucker:
1 Emico model 12B

Locomotives:
2 Atlas 1½ ton complete with 3 Edison batteries.

Cars:
10 C.D.A. 21 cu ft. end dump
4 C.D.A. 2 ton side dump

15. The ore could be milled in the 150 ton flotation mill belonging to Hope Silver-Lead and located on the property. Concentrates could be either trucked or shipped by rail to Montana or Idaho smelters.

## THE EXPLORATION

20. The proposed program calls for drifting to the west along the Red, or East, vein to its intersection with the Norquist fault. In that area geological conditions similar to those in which the ore bodies in the neighboring Whitedelf Mine occur should be repeated. The anticipated ore is sulphides of lead and zinc.

21. The proposed work consists of drifting on the Red Vein to its intersection with the Norquist fault, a distance of about 1700 feet. Past experience has shown that a drifting advance of approximately 200 feet per month can easily be maintained if the work is placed on a two-shift per day basis. The total time required would, therefor, be about 8½ months.

THE REQUIREMENTS AND COSTS

23. (a)

| | |
|---|---|
| 4 Miners | |
| 680 man shifts straight time @ $12.00 | $8,160.00 |
| 136 man shifts overtime @ $18.00 | 2,448.00 |
| 2 Hoistmen | |
| 340 man shifts straight time @ $12.00 | 4,080.00 |
| 68 man shifts overtime @ $18.00 | 1,224.00 |
| 1 Skip Tender | |
| 170 man shifts straight time @ $12.00 | 2,040.00 |
| 1 Mechanic - Blacksmith | |
| 170 man shifts straight time @ $14.80 | 2,516.00 |
| 34 man shifts overtime @ $22.20 | 754.80 |
| 1 Foreman | |
| 170 man shifts straight time @ $14.80 | 2,516.00 |
| 34 man shifts overtime @ $22.20 | 754.80 |
| | $25,105.60 |
| Employment taxes and compensation 5.3% of labor | 1,330.60 |
| Total labor | $26,436.20 |

(b)

| | |
|---|---|
| Mine Foreman | |
| 8½ months @ $100/month | $850.00 |
| Engineering & Supervision | |
| 8½ months @ $100/month (Estimate) | 850.00 |
| Total | $1,700.00 |

(c) None

(d) None

(e) 1 new hoisting cable ..... $500.00

(f) None

(g) The mine is fully equipped and all equipment is owned by the corporation. The corporation expects no rental on this equipment.

23. (continued)

(h)

| | |
|---|---|
| Powder, 8 tons @ $20.20/cwt | $3,232.00 |
| Caps, 8000 @ $16.60/M | 132.80 |
| Fuse, 75,000 @ $10.90/M | 817.50 |
| Steel 2 tons of 1" hex @ $400/ton | 800.00 |
| Timber | |
| 2000 ft. stull @ 30¢/ft | 600.00 |
| 5000 bd. ft. lagging @ $55.00/M | 275.00 |
| 4000 bd. ft. tie timber @ $60.00/M | 240.00 |
| Miscellaneous | |
| Repair parts, gas, oil, tools, etc | 2,000.00 |

There is adaquate pipe, rail and ventilation pipe on the property to complete the proposed program

Total ..... $ 8,097.30

(i)

Power (estimate) 8½ months ..... $ 4,250.00

24. This project can be completed in approximately 8½ months from the time the project is approved. The average rate of advance should be not less than 200 feet per month. The total cost of the project is estimated to be $40,983.50.

EXHIBIT A

## ASSETS

| | | | |
|---|---|---|---|
| **CURRENT ASSETS:** | | | |
| Cash on hand and in bank | | | $ 9,743.43 |
| Assessment receivable | | | 12,837.47 |
| Inventory supplies | | | 2,533.65 |
| Total current assets | | | $25,114.55 |
| **PROPERTY, PLANT AND EQUIPMENT:** | | | |
| Mineral claims and land | | $400,335.10 | |
| Buildings and equipment-- at cost | $218,905.43 | | |
| Less: Reserve for depreciation | 126,354.04 | | |
| | | 92,551.39 | |
| | | 492,886.49 | |
| Fixed assets were acquired in exchange for: | | | |
| 1,620,000 shares of stock having a par value of 25¢ per share | $405,000.00 | | |
| Liabilities of predecessor assumed | 32,682.61 | | |
| Cash cost of additions (net) | 160,034.35 | | |
| Total | 597,716.96 | | |
| Provision for depreciation since acquisition from predecessor has been made in the sum of | 104,830.47 | | |
| Balance as above | $492,886.49 | | |
| Capital development subsequent to acquisition from predecessor--schedule A-1 | | 327,613.35 | |
| | | | 820,499.84 |
| **ORGANIZATION EXPENSE** | | | 2,059.43 |
| **OTHER ASSETS:** | | | |
| Deposits on drums | | 70.00 | |
| Accounts receivable (doubtful) | | 50.10 | |
| | | | 120.10 |
| | | | $847,793.92 |

EXHIBIT B

## LIABILITIES

| | | | |
|---|---|---|---|
| **CURRENT LIABILITIES:** | | | |
| Notes payable to shareholders--unsecured | | | $ 18,180.58 |
| Accounts payable: | | | |
| Trade creditors | | $ 8,460.94 | |
| Smelter advances | | 761.11 | |
| Shareholder | | 3,730.51 | |
| | | | 12,952.56 |
| Provision for taxes: | | | |
| Property taxes | | 386.16 | |
| Payroll taxes | | 131.76 | |
| Payroll deductions | | 53.60 | |
| | | | 571.52 |
| Accrued interest on notes | | | 1,045.26 |
| Total current liabilities | | | 32,749.92 |
| **CAPITAL AND SURPLUS:** | | | |
| Capital stock having a par value of 25¢ per share: | | | |
| Shares authorized | 3,000,000 | 750,000.00 | |
| Less: Shares unissued | 400,000 | 100,000.00 | |
| | 2,600,000 | 650,000.00 | |
| Less: Shares in treasury | 95,381 | 23,845.25 | |
| | 2,504,619 | 626,154.75 | |
| Surplus: | | | |
| Capital surplus | $605,266.97 | | |
| Less: Operating deficit | 416,377.72 | | |
| | | 188,889.25 | |
| | | | 815,044.00 |
| | | | $847,793.92 |

EXHIBIT C

## Statement of Profit and Loss, Year Ended December 31, 1950

| | | |
|---|---|---|
| **INCOME FROM SALES:** | | |
| Net smelter returns | | $ 1,624.83 |
| **COST OF SALES:** | | |
| Mill labor | $ 120.90 | |
| Mill supplies | 19.20 | |
| Machinery repairs | 2.50 | |
| Hauling | 114.49 | |
| Road work | 92.00 | |
| Assaying | 14.00 | |
| | | 363.09 |
| **GROSS PROFIT** | | 1,261.74 |
| **GENERAL AND ADMINISTRATIVE EXPENSES:** | | |
| Office salary | 437.94 | |
| Office supplies and expenses | 123.24 | |
| Telephone and telegraph | 193.95 | |
| Taxes and licenses | 892.31 | |
| Insurance general | 822.68 | |
| Legal and accounting | 620.00 | |
| Miscellaneous | 106.07 | |
| | | 3,196.19 |
| **LOSS ON MINING BEFORE DEPRECIATION AND DEPLETION** | | 1,934.45 |
| **OTHER INCOME:** | | |
| Royalties | 1,370.90 | |
| Custom milling | 162.50 | |
| Transfer fees | 30.85 | |
| Miscellaneous | 201.92 | |
| | | 1,766.17 |
| | | 168.28 |
| **OTHER CHARGES:** | | |
| Interest | | 1,191.26 |
| **LOSS BEFORE DEPRECIATION AND DEPLETION** | | 1,359.54 |
| **PROVISION FOR DEPRECIATION** | | 14,020.67 |
| **NET LOSS BEFORE DEPLETION** | | $ 15,380.21 |

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 2 1 1951
LANDON F. STROBEL
Executive Secretary

Form MF-100
(May 1951)

Bleiwas ~~Howard~~

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Speaker

Form approved.
Budget Bureau No. 42-R1026.

# GENERAL TECHNICAL DATA
# FOR USE UNDER THE
# DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dma 1238 X

Date received M S 2037

4-4-9128

Hope Silver-Lead Mines, Inc.
112 Garden Ave.
Coeur d'Alene, Idaho

Name and address of applicant

Date 6-15-1951

## INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

## GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry(ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).
   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____
   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

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8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

| Name and Address (a) | Official Title (If officer is also director indicate by "D") (b) | Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c) | Estimated Net Worth Outside of Interest in Applicant (d) | Number of Shares Held in Applicant Corporation: Common (e) | Number of Shares Held in Applicant Corporation: Preferred (f) | Life Insurance Carried for Benefit of Applicant: Amount (g) | Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h) |
|---|---|---|---|---|---|---|---|
| Glenn C.Lee, Kennewick,Wash. | President | none | dont know | 30,000 | none | none | none |
| Edwin L.Groenig, Yakima,Wash. | 1st VicePres | none | " | 5000 | none | none | none |
| Paul Schroeder Coeur d'Alene,Ida. | 2nd VicePres | none | " | 33,500 | none | none | none |
| L.P.Larson Coeur d'Alene,Ida. | Secy-Treas. | none | " | 30,000 | none | none | none |
| Lawrence Brulotte Yakima,Wash. | Director | none | " | 107,000 | none | none | none |
| Albert M.Nash, Clark Fork,Ida. | Director | none | " | 105,000 | none | none | none |
| Stockholders listed | on separate | sheet. | | | | | |
| | Total | | x x x x x | | | x x x x x | x x x x x |

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

**For Corporate Applicants**

| Item | Authorized (a) | Outstanding (b) | Par Value (c) | Number of Shares Outstanding (d) | Dividend Rate Last Paid* (e) |
|---|---|---|---|---|---|
| Common stock | $750,000 | $624,044.75 | 25¢; | 2496179 | none |
| Preferred stock | $ none | $ none | $ none | | |

*Indicate period covered.

10. Production:

| Item | Kind of Product (a) | 1948 Total (b) | 1949 Total (c) | 1950 Total (d) | Present Average Monthly (e) |
|---|---|---|---|---|---|
| 1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.) | Have no | segregated totals | to submit. | | |
| 2. Quantity of product processed (specify unit of measure and type of process) | | | | | |
| 3. Quantity and grade of product sold or shipped (specify units of measure) | | | | | |

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. We are not producing at the present time but doing development work.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

Addendum to MF ,Page 1.
Hope Silver-Lead Mines,Inc.,
112 Garden Ave., Coeur d'Alene,Ida.

1. a. Lead,silver,zinc.
   b. None.
2. Hope Mine. 150 ton flotation mill.
   a. 2300 ft. shafts
   b.16,380 ft drifts and crosscuts.
   c.150 ft adit tunnel.
   d.300 ft raises(for prospecting and ventelation.)
   Part of old workings flooded, pumping 8000 gal water per hour.

3. a. 1½ miles from Clark Fork,Idaho.
   b.Pend Oreille District.
   c.Township 56-Parts of Sect.25-26-30-31-35. Range 2,E.
   d.Bonner County,Idaho.

4. a Property in operation by Hope Silver-Lead Mines.Inc.
   b. Owner.

5. 16 years.

6. Actual operation under direction of Foreman with 16 years experience.

7. a.Hope mine discovered in 1923 and operated by various people until 1935. Present owners,Hope Silver-Lead Mines,Inc.,was organized and took over the management and operation of the mine. The company developed,mined and milled ore from the originally discovered Elsie K.vein until 1944. In 1944 the Bureau of Mines did exploratory work with diamond drills proving the continuation of the Pearl Vein on the Hope Silver-Lead Mines.Inc. property. The company then sank a vertical shaft to the 750 ft level. A cross-cut from the 750 ft level cut thru three veins. The company is now drifting on one of these veins. A crew of lessees are mining ore from some of the surface workings.
   b.The Whitedelf Mine was discovered in 1926 and has been developed by the Whitedelf Mining Co. The Pearl vein in this mine has produced the highest silver values of any mine in the district. This mine is now being worked by lessees.

13. 1½ miles of gravel road to Northern Pacific Railroad and 100 miles of oiled highway from Ry to Spokane,Wash.
14. We have our own water supply with an unlimited amount available.
15.50,000 killowatt hrs. 1½¢ . Mountain States Power Co.
16.1 foreman, 2 miners, 1 hoistman, 1 shopman.
   (Lessees 2 miners and 1 mucker.)
17.Complete equipment for mining and milling on the property,all in good condition. A complete set of buildings all of wooden construction covered with galvanized iron,including 1 mill bldg.,1 rock-house, 1 residence, 1 garage, 1 office, 1 pumphouse,1 dry building,2 shop buildings, 1 hoise house and head-frame, 1 welding shed,all in good condition.
1 complete 150 ton flotation mill and rock crushers.
Mine equipment: 1 shop equipped to repair mining machinery and sharpen steel. 1 complete welding outfit,both electric and acyetelene; 1 Ingersoll Rand 700 ft compressor; 1 Worthington 580 cu ft. compressor; 1 Chicago Pneumatic 150 cu ft compressor; 1 C.D.A.electric hoist 30 hp. 1 C.D.A.electric hoist 200 hp; 5 doubledrum slusher hoists (air) complete with skips; 2 single drum hoists (air);1 Pamona 75 hp electric pump;1 Pamona 60 hp electric pump; 2 Ingersoll Rand 40 hp electric; 2 Ingersoll 15 hp electric pumps;3 Worthin ton pumps; 2 Ingersoll Rand sump pumps,air; 1 Chicago Pneumatic sump pump (air); 6 stope-hammer rock drills; 3 drifter rock drills; 2 jackhammers; 2 1½ ton Atlas locomotives,complete with batteries and chargers; 4-2 ton side dumpcars; 10-1 ton end dump cars; 2 timber cars; 1 Eaico mucking machine; 1 air bar drifting jumbo; 3 electric ventilating fans.
18: We are doing development worth at the present time but will be in production as soon as the development work warrants it.

Addendum to MF, Page 2.
Hope Silver-Lead Mines,Inc.m
112 Garden Ave.,Coeur d'Alene,Ida.

List of five largest stockholders as requested under

No 8:

| | | |
|---|---|---|
| Henry C.Brown,estate Yakima,Wash. | 73,000 shares. | No information as to other questions. |
| Mrs.Zelia Brulotte, Yakima,Wash. | 125,000 shares. | No other information as to other questions. |
| Francis S.Kohls, Moxie City, Wash. | 60,000 shares | Have no imforation as to other questions asked. |
| Ralph S.Nelson, Coeur d'Alene,Ida. | 78,000 shares | Have no information as to other questions asked. |
| Frank Souther, Yakima, Wash. | 72,400 shares. | Have no information as to other questions asked. |
| J.E.Stiegler, Naches,Wash. | 100,000 shares | Have no information as to other questions asked. |
| Fredrick H.Hess, 1033 Longwood Ave, Los Angles-6-Calif. | 100000 shares | Have no information as to other questions asked. |

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

**TOTAL ORE OR MINERAL RESERVES**

| Ore or Mineral Reserve | Estimated Tons (a) | Metal or Mineral Content Per Ton (Grade) (b) | Gross Value Per Ton (c) | Recoverable Unit Value Per Ton (d) | Estimated Cost of Production Per Ton (e) |
|---|---|---|---|---|---|
| Measured (proved) | no figures available at this time | | | | |
| Indicated (probable) | | | | | |

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

**CERTIFICATION**

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

Hope Silver-Lead Mines, Inc.
(Name of company)

By S. A. Rason
(Signature of authorized official)

June 15th., 1951
(Date)

Secretary-Treasurer.
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

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Report on The

HOPE and WHITEDELF MINES

Clark Fork Dist., Bonner Co., Idaho

by

John R. Reynolds, Kellogg, Idaho

June 8, 1950

## INTRODUCTION

The examination of the Hope and Whitedelf Mines, upon which this report is based, was made at the request of the Hope Silver-Lead Mines, Inc., Clark Fork, Idaho. The field work consisted primarily of mapping the geology in all accessible mine workings of both mines. This was done for the purpose of investigating and analyzing the extent, future development possibilities and general geological relationships of the various vein structures in both the Whitedelf and Hope mines.

Ordinarily in a report of this type considerable space is given to the history, production, ownership, physical features, etc. In this report, however, these items will be omitted, inasmuch as they have been covered in recent publications by both the U. S. Geological

Survey (footnote no. 1) and the U. S. Bureau of Mines (footnote no. 2). Both of these excellent reports can be secured from the Superintendent of Documents, Washington, D. C. Dr. Anderson's report is very complete and the writer is in agreement with all his major geological deductions.

## GENERAL GEOLOGY

Dr. Anderson's report covers the regional geology in great detail, so it will be considered but briefly in this report. The information used is taken largerly from Dr. Anderson's report. The local geology is based on both the writer's observations and Dr. Anderson's report. Many of the workings that were inaccessible at the time this examination was made were open and mapped by Dr. Anderson.

### Sedimentary Rocks.

The sedimentary rocks in the Clark Fork area belong to the Belt Series (pre-Cambrian). Dr. Anderson has classified most of those lying east of Lightning Creek and south of the Hope fault as belonging to the

Footnote no. 1: Alfred L. Anderson, Geology of the Lead-Silver Deposits of the Clark Fork District, Bonner County, Idaho, U. S. Geological Survey Bull. 944-B, 1947.

Footnote no. 2: S. H. Lorain, Clark Fork Lead-Zinc District, Bonner County, Idaho, U. S. Bureau of Mines Report of Investigations 3992, August 1946.

Striped Peak formation, and those west of Lightning Creek and south of the Hope fault as belonging to the Wallace formation. The Wallace underlies the Striped Peak in the stratographic section. The writer feels that the Hope mine, especially its lower workings, lies in the transition zone between the Striped Peak and Wallace. As this is more of an academic problem than an economic one, it will not be considered further in this report.

North of the Hope fault the rocks have been classified as belonging to the Prichard formation. Road cuts west of Clark Fork, along the highway to Hope, have exposed purple beds of the St. Regis formation. In its normal sequence the St. Regis underlies the Wallace and is the host rock in the large silver producing mines of the Coeur d' Alene district.

As exposed in the Hope workings the Striped Peak, (or Wallace), consists of interbedded sandy quartzites, thinly laminated, dark gray argillites, and thin beds of impure limestone. The beds generally have a northerly strike and dip rather flatly to the east. Numerous minor folds were noted.

At the Whitedelf the country rock is typically Wallace, being made up of thin beds of light and dark

grey argillite, light colored quartzites, and thinly bedded, buff-colored limestone.

Intrusive Rocks:

The only igneous rock noted in the immediate vicinity of the Hope and Whitedelf mines is the diabase dike, known as the Dike Vein, which is exposed in the workings of the Hope mine. This dike has been intruded into a strong pre-mineral fault zone, along which there has been considerable post-dike and post-mineral movement, the dike being older than the ore minerals. In several places the dike contains stringers of ore, and in one instance the hanging wall of the dike has been slightly offset by the Elsie K. vein.

Other dikes and a small body of granodiorite are reported by Dr. Anderson to occur in the Clark Fork district.

Faults and Veins:

The dominant structural feature of the district is the Hope fault, which lies about two miles north of the Hope and Whitedelf workings. This fault has been traced on the surface for many miles. It strikes northwest and dips steeply to the south. The fact that the Striped Peak formation abuts against the Prichard indicates a displacement of thousands of feet. This great fault was probably formed by the same regional

stresses that produced the famous Osburn fault in the Coeur d' Alene district. The numerous subsidiary faults accompanying the Hope have been classified by Dr. Anderson as follows:

1. LOW-ANGLE THRUST FAULTS. To this class belong the so-called bedding plane faults, the best known example of which is that occupied by the Elsie K. vein. This fault is not in the strictest sense of the word a bedding plane fault, as it cuts across the beds both along the strike and dip. Its average strike is N. 40° E.; the dip is to the east and may vary from nearly horizontal to as much as 30°. Numerous low-angle faults similar to that occupied by the Elsie K. vein were noted in the Hope mine, and several of these are also mineralized.

2. HIGH-ANGLE REVERSE FAULTS. The best known of these faults is that occupied by the Pearl vein. This fault has an average strike of N. 43° E. and dips from 60° to 85° south. It has been traced underground and by diamond drilling for several thousand feet. Where best exposed in the Whitedelf workings it consists of a

sheared zone from 3 to 40 feet wide. The principle movement has taken place along the footwall where from several inches to as much as two feet of gouge has been developed. At no point is the displacement along these faults very large.

3. HIGH-ANGLE NORMAL FAULTS: The fracture along which the diabase dike at the Hope mine was intruded is the best known of the high-angle normal faults. The dike fault is really a shear zone, varying in width from several feet to as much as 40 feet. It is clearly shown in the Hope workings that after the dike was intruded the fracture was reopened several times. In places the dike has been fractured and the fractures filled with ore minerals, which in turn have been cut by post-mineral movement.

4. STRIKE-SLIP FAULTS. Faults of this type are quite common and are among the most prominent in the district. The Pugh fault in the Whitedelph mine and the Norquist in the Hope belong in this category. From the maps accompanying this report it can be seen that these two faults are probably one and the same. The strike-slip faults cut

all other faults in the district and are therefore the youngest in age. In the Whitedelf the Pearl vein is offset slightly over 100 feet by the Pugh fault. Surface work at the Hope indicates that the Dike fault may have been displaced as much as 300 feet by the Norquist fault. In places these faults are well-mineralized, indicating that they are pre-mineral faults along which there has been considerable post-mineral movement.

## MINERALOGY, PARAGENESIS, ALTERATION AND GENESIS

For a discussion of these more technical subjects the reader is again referred to Dr. Anderson's report.

## ORE SHOOTS AT THE WHITEDELF

Practically all of the production at the Whitedelf mine has been made from stopes along the Pearl vein, although small stopes have been opened along other structures.

The localization of the ore shoots was influenced by several factors, the most important one being changes in dip along the Pearl vein. As is characteristic of reverse faults, the best ore occurs where the vein flattens. The presence of cross-fractures has also tended to

help localize the ore shoots. The main shoot in the mine abuts against the Pugh (or Norquist) fault. Apparently the gouge along the fault acted as a local dam or barrier to the ascending ore solutions, resulting in a concentraction of ore along the fault. There is some evidence to indicate that the ore shoots may have been somewhat wider and richer where the vein cuts the thinner, more argillaceous members of the Wallace Formation.

Ore has been stoped from both the footwall and hanging wall fractures of the Pearl structure; however, the bulk of the production has been from the footwall fracture.

## ORE SHOOTS AT THE HOPE

The ore shoots along the Elsie K. Vein, although neither as strong nor as persistant as those along the Pearl, were best developed in the flatter portions of the vein. As with the Pearl, the presence of cross fractures has been an important factor in the localization of ore shoots along the Elsie K. vein. Most of the better ore mined has been from stopes bordering the dike, air-raise and Norquist faults. It was further noted that the values tend to decrease where the fracture cuts across the bedding and when either or both walls are quartzite.

## OUTLOOK

There is very little developed ore exposed in either the Hope or Whitedelf mines, production having kept pace with development. During the last several years leasers have extracted practically all exposed ore of commercial grade. Further development in both properties, however, should open additional ore.

### Hope Mine

Ore shoots have been opened along the strike of the Elsie K. vein for a distance of over 1,000 feet and down the dip for more than 1,200 feet. Neither the lateral or vertical limits of mineralization have been reached by existing development. From all geological evidence available there appears to be no reason why additional ore shoots, comparable in size and grade to those previously mined, could not be developed. However, it is the opinion of the writer that the ore shoots along the Elsie K. vein and other similar structures are too narrow to sustain an economical company operation under existing metal prices and high operating costs. There are, however, several blocks of ground available where leasers might successfully operate on a modest scale. The best of these blocks is that extending from the No. 3 level to the surface, where the vein was recently uncovered by bulldozing.

In addition to the Elsie K. vein there are several areas in Hope ground where bodies of commercial ore might be developed. The dike fault is known to be mineralized in several places. Drifting along this structure may possibly disclose shoots of milling grade ore.

The long north crosscut from the bottom of the vertical shaft has cut three strong structures. The middle structure aligns closely with the Pearl fault and has been explored to the northeast almost to its intersection with the Dike fault, a distance of 320 feet; to the southwest a drift has been driven approximately 900 feet, or nearly to the Hope-Whitedelf end line. This work has disclosed a strong fault zone, sparingly mineralized with quartz, carbonate, pyrite, galena, and sphalerite. Additional lateral development and vertical development in areas where the vein flattens to less than 70°, might well disclose ore shoots similar to those from which ore has been mined in the Whitedelf. Intersections of this fault with other major structures, such as the Dike and air-raise faults, should be particularly favorable areas in which to prospect.

The most encouraging of the three structures cut in the north corsscut is that lying nearest the

shaft. This fault is roughly parallel to the supposed Pearl fault and similarly belongs to the high-angle thrust class. Where exposed in the crosscut it consists of several feet of gouge, breccia and vein material, largely red carbonate with minor sulphides. The walls near the fault have been extensively altered. The vein, or fault, is referred to on the maps as the Red vein. Its intersection with the Norquist fault should be a very favorable area for exploration. It should be kept in mind, however, that any oreshoot found in this area would probably rake rapidly into Whitedelf ground above the level of the crosscut.

Whitedelf Mine

Most of the production of the Whitedelf mine has come from the main ore shoot lying north of the Pugh fault. On the main level this shoot was continuous for more than 500 feet along the strike and has been stoped to the surface. Just above the 100 level the shoot splits into two segments; the stope map that accompanies this report clearly shows this feature. It further shows that the South ore shoot appears to bottom against the Pugh fault. The North shoot, on the other hand, is apparently continuing to greater depth. According to both the Whitedelf management and miners who have worked there, the 600 foot level showed

better ore than either the 400 or 500 foot levels. Most of the ore shoot between the 400 and 600 foot levels is reported to be intact. A drill hole by the U. S. Bureau of Mines has proven that high-grade ore occurs nearly 500 feet below the 600 level. This hole cut 4.67 feet of ore averaging 17% lead, and 22.2 oz. silver per ton. A deflection to the west from this hole showed low grade material, perhaps indicating the end of the oreshoot in that direction.

It has been well established that the silver content of the Whitedelf ore increases as greater depth is attained.

In addition to the main ore shoot, several smaller shoots have been stoped along the Pearl vein. The location of these stopes is shown on the accompanying map.

There has been little lateral development along the Pearl vein to the northeast beyond the main ore shoot. There might well be other ore shoots between the present drift faces and the Whitedelf-Hope end line. It is also possible that other mineralized structures cross the property. If the vein structure exposed in the face of the north crosscut from the Hope shaft were to continue far enough, it would eventually intersect the Pugh fault in the Whitedelf ground.

## RECOMMENDATIONS

1. It is recommended that no additional work be done on the Elsie K. vein system at this time. The Elsie K. workings should not be abandoned however. If metal prices rise sufficiently or if labor and supplies should drop, an economical operation may be sustained in this area. Additional ore shoots similar to those mined in the past can undoubtedly be developed along both the strike and dip of the Elsie K. vein. These shoots might also become commercial if the Government should decide to subsidize marginal operations.

To save the pump maintenance costs in the Elsie K. workings a diamond drill hole could be drilled from the face of the south crosscut to tap the bottom of the underhand stopes near the Elsie K. incline. This should not be done, however, until more pumping capacity has been installed in the vertical shaft.

2. If a satisfactory arrangement can be made with the management of the Whitedelf, the drift on what now appears to be the Pearl vein should be continued until the North ore shoot and the Pugh fault have been intersected. Commercial ore should be encountered in this area.

It is suggested that this drift be run in the

footwall of the Pearl structure in order to minimize timber and maintenance costs. Either crosscuts or drill holes should be run at regular intervals to test the values in the vein.

3. If an agreement cannot be made with the Whitedelf, the best possibility of opening commercial ore in Hope ground is to diamond drill the Red vein and the vein exposed in the face of the north crosscut. This drilling could be done laterally from the drift on the Pearl vein.

4. These same three structures could then be prospected east of the dike by drilling from a point near the shaft station and from a continuation of the east Pearl drift beyond the dike.

5. A last resort would be to go into the Elsie K. workings. This work should consist of drifting and raising on the Elsie K. vein on the No. 3 level, drifting on or diamond drilling the Dike vein end prospecting for the Elsie K. vein south of the Norquist fault.

6. Carefully supervised leasing operations on the Elsie K. vein between the No. 3 level and the surface should furnish a supplemental income to help finance other exploratory work.

## TONNAGE AND COST ESTIMATES

At this time cost estimates will be submitted only on the development program proposed to develop the Pearl vein in Whitedelf ground. It would be almost impossible to present accurate cost estimates on a diamond drilling program to explore

the Red and North veins in Hope ground. A drilling program of this nature should be closely supervised and the decision as to the location and length of each succeeding hole must be determined from the results of the preceding holes. The actual drilling should be done for less than $3.00 per foot.

Tonnage and Grade

It is regretable that there is no accurate data available as to the size and grade of the ore body developed in the North ore shoot between the 400 and 600 foot levels of the Whitedelf mine. In order to arrive at any basis for computing tonnages and grade of ore available, it has been necessary to use indirect methods. This type of estimating is at best not too reliable.

All available company and Government maps have been consulted and used in the following calculations.

| | |
|---|---|
| Total area stoped | 278,700 |
| Tons of ore mined | 82,702 |

Total metal produced at current prices:

| | | |
|---|---|---|
| 6.65 oz. gold at $35.00/oz | $ | 232.75 |
| 658,318 oz. silver at 90 ¢/oz. | | 592,486.20 |
| 16,061 lbs. copper at 20½ ¢/lb. | | 3,292.51 |
| 11,301,107 lbs. lead at 12 ¢/lb. | | 1,356,132.84 |
| Gross value at the smelter | $ | 1,952,144.30 |

$$\frac{\$1,952,144.30}{82,702 \text{ tons}} = \$23.61/\text{ton}$$

$$\frac{\$1,952,144.30}{278,700 \text{ sq. ft.}} = \$\ 7.00/\text{sq. ft. of area stoped}$$

Estimated gross value and tonnage available in Block A. (see accompanying map)

27,000 sq. ft. x $7.00/sq. ft. = $189,000 x 60% recovery = $113,400

$$\frac{\$113,400}{\$\ 23.61} = 4,805 \text{ tons}$$

Estimated gross value and tonnage available in Block B.

26,250 sq. ft. x $7.00/sq. ft. = $183,750

$$\frac{\$183,750}{\$\ 23.61} = 7,783 \text{ tons}$$

Estimated gross value and tonnage available in Block C.

103,125 sq. ft. x $7.00/sq. ft. = $721,875

$$\frac{\$721,875}{\$\ 23.61} = 30,575 \text{ tons}$$

Estimated gross value, tonnage and net smelter returns available in Blocks A, B, and C. (The production figures were based on smelter returns so mill losses had already been deducted.)

| Block | Tonnage | Gross Value | Estimated Smelter Settlement | Net Smelter Returns |
|---|---|---|---|---|
| A | 4,805 | $ 113,400 | 75% | $ 85,050 |
| B | 7,783 | 183,750 | 75% | 137,813 |
| C | 30,575 | 721,875 | 75% | 541,406 |
| Total | 43,163 | $1,019,025 | | $764,269 |

Costs

PUMPING. In order to handle the water from the Elsie K. workings, the Whitedelf and from the present shaft workings the pumping capacity should be increased to not less than 1,000 gal./min.

It is estimated that new pipe could be placed in the shaft, the sump enlarged and a station pump large enough to handle the additional water could be installed at a cost not to exceed $10,000.

DRIFTING. It would require approximately 2,100 feet of drift to extend the present workings on the Pearl vein to the Pugh fault.

2,100 ft. at $20.00/ft. - - - $ 42,000

DEVELOPMENT, MINING & MILLING. To develop, mine

and mill the ore from blocks A and B it is estimated that the total cost should not exceed $10.00/ton of ore broken.

| | |
|---|---|
| 12,588 tons at $10.00/ton - - - | $ 125,880 |
| Total Cost | $ 177,880 |
| Net smelter returns from Blocks A and B - - - - - - - - | $ 222,863 |
| Net profit before royalty, taxes, depletion, depreciation, etc. | $ 44,983 |

From the above rough calculations it may be seen that unless the grade of ore between the level of the Hope Pearl drift and the 400 foot level is better than the assumed average for the whole mine, Hope Silver-Lead will probably be unable to show a profit on this phase of the operation. Any ore shoots that might be encountered in addition to the North shoot would, of course, materially change the picture.

Once the Hope workings reach Whitedelf ground the ore in Block C could be mined through an offset shaft, unless at that time it is found advisable to sink the main Hope shaft and again crosscut to the Whitedelf. The North ore shoot is raking into Hope ground, so the deeper the shaft the shorter the distance to crosscut would be. If the rake indicated by the present workings continues, the ore body

would pass into Hope ground at approximately 200 feet below sea level or 1700 feet below the bottom of the Hope shaft.

An offset shaft 400 feet deep would be required to extract the ore indicated in Block C. It is estimated that a 2-compartment shaft could be sunk and equipped, using as much equipment from the Elsie K. workings as possible, at an overall cost not to exceed $60,000. The development, mining and milling costs again should not exceed $10.00 per ton.

| | |
|---|---|
| 30,575 tons at $10.00/ton - - - - | $ 305,750 |
| Shaft sinking - - - - - - - - - - - - | 60,000 |
| | $ 365.750 |
| Net smelter returns from Block C- - | 541,406 |
| Net profit before royalty, taxes, depletion, depreciation, etc. | $ 175,656 |

## CONCLUSIONS

Although the tonnage and cost estimates shown above are not too encouraging, it is the writer's opinion that if a reasonable deal can be made with the Whitedelf, the proposed exploration and development program is entirely justified. The data used for figuring tonnage and grade is very unreliable. If instead of an average grade of $23.61 per ton, the writer had used the value of the ore cut by the U. S. Bureau of Mines diamond drill hole, over $60.00 per ton, an entirely different picutre would result. The possibility of discovering additional ore shoots is an added incentive for going ahead with this program.

The program as outlined could not be considered a good investment risk but it is good speculation. Successful speculation makes mines and mining fortunes.

Respectfully submitted,

PRESTON & REYNOLDS

by _____
John R. Reynolds

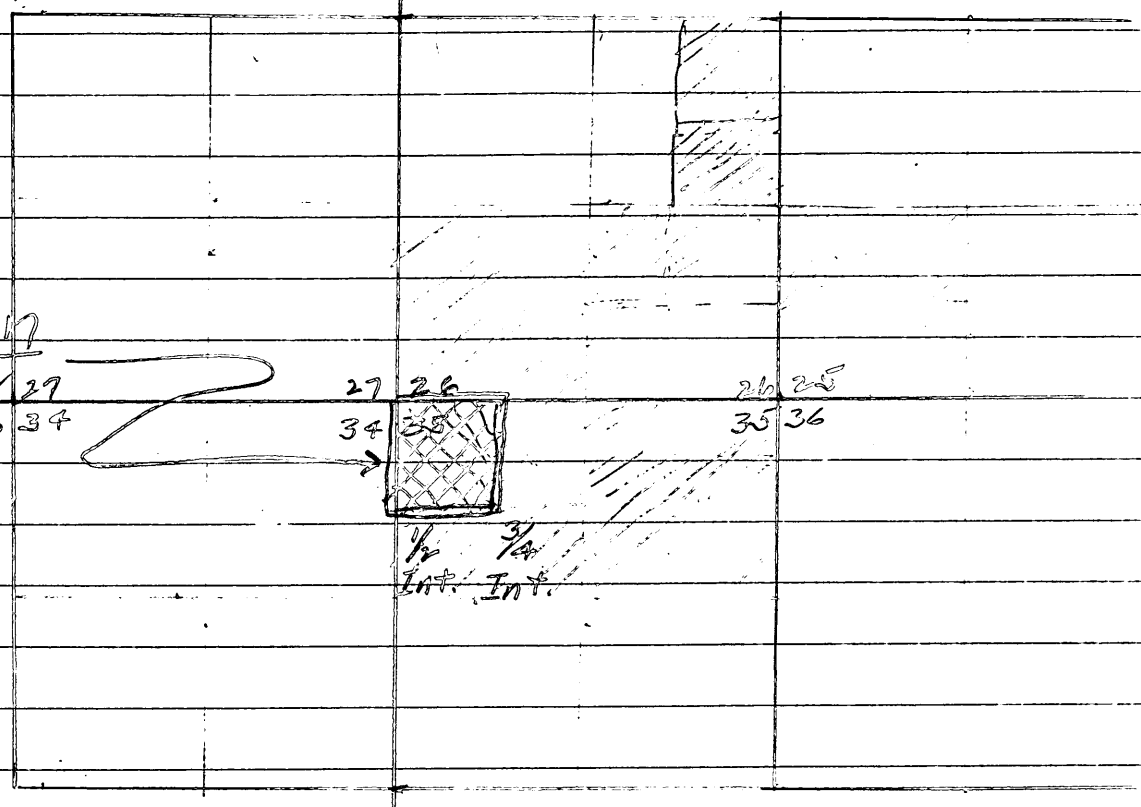
6/17/51
SAF

Hope Silver-Lead Mines, Inc.

DMA 1238X

Property in -

Twp 56 R 2E Boise Mer.
Bonner Co., Ida.




Also NW¼ of NW¼ Sec 31 Twp 56 R 3E
S ½ of SW ¼ Sec 30 Twp 56 R 3E

Also 14 Mining claims - No map

F[redacted]M[redacted] 104 (Rev.)
(April 1952)

UNITED STATES
[redacted]PARTMENT OF THE INTERIOR[redacted]
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Bureau of Budget No. 42-R1036.3.
Approval expires 6-30-53.
Defense Minerals Administration
RECEIVED
DEC 15 1952

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1952 Docket No. DMEA 1238X Contract No. 130
Operator's Name Hope Silver-Lead Mines, Inc. Minerals Silver-Lead
Address 112 Garden Avenue, Coeur d'Alene, Idaho
Contract Amount, $36,000.00 Government Participation: 50% Amount, $18,000.00

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | | | | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | L+758.90=TL+Tax | |
| Labor | 1975.50 | 16062.12 | 18037.62 | | | |
| Supervision | 416.30 | 4553.40 | 4969.70 | | S+155=TS+Tax. | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | - | 71.50 | 71.50 | | | |
| Explosives | 342.05 | 590.33 | 932.38 | 265.04 | 590.33 | 855.37 |
| Pipe | | | | | | |
| Track | | | | | | |
| Other | 108.00 | 452.20 | 560.20 | | | |
| Power 4/5 | 772.28 | 7163.92 | 7936.20 | | | |
| (4) Operating Equipment: | | | | | | |
| Rental ---Furn.by Optr. | 276.67 | 2221.35 | 2498.02 | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | 90.00 | 478.72 | 568.72 | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| Fire Ins. | - | 111.46 | 111.46 | 111.46 | 111.46 | -0- |
| Workmen's Comp. | 143.20 | 881.78 | 1024.98 | 32.56 | 881.78 | 914.34 |
| (8) Contingencies (specify): | | | | | | |
| | | | | 444.67 | | |
| TOTALS | 4124.00 | 32586.78 | 36710.78 | 443.22 | 32586.78 | 36,000.00 |

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-6-52 *Payee Hope Silver-Lead Mines, Inc.
Per Glenn C. Lee Title President

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 1706.62
Signature [signature] (Authorized Certifying Officer)
Date 12/5/52 Vou. No. (See other side)

Totals Corrected to conform to audit report.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Kim E130 in accordance with the terms of the contract.

Signature Horace T. Pence Title Min Engr. Date 8-7-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E Howard Title Mining Engr. Date 8-8-52

## MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

FORM MF-104A
(April 1952)

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 15 1952

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1952 Docket No. DMEA 1238X Contract No. 130
Operator's Name Hope Silver-Lead Mines, Inc. Minerals Silver & Lead
Address 112 Garden Avenue, Coeur d'Alene, Idaho

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | 1 ft. | 4124.00 | 120 | 36710.78 | 954 | 38.43 | 1200 | 30.00 |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | 4124.00 | 120 | 36710.78 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| TOTAL COSTS | | 4124.00 | 120 | 36710.78 | | | | |

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

REMARKS:

Date 8-6-52 Operator Hope Silver-Lead Mines, Inc.

Per Glenn P. Lee Title President

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

# Hope Silver-Lead Mines, Inc.

Clark Fork, Idaho

OFFICE OF
THE PRESIDENT
GLENN C. LEE
P.O. BOX 126
KENNEWICK, WN.

August 4, 1952

Report on Progress for July, 1952

We have advanced the drift on the Red Vein on the 700 ft. level 120 ft. TheVein has varied in width from 2 inches to 3 ft. There has been spots of mineralization at times in the drift. There was a split in the Vein shortly after we went through the last cross fracture. We have been drifting on the footwall of the vein as this split appeared to be the strongest. We seem to be in a shear area now.

We started diamond drilling again on July 21, on one shift, we are now drilling on two shifts. We have charged 1/5th of this months power bill to this drilling program. Labor and supervision charges was based on actual time spent in drifting.

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

# PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. DMA-315

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

Voucher prepared at Albany, Oregon 8/7/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. DMA-1238X

To Hope Silver-Lead Mines, Inc.,
(Payee)

112 Garden Ave., Coeur d'Alene, Idaho
(Address) (City) (State)

PAID BY

(For use of Paying Office)

| No. and Date of Order | Date of Delivery or Service | ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net | QUANTITY | UNIT PRICE Cost | UNIT PRICE Per | AMOUNT Dollars | AMOUNT Cts. |
|---|---|---|---|---|---|---|---|
| | May 1952 | As per attached certified form MF-104 dated July 22, 1952 | | | | 1,542 | 45 |
| | June 1952 | As per attached certified form MF-104 dated July 23, 1952 | | | | 817 | 58 |
| PAYMENT: Complete ☐ Partial ☐ Final ☐ | | Use continuation sheet(s) if necessary | | | | | |

Shipped from to Weight Government B/L No. Total 2,360 03

(Payee must NOT use this space)

Differences .....

Account verified; correct for ..... 2,360 03

(Signature or initials) .....

Contract No. 130 Date Req. No. Date Invoice Rec'd.

2,360.03

# MEMORANDUM

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

| Appropriation, limitation, or project symbol | Appropriation title | Limit'n. or Proj't. Amount | Appropriation Amount |
|---|---|---|---|
| 14X1401 | Revolving Fund, Defense Production Act, Interior | 2,360.03 | 2,360.03 |

| Allotment symbol | Amount | Obligations liquidated | COST ACCOUNT Symbol | COST ACCOUNT Amount | OBJECTIVE CLASSIFICATION Symbol | OBJECTIVE CLASSIFICATION Amount |
|---|---|---|---|---|---|---|
| | | | | | | |

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
Cash, $....., on ....., 19.....

16—22900a-2

# METHOD OF OR ABSENCE OF ADVERTISING

## METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.

   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.).

## ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

---

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22900a-2

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Department of the Interior
Defense Minerals Administration
RECEIVED
AUG 25 1952

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1952 Docket No. DMEA 1238X Contract No. 130
Operator's Name Hope Silver-Lead Mines, Inc. Minerals Silver & Lead
Address 112 Garden Avenue, Coeur d'Alene, Idaho
Contract Amount, $ 36,000.00 Government Participation: 50% Amount, $ 18,000.00

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | | | | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor 1/3 | 754.90 | 15307.22 | 16062.12 | | | |
| Supervision 1/5 | 116.94 | 4436.46 | 4553.40 | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | - | 71.50 | 71.50 | | | |
| Explosives | - | 590.33 | 590.33 | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| Other | 44.00 | 408.20 | 452.20 | | | |
| Power 1/2 | 502.80 | 6661.12 | 7163.92 | | | |
| (4) Operating Equipment: | | | | | | |
| ~~Rental~~ Furn. by Optr. | 55.35 | 2166.00 | 2221.35 | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | 75.00 | 403.72 | 478.72 | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| Fire Ins. | - | 111.46 | 111.46 | | | |
| Workmen's Comp. | 86.18 | 795.60 | 881.78 | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 1635.17 | 30951.61 | 32586.78 | | | |

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

Date 7-23-52 *Payee Hope Silver-Lead Mines, Inc.

Per Glenn C. Lee Title President

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

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

(Instructions on reverse)

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

$ 8175

Signature WR (Authorized Certifying Officer)

Date 8/7/52 Vou. No.

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E130 in accordance with the terms of the contract.

Signature Howard T. Reno Title Min. Engr. Date 7-29-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Glenn Reed Title Mng. Engr. Date 7/29

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS EXPLORATION ADMINISTRATION
## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1952 Docket No. DMEA 1238X Contract No. 130
Operator's Name Hope Silver-Lead Mines, Inc. Minerals Silver & Lead
Address 112 Garden Avenue, Couer d'Alene, Idaho

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | 1 ft. | 1635.17 | 20 | 32586.78 | 834 | 39.07 | 1200 | 30.00 |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | 1635.17 | 20 | 32586.78 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| | | | | | | | | |
| TOTAL COSTS | | 1635.17 | 20 | 32586.78 | | | | |

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

Date 7-23-52 Operator Hope Silver-Lead Mines, Inc.

Per _____ Title President

REMARKS:

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

# Hope Silver-Lead Mines, Inc.

Clark Fork, Idaho

OFFICE OF
THE PRESIDENT
GLENN C. LEE
P.O. BOX 126
KENNEWICK, WN.

July 10, 1952

Report on Progress for June 1952

We have advanced the drift on the Red Vein on 700 ft. level 20 ft. We encountered a severe water course coming from a cross fracture in the drift. The flow of water increased to a point where our pumps were to their capacity. We had to stop drifting until the flow slackened. We put in 4 shifts drifting and 1 shift cutting a switch this month and have charged D.M.A. for actural time plus 1 pump maintainance man.

While drifting through the cross fracture we hit ore of a commercial grade for about 15 ft. The ore came in, in a broken up area caused by added movement of the fracture crossing the drift.

We have been diamond drilling all month so have charged ½ the power bill to the drilling program.

Form MF-14A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS EXPLORATION ADMINISTRATION
# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1952 Docket No. DMEA 1238X Contract No. 130
Operator's Name Hope Silver-Lead Mines, Inc. Minerals Silver & Lead
Address 112 Garden Avenue, Coeur d'Alene, Idaho

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | 1 ft. | 3084.90 | 51 | 30951.61 | 814 | 38.02 | 1200 | 30.00 |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | 3084.90 | 51 | 30951.61 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| | | | | | | | | |
| TOTAL COSTS | | 3084.90 | 51 | 30951.61 | | | | 36000.00 |

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

Date 7-22-52 Operator Hope Silver-Lead Mines, Inc.

Per Glenn C. Lee Title President

REMARKS:

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

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

Month of May, 1952 Docket No. DMEA 1238X Contract No. 130
Operator's Name Hope Silver-Lead Mines, Inc. Minerals Silver & Lead
Address 112 Garden Ave., Coeur d'Alene, Idaho
Contract Amount, $36,000.00 Government Participation: 50 % Amount, $18,000.00

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | | | | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor 2/3 | 1573.74 | 13733.48 | 15307.22 | | | |
| Supervision 2/3 | 421.86 | 4014.60 | 4436.46 | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | - | 71.50 | 71.50 | | | |
| Explosives | - | 590.33 | 590.33 | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| Other | 64.00 | 344.20 | 408.20 | | | |
| Power 2/3 | 723.66 | 5937.46 | 6661.12 | | | |
| (4) Operating Equipment: | | | | | | |
| ~~Rental~~ Furn. by Optr. | 184.45 | 1981.55 | 2166.00 | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | - | 403.72 | 403.72 | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| Fire Ins. | - | 111.46 | 111.46 | | | |
| Workmen's Comp. | 117.19 | 678.41 | 795.60 | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 3084.90 | 27866.71 | 30951.61 | | | |

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 7-22-52 *Payee Hope Silver-Lead Mines, Inc.
Per Glenn C. Lee Title President

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

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

(Instructions on reverse)

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

$1542.45

Signature W R (Authorized Certifying Officer)

Date 8/25/52 Vou. No. (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Mm E130 in accordance with the terms of the contract.

Signature Horace T. Rees Title Min. Engr. Date 7-28-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Glenn A. Reed Title Mng. Engr. Date 7/29

## MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. BUREAU OF MINES
RECEIVED
JUL 31 1952
ALBANY, OREGON

U. S. GOVERNMENT PRINTING OFFICE 205675

# Hope Silver-Lead Mines, Inc.

Clark Fork, Idaho

OFFICE OF
THE PRESIDENT
GLENN C. LEE
P.O. BOX 126
KENNEWICK, WN.

June 9, 1952

**Report On Progress For May 1952**

We have advanced the drift on the Red Vein, on 700 ft. level 51 ft. There has been an increase flow of water coming into the drift from small cross fractures crossing the vein. We have had to start using electric caps as it is too wet for fuse. Due to the lack of miners we have been drifting on only one shift. The vein still looks the same with a small amount of mineralization and has varied in width from 6 inches to 2 ft.

We were cutting diamond drill station No. 2 from May 1 to 10 inc. To do this work we had to stop drifting. We have only charged 2/3 of our monthly costs to D.N.A. The balance of our costs are charged to our diamond drill program.

Ono rpt

U. S. BUREAU OF MINES
RECEIVED
JUL 31 1952
ALBANY, OREGON

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

# PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. DIA-279

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

Voucher prepared at Albany, Oregon 7/3/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idr-B 130

To Hope Silver-Lead Mines, Inc.,
(Payee)

Kennewick, Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

| No. and Date of Order | Date of Delivery or Service | ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net | QUANTITY | UNIT PRICE Cost | UNIT PRICE Per | AMOUNT Dollars | AMOUNT Cts. |
|---|---|---|---|---|---|---|---|
| | April 1 to April 30, 1952 | As per attached Certified Form IF-104 | | | | 1,484 | 51 |
| PAYMENT: Complete ☐ Partial ☐ Final ☐ | | Use continuation sheet(s) if necessary | | | | | |
| Shipped from | to | Weight | Government B/L No. | | Total | 1,484 | 51 |

(Payee must NOT use this space)

Differences .....

Account verified; correct for ..... 1,484 51

(Signature or initials) .....

Contract No. Idr-B 130 Date Req. No. Date Invoice Rec'd.

1,484.51

# MEMORANDUM

JUL 7 - 1952

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

| Appropriation, limitation, or project symbol | Appropriation title | Limit'n. or Proj't. Amount | Appropriation Amount |
|---|---|---|---|
| 14X8401 | Revolving Fund, Defense Production Act, Interior | 1,484.51 | 1,484.51 |

| Allotment symbol | Amount | Obligations liquidated | COST ACCOUNT Symbol | COST ACCOUNT Amount | OBJECTIVE CLASSIFICATION Symbol | OBJECTIVE CLASSIFICATION Amount |
|---|---|---|---|---|---|---|
| | | | | | | |

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

# METHOD OF OR ABSENCE OF ADVERTISING

## METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.

   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.).

## ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

---

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22900a-2

MR-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 130

Wash office

Name of Operator Hope Silver-Lead Mines, Inc.
Docket No. DMA 1238X
Total Contract Amount $ 36,000.00
Government Participation: 50% % Amount, $ 18,000.00
Distribution of Expenditures for Month of April 1 to April 30, 1952

# STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
# OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

*Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

*Maps.*—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

*Cost Accounts.*—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 - 1952

## CERTIFICATION

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

Hope Silver-Lead Mines, Inc.
(Name of Company)

By Glenn C. Lee
(Signature of Authorized Official)

May 26, 1952
(Date)

President
(Title)

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

16--64068-3

# MONTHLY SUMMARY COST STATEMENT

**List as Shown on Exhibits Attached to Contract**

| Item | Monthly Total | Totals Previously Reported | Totals to Date | For Government Use Only | | |
|---|---|---|---|---|---|---|
| | | | | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| 1. Fixtures and Improvements: | | | | | | |
| (a) Facilities | | | | | | |
| (b) Buildings | | | | | | |
| (c) Fixtures | | | | | | |
| 2. Operating Equipment: | | | | | | |
| (a) Purchased[1] | | | | | | |
| Furnished by Operator | | | | | | |
| ~~(b) Rented~~ | | | | | | |
| 1 Air Compressor | 44.45 | 433.34 | 477.79 | | | |
| 2 Drifters | 27.67 | 268.96 | 296.63 | | | |
| 1 Mucking Machine | 33.34 | 324.84 | 358.18 | | | |
| 1 Battery Locomotive | 55.67 | 542.52 | 598.19 | | | |
| (c) Furnished by operator | | | | | | |
| Mine Cars | 16.66 | 162.47 | 179.13 | | | |
| 1 Stoper | 6.66 | 64.97 | 71.63 | | | |
| 3. Rehabilitation and Repairs: | | | | | | |
| (a) Facilities | | | | | | |
| (b) Buildings | | | | | | |
| (c) Installations | | | | | | |

# Hope Silver-Lead Mines, Inc.

Clark Fork, Idaho

OFFICE OF
THE PRESIDENT
GLENN C. LEE
P.O. BOX 126
KENNEWICK, WN.

## Report on Progress For April, 1952

We have advanced the drift on the Red Vein on 700 ft. level 92 ft. The vein is about the same as it was last month. There is still small fractures crossing the vein at intervals that seem to affect mineralization. We had a 4" stringer of hi-grade ore in the vein at one time this month that assayed lead 25.6 trace of zinc, and silver 13.2 ounces.

Our advance was slowed down this month by a shortage of miners. We also started cutting a diamond drill station on April 21. To do this work we had to stop drifting. We have only charged 2/3 of our monthly costs to D.M.A. the balance of the costs were charged to the diamond drilling.

## MONTHLY SUMMARY COST STATEMENT—Continued

| Item | Monthly Total | Totals Previously Reported | Totals to Date | For Government Use Only: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (d) Fixtures | | | | | | |
| # 4. Labor[3] | 1495.47 | 12238.01 | 13733.48 | | | |
| # 5. Supervision | 372.53 | 3642.07 | 4014.60 | | | |
| 6. Supplies | | | | | | |
| (a) Timber | - | 71.50 | 71.50 | | | |
| (b) Explosives | - | 590.33 | 590.33 | | | |
| (c) Repair Parts | - | 403.72 | 403.72 | | | |
| (d) Other | 85.00 | 259.20 | 344.20 | | | |
| * 7. Power | 734.30 | 5203.16 | 5937.46 | | | |
| 8. Transportation | | | | | | |
| 9. Insurance | | | | | | |
| (a) Fire | - | 111.46 | 111.46 | | | |
| (b) Public Liability | | | | | | |
| (c) Workmen's Compensation | 103.27 | 575.14 | 678.41 | | | |
| 10. Contract Work | | | | | | |
| 11. Other (specify) | | | | | | |
| Total | 2975.02 | 24891.69 | 27866.71 | | | |
| Deletions | | | | | | |
| Adjusted totals | | | | | | |
| Totals previously reported | | | | | | |
| Totals to date | 2975.02 | 24891.69 | 27866.71 | | | |

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

**FOR GOVERNMENT USE ONLY**

Checked by W R Lee
Entered by
Approved by Anne E. Reno
Amount approved for payment $ 1487 51
Remarks

16—64068-3

## EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF April

(Supply Data Below Applicable Only to Your Operations)

| Item | Costs | | | | | Progress [4] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Wages [1] and salaries | Equipment [2] | Supplies | Other [3] | Total | Unit | Units this month | Units previously reported | Units to date | Units authorized by contract (Exhibit A) |
| Drifting | 1868.00 | 184.45 | 85.00 | 837.57 | 2975.02 | 1 ft. | 92 | 671 | 763 | 1200 |
| Crosscutting | | | | | | | | | | |
| Raising | | | | | | | | | | |
| Shafts | | | | | | | | | | |
| Winzes | | | | | | | | | | |
| Drill holes | | | | | | | | | | |
| Overburden | | | | | | | | | | |
| Rehabilitation and preparation | | | | | | | | | | |
| Geology and geophysics | | | | | | | | | | |
| Trenching | | | | | | | | | | |
| Sampling and assaying | | | | | | | | | | |
| Roads and trails | | | | | | | | | | |
| Test pits | | | | | | | | | | |
| Other (specify) | | | | | | | | | | |
| Totals | 1868.00 | 184.45 | 85.00 | 837.57 | 2975.02 | 1 ft. | 92 | 671 | 763 | 1200 |

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Entries in "Other" column include: Power 734.30
Insurance 103.27
837.57

Workemen's Compensation for Apr.

Underground Labor 1349.20 @ 5.50
Surface Labor 1452.80 @ 2.00

103.27

* Power Bill for April 1100.96
Less 1/3 for diamond 366.66
Drilling 734.30

#2/3 of April PR figure chg. DMA

MF-1
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. 150
Idm-E _____

Name of Operator _____
Docket No. DMA _____
Total Contract Amount $_____
Government Participation: _____% Amount, $_____
Distribution of Expenditures for Month of _____

# STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
# OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

*Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

*Maps.*—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

*Cost Accounts.*—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

## CERTIFICATION

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

_____ By _____
(Name of Company) (Signature of Authorized Official)

_____ _____
(Date) (Title)

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

16—64068-3

# MONTHLY SUMMARY COST STATEMENT

**List as Shown on Exhibits Attached to Contract**

| Item | Monthly Total | Totals Previously Reported | Totals to Date | For Government Use Only | | |
|---|---|---|---|---|---|---|
| | | | | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| 1. Fixtures and Improvements: | | | | | | |
| (a) Facilities | | | | | | |
| (b) Buildings | | | | | | |
| (c) Fixtures | | | | | | |
| 2. Operating Equipment: | | | | | | |
| (a) Purchased[1] | | | | | | |
| Furnished by Operator | | | | | | |
| (b) Rented[2] | | | | | | |
| 1 Air Compressor | 66.67 | 366.67 | 433.34 | | | |
| 2 Drifters | 41.50 | 227.46 | 268.96 | | | |
| 1 Muckin, Machine | 50.00 | 274.84 | 324.84 | | | |
| 1 Battery Locomotive | 83.50 | 459.02 | 542.52 | | | |
| (c) Furnished by operator | | | | | | |
| Mine Cars | 25.00 | 137.47 | 162.47 | | | |
| 1 Stoper | 10.00 | 54.97 | 64.97 | | | |
| 3. Rehabilitation and Repairs: | | | | | | |
| (a) Facilities | | | | | | |
| (b) Buildings | | | | | | |
| (c) Installations | | | | | | |

# Hope Silver-Lead Mines, Inc.

Clark Fork, Idaho

April 8, 1952

OFFICE OF
THE PRESIDENT
GLENN C. LEE
P.O. BOX 126
KENNEWICK, WN.

Report on Progress for March, 1952

We have advanced the drift on the "Red Vein" on 700 ft. level 180 ft. The vein has varied in width and has not been as well mineralized as last month. We have cut through some small cross fracturing. These cross fractures are coated with iron pyrites and each fracture flows some additional water. There was a small displacement of the vein on one of the fractures.

The rock is much softer in this area and shows some of the original red coloring.

John Reynolds, our engineer, surveyed and mapped the geology of our drifting, and has mailed your office an overlay copy.

# MONTHLY SUMMARY COST STATEMENT—Continued

| Item | Monthly Total | Totals Previously Reported | Totals to Date | For Government Use Only: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (d) Fixtures | | | | | | |
| 4. Labor [3] | [illegible] | [illegible] | [illegible] | | | |
| 5. Supervision | [illegible] | [illegible] | 3082.37 | | | |
| 6. Supplies | | | | | | |
| (a) Timber | - | 72.50 | 72.50 | | | |
| (b) Explosives | - | 520.33 | 520.33 | | | |
| (c) Repair Parts | 96.00 | 307.72 | 403.72 | | | |
| (d) Other | 98.00 | 161.20 | 259.20 | | | |
| 7. Power | 752.38 | 4450.78 | 5203.16 | | | |
| 8. Transportation | | | | | | |
| 9. Insurance | | | | | | |
| (a) Fire | - | 111.40 | 111.40 | | | |
| (b) Public Liability | | | | | | |
| (c) Workmen's Compensation | 332.45 | 103.69 | 271.14 | | | |
| 10. Contract Work | | | | | | |
| 11. Other (specify) | | | | | | |
| Total | [illegible] | [illegible] | [illegible] | | | |
| Deletions | | | | | | |
| Adjusted totals | | | | | | |
| Totals previously reported | | | | | | |
| Totals to date | [illegible] | [illegible] | [illegible] | | | |

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

**FOR GOVERNMENT USE ONLY**

Checked by W R Lee
Entered by
Approved by Chas A Magill
Amount approved for payment $2363.35
Remarks

16—64068-3

# EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF [illegible]

**(Supply Data Below Applicable Only to Your Operations)**

| Item | Costs | | | | | Progress [4] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Wages [1] and salaries | Equipment [2] | Supplies | Other [3] | Total | Unit | Units this month | Units previously reported | Units to date | Units authorized by contract (Exhibit A) |
| Drifting | 3371.00 | 276.67 | 193.20 | 884.83 | 4726.70 | 1 ft. | 280 | 633 | 671 | 1200 |
| Crosscutting | | | | | | | | | | |
| Raising | | | | | | | | | | |
| Shafts | | | | | | | | | | |
| Winzes | | | | | | | | | | |
| Drill holes | | | | | | | | | | |
| Overburden | | | | | | | | | | |
| Rehabilitation and preparation | | | | | | | | | | |
| Geology and geophysics | | | | | | | | | | |
| Trenching | | | | | | | | | | |
| Sampling and assaying | | | | | | | | | | |
| Roads and trails | | | | | | | | | | |
| Test pits | | | | | | | | | | |
| Other (specify) | | | | | | | | | | |
| Totals | 3371.00 | 276.67 | 193.20 | 884.83 | 4726.70 | 1 ft. | 280 | 633 | 671 | 1200 |

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Entries in "Other" column include: Power 752.36
Insurance 132.47
884.83

Power [illegible] for Dr. 668.39
Less 50% for
[illegible] 90.03
752.36

Prospector's Organization for Dr.

Under ground labor 2[illegible].00 [illegible].00 [illegible]
Surface labor 1[illegible].00 [illegible].00
[illegible].19
[illegible]
[illegible].46

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. [illegible]
Idm-E

Name of Operator [illegible]
Docket No. DMA [illegible]
Total Contract Amount $ [illegible]
Government Participation: [illegible] % Amount $ [illegible]
Distribution of Expenditures for Month of [illegible]

# STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
# OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

*Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

*Maps.*—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

*Cost Accounts.*—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

## CERTIFICATION

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

[illegible]
(Name of Company)

By [illegible]
(Signature of Authorized Official)

[illegible]
(Date)

[illegible]
(Title)

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

16—64068-3

# MONTHLY SUMMARY COST STATEMENT

**List as Shown on Exhibits Attached to Contract**

| Item | Monthly Total | Totals Previously Reported | Totals to Date | For Government Use Only | | |
|---|---|---|---|---|---|---|
| | | | | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| 1. Fixtures and Improvements: | | | | | | |
| (a) Facilities | | | | | | |
| (b) Buildings | | | | | | |
| (c) Fixtures | | | | | | |
| 2. Operating Equipment: | | | | | | |
| (a) Purchased[1] | | | | | | |
| Furnished by operator | | | | | | |
| ~~(b) Rented~~[2] | | | | | | |
| 1 Air Compressor | 44.07 | 3[illegible].00 | 3[illegible].07 | | | |
| 2 Drillers | 61.90 | 185.90 | 247.40 | | | |
| 1 Loading Machine | 90.00 | 2[illegible].64 | 2[illegible] | | | |
| 1 Battery Locomotive | 63.50 | 375.92 | 439.42 | | | |
| (c) Furnished by operator | | | | | | |
| Mine Cars | 25.00 | 172.47 | 197.47 | | | |
| 1 Motor | 10.00 | 46.97 | 56.97 | | | |
| 3. Rehabilitation and Repairs: | | | | | | |
| (a) Facilities | | | | | | |
| (b) Buildings | | | | | | |
| (c) Installations | | | | | | |

*Hope Silver-Lead Mines, Inc.*

*Clark Fork, Idaho*

March 3, 1952

OFFICE OF
THE PRESIDENT
GLENN C. LEE
P. O. BOX 126
KENNEWICK, WN.

Report on Progress From February 1 to 29, 1952

We have advanced the drift on the "Red Vein" on the 700 ft. level 161 ft. The vein has varied in width from 4" to 42". We have had small stringers of ore in the vein for the 161 ft. In one spot in the vein the ore stringers were a foot in width and assayed as follows: lead 1-0/10, zinc 15-0/10, silver 12-0/10 ounces.

We encountered some small cross fracturing for 20 ft. in the drift. These fractures flowed water when first opened up but have reduced in flow to just small drips. The cross fracturing seemed to pinch the vein and showed less mineralization in this area. After drifting thru this fractured area the vein opened up again and the mineralization is stronger.

The wall rock has been exceptionally hard for this area increasing our explosive and drill bit costs accordingly.

## MONTHLY SUMMARY COST STATEMENT—Continued

| Item | Monthly Total | Totals Previously Reported | Totals to Date | For Government Use Only: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (d) Fixtures | | | | | | |
| 4. Labor [3] | 2999.80 | 6330.01 | 9429.81 | | | |
| 5. Supervision | 546.00 | 2539.27 | 3085.27 | | | |
| 6. Supplies | | | | | | |
| (a) Timber | - | 71.50 | 71.50 | | | |
| (b) Explosives | - | 513.32 | 513.33 | | | |
| (c) Repair Parts | 84.52 | 223.00 | 307.52 | | | |
| (d) Other | 19.00 | 142.20 | 161.20 | | | |
| 7. Power | 690.74 | 3760.04 | 4450.78 | | | |
| 8. Transportation | | | | | | |
| 9. Insurance | | | | | | |
| (a) Fire | 66.41 | 188.47 | 254.88 | | | |
| (b) Public Liability | | | | | | |
| (c) Workmen's Compensation | 123.61 | 319.08 | 442.69 | | | |
| 10. Contract Work | | | | | | |
| 11. Other (specify) | | | | | | |
| Total | 4480.75 | 15330.05 | 20308.41 | | | |
| Deletions | | | | | | |
| Adjusted totals | | | | | | |
| Totals previously reported | | | | | | |
| Totals to date | 4480.75 | 15330.05 | 20308.41 | | | |

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

**FOR GOVERNMENT USE ONLY**

Checked by
Entered by
Approved by Elem A. Magill
Amount approved for payment
Remarks

16—64068-3

# EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF [illegible]

**(Supply Data Below Applicable Only to Your Operations)**

| Item | Costs | | | | | Progress [4] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Wages [1] and salaries | Equipment [2] | Supplies | Other [3] | Total | Unit | Units this month | Units previously reported | Units to date | Units authorized by contract (Exhibit A) |
| Drifting | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1 ft. | 161 | [illegible] | [illegible] | [illegible] |
| Crosscutting | | | | | | | | | | |
| Raising | | | | | | | | | | |
| Shafts | | | | | | | | | | |
| Winzes | | | | | | | | | | |
| Drill holes | | | | | | | | | | |
| Overburden | | | | | | | | | | |
| Rehabilitation and preparation | | | | | | | | | | |
| Geology and geophysics | | | | | | | | | | |
| Trenching | | | | | | | | | | |
| Sampling and assaying | | | | | | | | | | |
| Roads and trails | | | | | | | | | | |
| Test pits | | | | | | | | | | |
| Other (specify) | | | | | | | | | | |
| Totals | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1 ft. | 161 | 326 | [illegible] | [illegible] |

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

[illegible]

[illegible]

[illegible]

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. 130
Idm-E

Name of Operator Hope Silver-Lead Mines, Inc.
Docket No. DMA 1230X
Total Contract Amount $ 36,000.00
Government Participation: 50% Amount $ 18,000.00
Distribution of Expenditures for Month of January 1 to January 31, 1952.

# STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
# OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

*Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

*Maps.*—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

*Cost Accounts.*—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
FEB 25 8 48 PM '52

## CERTIFICATION

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

Hope Silver-Lead Mines, Inc.
(Name of Company)

By Glenn C. Lee
(Signature of Authorized Official)

January 8, 1952
(Date)

President
(Title)

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

16—64068-3

# MONTHLY SUMMARY COST STATEMENT

**List as Shown on Exhibits Attached to Contract**

| Item | Monthly Total | Totals Previously Reported | Totals to Date | For Government Use Only: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| 1. Fixtures and Improvements: | | | | | | |
| (a) Facilities | | | | | | |
| (b) Buildings | | | | | | |
| (c) Fixtures | | | | | | |
| 2. Operating Equipment: | | | | | | |
| (a) Purchased[1] | | | | | | |
| Furnished by Operator | | | | | | |
| ~~(b) Rented~~ | | | | | | |
| 1 Air Compressor | 66.67 | 233.33 | 300.00 | | | |
| 2 Drifters | 41.50 | 144.46 | 185.96 | | | |
| 1 Mucking Machine | 50.00 | 174.84 | 224.84 | | | |
| 1 Battery Locomotive | 83.50 | 292.02 | 375.52 | | | |
| (c) Furnished by operator | | | | | | |
| Mine Cars | 25.00 | 87.47 | 112.47 | | | |
| 1 Stoper | 10.00 | 34.97 | 44.97 | | | |
| 3. Rehabilitation and Repairs: | | | | | | |
| (a) Facilities | | | | | | |
| (b) Buildings | | | | | | |
| (c) Installations | | | | | | |

HOPE SILVER-LEAD MINES, INC.

Clark Fork, Idaho

Report on Progress from Januaryl to 31, 1952

We have advanced the drift on "Red Vein" on 700 ft. level 107 ft. The vein seems to be getting stronger as we advance. For the last 20 ft. of drifting we have had small stringers of lead, zinc ore in the vein. The vein is from 4 to 6 in. wide and filled with a black talc and the small stringers of ore.

We added a second shift of 4 men January 21, to speed up our progress. The addition of this second shift will cut down our per ft. costs of drifting considerably.

Our Engineers run a transit survey of the drift this month and as soon as the maps are completed we will mail you a copy.

# MONTHLY SUMMARY COST STATEMENT—Continued

| Item | Monthly Total | Totals Previously Reported | Totals to Date | For Government Use Only: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (d) Fixtures | | | | | | |
| 4. Labor[3] | 1844.40 | 4985.61 | 6830.01 | | | |
| 5. Supervision | 581.00 | 1958.27 | 2539.27 | | | |
| 6. Supplies | | | | | | |
| (a) Timber | - | 71.50 | 71.50 | | | |
| (b) Explosives | 318.53 | 513.32 | 831.85 | | | |
| (c) Repair Parts | - | 223.00 | 223.00 | | | |
| (d) ~~Other~~ Grease, Oil | 76.00 | 66.20 | 142.20 | | | |
| * 7. Power | 807.64 | 2952.40 | 3760.04 | | | |
| 8. Transportation | | | | | | |
| 9. Insurance | | | | | | |
| (a) Fire | 66.41 | 122.06 | 188.47 | | | |
| (b) Public Liability | | | | | | |
| (c) Workmen's Compensation | 99.90 | 319.08 | 418.98 | | | |
| 10. Contract Work | | | | | | |
| 11. Other (specify) | | | | | | |
| Total | 4070.55 | 12178.53 | 16249.08 | | | |
| Deletions | | | | | | |
| Adjusted totals | | | | | | |
| Totals previously reported | | | | | | |
| Totals to date | 4070.55 | 12178.53 | 16249.08 | | | |

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

Note.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

**FOR GOVERNMENT USE ONLY**

Checked by
Entered by
Approved by Glenn A. Mazzell
Amount approved for payment
Remarks

16—64068-3

# EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF January 1-31, 1952, inc.

(Supply Data Below Applicable Only to Your Operations)

| Item | Costs | | | | | Progress [4] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Wages [1] and salaries | Equipment [2] | Supplies | Other [3] | Total | Unit | Units this month | Units previously reported | Units to date | Units authorized by contract (Exhibit A) |
| Drifting | 2425.40 | 276.67 | 394.53 | 973.95 | 4070.55 | 1 ft. | 107 | 217 | 324 | 1200 |
| Crosscutting | | | | | | | | | | |
| Raising | | | | | | | | | | |
| Shafts | | | | | | | | | | |
| Winzes | | | | | | | | | | |
| Drill holes | | | | | | | | | | |
| Overburden | | | | | | | | | | |
| Rehabilitation and preparation | | | | | | | | | | |
| Geology and geophysics | | | | | | | | | | |
| Trenching | | | | | | | | | | |
| Sampling and assaying | | | | | | | | | | |
| Roads and trails | | | | | | | | | | |
| Test pits | | | | | | | | | | |
| Other (specify) | | | | | | | | | | |
| Totals | 2425.40 | 276.67 | 394.53 | 973.95 | 4070.55 | 1 ft. | 107 | 217 | 324 | 1200 |

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Entries in "Other" column include: Power 807.64
Insurance 166.31
$973.95

Power Bill for January $907.64
Less $100. for Air Rental 100.00-
$807.64

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 130

Name of Operator Dee Silver-Lead Mines, Inc.
Docket No. DMA 1693A
Total Contract Amount $30,000.00
Government Participation: 30 % Amount, $ 10,000.00
Distribution of Expenditures for Month of December 1 to December 31, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 4 1952

# STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
# OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

*Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

*Maps.*—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

*Cost Accounts.*—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

## CERTIFICATION

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

Dee Silver-Lead Mines, Inc. (Name of Company)

By Glenn C. Lee (Signature of Authorized Official)

January 22, 1952 (Date)

President (Title)

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

16—64068-3

# MONTHLY SUMMARY COST STATEMENT

**List as Shown on Exhibits Attached to Contract**

| Item | Monthly Total | Totals Previously Reported | Totals to Date | For Government Use Only: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| 1. Fixtures and Improvements: | | | | | | |
| (a) Facilities | | | | | | |
| (b) Buildings | | | | | | |
| (c) Fixtures | | | | | | |
| 2. Operating Equipment: | | | | | | |
| (a) Purchased[1] | | | | | | |
| Furnished by Operator | | | | | | |
| (b) Rented[2] | | | | | | |
| 1 Air Compressor | 44.44 | 188.89 | 233.33 | | | |
| 2 Drifters | 27.66 | 116.80 | 144.46 | | | |
| 1 Jacking Machine | 33.36 | 141.50 | 174.86 | | | |
| 1 Battery Locomotive | 55.67 | 236.35 | 292.02 | | | |
| (c) Furnished by operator | | | | | | |
| Mine Cars | 16.67 | 70.80 | 87.47 | | | |
| 1 Stoper | 6.67 | 28.30 | 34.97 | | | |
| Oper. on Equip. | - | 270.67 | 270.67 | | | |
| 3. Rehabilitation and Repairs: | | | | | | |
| (a) Facilities | | | | | | |
| (b) Buildings | | | | | | |
| (c) Installations | | | | | | |

16—64068-3

HOPE SILVER-LEAD MINES, INC.

Clark Fork, Idaho

Report on Progress from December 1 to 31, 1951

We have advanced the drift on the "Red Vein" on 700 ft. level 31 ft. The advance was very slow this month due to electric power failure. The power was off on the 18 and 19 of December for 24 hrs. This power failure flooded our 700 ft. level drowning the battery charging equipment and one pump.

We also spent 10 days of this period diamond drilling to locate the vein which was offset by the Air Raise Fault. We found the offset to be 34 ft. and have turned the drift to get back on the vein.

The time spent in this period diamond drilling was not charged for under the D.M.A. contract. We have deudcted 1/3 of the labor, supervision, and depreciation to cover the time spent diamond drilling.

The vein appears to be strong but not too well mineralized. It has about 2 in. of black talc and some siderite on one wall. The dip and strike of the vein are the same as they were on North side of the Air Raise Fault.

# MONTHLY SUMMARY COST STATEMENT—Continued

| Item | Monthly Total | Totals Previously Reported | Totals to Date | For Government Use Only: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (d) Fixtures | | | | | | |
| 4. Labor[3] 2/3 | 910.40 | 4094.80 | 5011.28 | | | |
| 5. Supervision 2/3 | 379.94 | 1573.33 | 1953.27 | | | |
| 6. Supplies | | | | | | |
| (a) Timber | | 71.50 | 71.50 | | | |
| (b) Explosives | 77.47 | 435.85 | 513.32 | | | |
| (c) Repair Parts | | 223.00 | 223.00 | | | |
| (d) Other | 13.20 | 53.00 | 66.20 | | | |
| * 7. Power 687.- | ~~812.00~~ | 2265.40 | ~~3077.40~~ | 2952.40 | | |
| 8. Transportation | | | | | | |
| 9. Insurance | | | | | | |
| (a) Fire | | 122.06 | 122.06 | | | |
| (b) Public Liability | | | | | | |
| (c) Workmen's Compensation | 81.15 | 237.93 | 319.08 | | | |
| 10. Contract Work | | | | | | |
| 11. Other (specify) | | | | | | |
| Total 2339.69 | ~~2464.65~~ | 10141.18 | ~~12605.83~~ | 12480.87 | | |
| Deletions | | | | | | |
| Adjusted totals | | | | | | |
| Totals previously reported | | | | | | |
| Totals to date 2339.69 | ~~2464.65~~ | 10141.18 | ~~12605.83~~ | 12480.87 | | |

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project. 100%

**FOR GOVERNMENT USE ONLY**

Checked by
Entered by
Approved by Elmer A. Magill
Amount approved for payment
Remarks

16—64068-3

# EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF Dec. 1 to Dec. 31, 1951

**(Supply Data Below Applicable Only to Your Operations)**

| Item | Costs | | | | | Progress [4] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Wages [1] and salaries | Equipment [2] | Supplies | Other [3] | Total | Unit | Units this month | Units previously reported | Units to date | Units authorized by contract (Exhibit A) |
| Drifting | 1296.42 | 184.45 | 90.67 | 780.15 | 2339.69 | 1 ft. | 31 | 186 | 217 | 1200 |
| Crosscutting | | | | | | | | | | |
| Raising | | | | | | | | | | |
| Shafts | | | | | | | | | | |
| Winzes | | | | | | | | | | |
| Drill holes | | | | | | | | | | |
| Overburden | | | | | | | | | | |
| Rehabilitation and preparation | | | | | | | | | | |
| Geology and geophysics | | | | | | | | | | |
| Trenching | | | | | | | | | | |
| Sampling and assaying | | | | | | | | | | |
| Roads and trails | | | | | | | | | | |
| Test pits | | | | | | | | | | |
| Other (specify) | | | | | | | | | | |
| | | | | | | | | | | |
| Totals | 1296.42 | 184.45 | 90.67 | 780.15 | 2339.69 | 1 ft. | 31 | 186 | 217 | 1200 |

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

Items in "Other" column include

| | |
|---|---|
| Power | 607.00 |
| Insurance | 61.15 |
| | 780.15 |

| | |
|---|---|
| Power Mill Rot Generator | 512.00 |
| 038 50. 12 Rental | |
| 038 75. 1131FC | 129.00 |
| Power Chg. to [illegible] | 607.00 |

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 130

Name of Operator Hope Silver-Lead Mines, Inc.
Docket No. DMA 1238X
Total Contract Amount $ 36,000.00
Government Participation: 50% % Amount, $18,000.00
Distribution of Expenditures for Month of November 1 to November 30, 1951

$1642.99

# STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
# OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

*Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

*Maps.*—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

*Cost Accounts.*—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

Defense Minerals Administration
MAR 18 1952

## CERTIFICATION

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

Hope Silver-Lead Mines, Inc. (Name of Company) By Glenn C. Lee (Signature of Authorized Official)

December 28, 1951 (Date) Glenn C. Lee, President (Title)

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

16—64068-3

# MONTHLY SUMMARY COST STATEMENT

**List as Shown on Exhibits Attached to Contract**

| Item | Monthly Total | Totals Previously Reported | Totals to Date | For Government Use Only: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| 1. Fixtures and Improvements: | | | | | | |
| (a) Facilities | | | | | | |
| (b) Buildings | | | | | | |
| (c) Fixtures | | | | | | |
| 2. Operating Equipment: | | | | | | |
| (a) Purchased[1] | | | | | | |
| (b) Rented | | | | | | |
| Furnished By Operator | | | | | | |
| 1 Air Compressor | 66.67 | 122.22 | 188.89 | | | |
| 2 Drifters | 41.50 | 75.30 | 116.80 | | | |
| 1 Mucking Machine | 50.00 | 91.50 | 141.50 | | | |
| 1 Battery Locomotive | 83.50 | 152.85 | 236.35 | | | |
| (c) Furnished by operator | | | | | | |
| Mine Cars | 25.00 | 45.80 | 70.80 | | | |
| 1 Stoper | 10.00 | 18.30 | 28.30 | | | |
| Depr. on Equip. | ~~276.67~~ | - | ~~276.67~~ | | | |
| 3. Rehabilitation and Repairs: | | | | | | |
| (a) Facilities | | | | | | |
| (b) Buildings | | | | | | |
| (c) Installations | | | | | | |

16—64068-3

Hope Silver-Lead Mines, Inc.

Clark Fork, Idaho

November 30, 1951

OFFICE OF
THE PRESIDENT
GLENN C. LEE
P. O. BOX 126
KENNEWICK, WN.

Report on progress from November 1 to 30, 1951

We have advanced the drift on "Red Vein" on 700 ft. level 61 ft. Most of the advance made was hand picking because of the soft rock in the Air Raise Fault, 30 ft of which had to be timbered.

The Air Raise Fault is 44 ft. wide and the rock was soft and full of slips for 25 ft. past the fault. The formation at the face seems to be getting back to normal. We are starting to turn the drift to get back on the "Red Vein" offset by the fault.

There has been some pyrite showing along the slips next to the fault.

The flow of water has decreased considerably and most of what is coming in is coming from the bottom of the drift.

# Hope Silver-Lead Mines, Inc.

Clark Fork, Idaho

OFFICE OF
THE PRESIDENT
GLENN C. LEE
P.O. BOX 126
KENNEWICK, WN.

Time Sheet for November 1 to 15 inc.

| November | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | Reg. Hrs. | ~~Reg.~~ OT Hrs. | Rate | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Elmer Shields Foreman & Mine S. | 8 | 8 | 8 | 0 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 88 | 24 | 1.85&50. | 279.40 |
| Harold Shields Mech. Blacksmith | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 0 | 8 | 8 | 8 | 8 | 88 | 24 | 1.85 | $229.40 |
| Chas. McChesnie Skip Tender | 0 | 8 | 8 | 0 | 8 | 8 | 8 | 8 | 8 | 8 | 0 | 0 | 8 | 8 | 8 | 80 | 8 | 1.60 | $147.20 |
| Orville Shields Hoistman | 8 | 8 | 8 | 0 | 8 | 8 | 8 | 8 | 8 | 8 | 0 | 8 | 8 | 8 | 8 | 88 | 16 | 1.60 | $179.20 |
| Harold Rounsville Miner | 8 | 8 | 8 | 0 | V | V | V | V | V | V | 0 | 8 | 8 | 8 | 8 | 96 | 8 | 1.60 | $172.80 |
| | | | | | | | | | | | | | | | | Total | | | $1008.00 |

Time Sheet for November 16 to 30 inc.

| November | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | Reg. Hrs. | O.T. Hrs. | Rate | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Elmer Shields Foreman & Mine S. | 8 | 8 | 0 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 80 | 32 | 1.85&50 | $286.80 |
| Harold Shields Mech. Blacksmith | 8 | 8 | 0 | 8 | 8 | 8 | 8 | 8 | 8 | 0 | 8 | 8 | 8 | 8 | 0 | 80 | 16 | 1.85 | $192.40 |
| Chas. McChesnie Skip Tender | 8 | 8 | 0 | 0 | 0 | 8 | 8 | 8 | 8 | 0 | 8 | 8 | 8 | 8 | 8 | 88 | 0 | 1.60 | $140.80 |
| Orville Shields Hoistman | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 0 | 8 | 8 | 8 | 8 | 8 | 88 | 24 | 1.60 | $198.40 |
| Harold Rounsville Miner | 8 | 8 | 0 | 8 | 8 | 8 | 8 | 8 | 8 | 0 | 8 | 8 | 8 | 0 | 8 | 80 | 16 | 1.60 | $166.40 |
| | | | | | | | | | | | | | | | | | Total | | $984.80 |

Total November Payrolls $1992.80

*Hope Silver-Lead Mines, Inc.*

*Clark Fork, Idaho*

OFFICE OF
THE PRESIDENT
GLENN C. LEE
P. O. BOX 126
KENNEWICK, WN.

Form 1062

SANDPOINT, IDAHO

NOVEMBER 30, 1951

HOPE SILVER LEAD MINES, INC.

CLARKFORK, IDAHO

in account with

MOUNTAIN STATES POWER COMPANY

SANDPOINT, IDAHO

| | | | | | |
|---|---|---|---|---|---|
| Meter readings: | Present | 3196 | | | |
| | Previous | 2952 | 244 x 320 | 78,080 KWH | |
| | Present | 0048 | | | |
| | Previous | 0027 | 21 x 400 | 8,400 " | |
| | | | | 86,480 KWH | |
| | | | | | 889.36 |
| 25,000 KWH | @ | .09 | | 225.00 | |
| 61,480 " | @ | .07 | | 430.36 | |
| Demand | | | | 234.00 | 889.36 |

Balance due as per previous billing 2,776.00

$3,665.36

I certify that the above is a true and correct copy of the November 30, 1951 Mountain States Power Company Statement.

Glenn C. Lee

Glenn C. Lee, President
Hope Silver-Lead Mines, Inc.

Subscribed and sworn to before me this twenty-eighth day of December, 1951.

Notary Public in and for the State of Washington, residing at Pasco.

## MONTHLY SUMMARY COST STATEMENT—Continued

| Item | Monthly Total | Totals Previously Reported | Totals to Date | For Government Use Only: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (d) Fixtures | | | | | | |
| Engineering | 100.00 | - | 100.00 | 0 | | |
| 4. Labor[3] | 1426.60 | 2709.80 | 4136.40 | 1385.00 | | |
| 5. Supervision | 566.20 | 1012.13 | 1578.33 | 566.20 | | |
| 6. Supplies | | | | | | |
| (a) Timber | 39.00 | 32.50 | 71.50 | ✓ | | |
| (b) Explosives | 107.08 | 328.77 | 435.85 | ✓ | | |
| (c) Repair Parts | 57.00 | 166.00 | 223.00 | ✓ | | |
| (d) Other | 16.30 | 36.70 | 53.00 | ✓ | | |
| * 7. Power | 754.36 | 1511.04 | 2265.40 | ✓ | | |
| 8. Transportation | | | | | | |
| 9. Insurance | | | | | | |
| (a) Fire | - | 122.06 | 122.06 | | | |
| (b) Public Liability | | | | | | |
| (c) Workmen's Compensation | 84.37 | 153.56 | 237.93 | ✓ | | |
| 10. Contract Work | | | | | | |
| 11. Other (specify) | | | | | | |
| Total | 3704.25 | 6578.53 | 10282.78 | | | |
| Deletions | | | | | | |
| Adjusted totals | | | | | | |
| Totals previously reported | | | | | | |
| Totals to date | 3704.25 | 6578.53 | 10282.78 | 3285.99 | 6578.53 | 9864.51 |

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project. 100%

**FOR GOVERNMENT USE ONLY**

Checked by W R Lee
Entered by
Approved by Elmer A Mayer
Amount approved for payment $1642.99
Remarks

16—64068-3

# EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF Nov. 1 to Nov. 30, 1951

(Supply Data Below Applicable Only to Your Operations)

| Item | Costs | | | | | Progress [4] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Wages [1] and salaries [1] | Equipment [2] Depr. | Supplies | Other [3] | Total | Unit | Units this month | Units previously reported | Units to date | Units authorized by contract (Exhibit A) |
| Drifting | 2092.80 | 553.34 | 219.38 | 838.73 | 3704.25 | 1 ft. | 61 | 125 | 186 | 1200 |
| Crosscutting | | | | | | | | | | |
| Raising | | | | | | | | | | |
| Shafts | | | | | | | | | | |
| Winzes | | | | | | | | | | |
| Drill holes | | | | | | | | | | |
| Overburden | | | | | | | | | | |
| Rehabilitation and preparation | | | | | | | | | | |
| Geology and geophysics | | | | | | | | | | |
| Trenching | | | | | | | | | | |
| Sampling and assaying | | | | | | | | | | |
| Roads and trails | | | | | | | | | | |
| Test pits | | | | | | | | | | |
| Other (specify) | | | | | | | | | | |
| Totals | 2092.80 | 553.34 | 219.38 | 838.73 | 3704.25 | 1 ft. | 61 | 125 | 186 | 1200 |

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Entrie in "Other" Column include Power $754.36
Insurance 84.37
$838.73

*Power bill for November $889.36
Less $50.00 for Air Rental
Less 85.00 for Milling $135.00

Power charge to D.M.A. $754.36

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

PROJECT SUMMARY REPORT

By: J. W. Alt July 29, 1958

1. Docket No. DMEA-1238X (Lead-Zinc)
Contract No. Idm-E130
Property: Hope Mine
Bonner County, Idaho

Operator: Hope Silver-Lead Mine, Inc.
Kennewick, Washington

Operator's Property Rights: Owner

2. Contract dated September 5, 1951. To complete - 9 months.

Work Authorized

Drift on the Red Vein on the 700 level 1,200 feet from present face to side line or intersection of Nordquist fault:
1,200 feet of drifting @ $30/ft. $36,000.00

Amendments

No. 1 Effective September 5, 1951.

Change in shift wage rates for miners, hoistman and skiptender.

No. 2 Effective June 1, 1952.

Completion time extended from 9 months to 12 months.

Work Completed

954 feet of drifting (average cost $37.73/ft.) $36,000.00

Work on the project was started on September 5, 1951 and was stopped in July 1952 when funds were expended.

3. Report of Review: dated November 24, 1952.

| | |
|---|---|
| Total cost as billed by contractor | $37,953.33 |
| Exceptions | 1,541.66 |
| Total Adjusted Cost | $36,411.67 |
| In excess of contract | 411.67 |
| Total Accepted Cost | $36,000.00 |
| Government Participation @ 50% | $18,000.00 |

Operator's final report - report waived by Field Team.
Field Team final report dated February 12, 1953.

4. Certification date: No certification made as there was no discovery of ore.

5. Comments

The operators did an excellent job under the exploration project contract. They used good equipment and carried out the work efficiently and in workmanlike manner.

The results of the work done under the terms of the contract were negative as only minor amounts of ore minerals were encountered in the drift. A request for additional funds to continue drifting on the property was considered by the Field Team in late June 1952, but no request for such funds was made to Washington.

Due to actual costs being greater than originally estimated, the target area was not reached.

There are several things that could be done in further exploration of this mine but there are no good reasons for believing that one objective is any better than another. Any effort would be a long shot, and so far, there is not enough evidence to justify any further effort at the property.

Any further exploration on this property with Government participation is not warranted.

J. W. Alt

J. W. Alt

JWAlt/ss 7/28/58
Copy to: Docket
Chron.

Audited ☐ | WORK ANALYSIS SHEET - DMEA PROJECT | ☒ Actual Cost

☐ Certified | Analysis as of 12/7/54, Incl. Voucher for July 1952 | ☐ Agreed Unit Costs

Name Hope Silver-Lead Mines, Inc. | Docket No. DMEA-1238X

State Idaho | Commodity Lead-Zinc | Idn-E No. 130

| OPERATION | AUTHORIZED Units | AUTHORIZED Cost | COMPLETED Units | COMPLETED Cost | NET COST |
|---|---|---|---|---|---|
| Drifting & Crosscutting | 1200' | $36,000.00 | 936' | $36,000.00 | $36,000.00 |
| Raising | | | | | |
| Shafts | | | | | |
| Winzes | | | | | |
| Drilling (Specify) | | | | | |
| Surface Excavation | | | | | |
| Underground Excavation | | | | | |
| Roads and Trails | | | | | |
| Operating Equipment Purchased | | | | | |
| Surface Rehabilitation & Repairs | | | | | |
| Underground Rehabilitation | | | | | |
| New Building, Improvements, etc. | | | | | |
| Other (Specify) | | | | | |
| Totals | | $36,000.00 | | $36,000.00 | $36,000.00 |

Prepared by W. R. Hugeedhead

# Hope Silver-Lead Mines, Inc.

Clark Fork, Idaho
June 20, 1956

OFFICE OF
THE PRESIDENT
GLENN C. LEE
P.O. BOX 136
KENNEWICK, WN

RECEIVED
JUN 2 1 1956

Mr. A. E. Weissenborn
Defense Minerals Administration
South 157 Howard Street
Spokane, Washington

Re: DMA 1238X
Hope Silver-Lead Mines, Inc.

Dear Mr. Weissenborn:

In conversation this week with Mr. Eichelberger I told him about our DMA program with your department a number of years ago for the Hope Silver Lead Mines at Clark Fork.

Mr. Eichelberger asked if I had any objections to him having information from your files and records concerning this program with our Mine.

I told Mr. Eichelberger that I would get in touch with you and kindly ask that you make any and all information available to him, concerning our property and concerning our program under DMA assistance.

Therefore, I would appreciate it if you could co-operate with him in this respect.

Thank you.

Very truly yours,

HOPE SILVER LEAD MINES, INC.

Glenn C. Lee
President

GCL/mr

cc: Mr. Frank Eichelberger
Symons Building
Spokane, Washington

RECEIVED
SEP 13 1954

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

September 9, 1954

Mr. Glenn Lee
Hope Silver-Lead Mines, Inc.
Clark Fork, Idaho

Re: Docket No. DMEA-1238 (lead-zinc)
Hope Silver-Lead Mines, Inc.
Clark Fork, Idaho
Contract Idm-E130 (Terminated)

Dear Mr. Lee:

This will acknowledge your letter of September 2, 1954, in which you state that Hope Silver-Lead Mines, Inc., has continued exploration at their property and that additional information has been obtained which evidently indicates to you that further exploration of the Hope property would be desirable.

As you know, exploration of the Hope property done under Contract Idm-E130 was unsuccessful in finding ore, and as pointed out in our letter of July 21, 1952, it was our conclusion that further Government participation in the exploration of the Red and Middle veins from the 700 level could not be justified. This, I think, would still be our opinion unless new facts have been brought to light.

However, if work you have done has found another vein on the Hope property, any proposal for exploration of that vein would be judged wholly on its own merits, and the fact that the previous DMEA contract at the Hope mine was unsuccessful would have no bearing on the matter. We would be very pleased, therefore, to meet with you and other representatives of the company at some convenient time and discuss whatever proposals you may have in mind.

Sincerely yours,

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

cc: [illegible] w/d [illegible]
(2)
[illegible]

# Hope Silver-Lead Mines, Inc.

CLARK FORK, IDAHO

September 2, 1954

GLENN C. LEE
President
Kennewick, Wash.

EDWIN L. GROENIG
Vice President
Yakima, Wash.

L. P. LARSON
Secy.-Treas.
Coeur d'Alene, Idaho

K. W. GREENQUIST
Ass't. Secy.-Treas.
Coeur d'Alene, Idaho

Directors

GLENN C. LEE
EDWIN L. GROENIG
LAWRENCE BRULOTTE
L. P. LARSON
PAUL SCHROEDER
K. W. GREENQUIST

ELMER SHIELDS
Mine Supt.
Defense Minerals Administration
RECEIVED
SEP 13 1954

Mr. A. E. Weissenborn
Exec. Officer
U. S. Department of the Interior
Defense Minerals Exploration Administration
S. 157 Howard Street
Spokane 4, Washington

Re: Hope Silver-Lead
Mines, Inc.
Clark Fork, Idaho

Dear Mr. Weissenborn:

In 1951 a Defense Minerals Administration contract was arranged with our company concerning a definite exploration plan at that time.

This was completed in 1952. We asked for an ammended contract at that time wishing to continue further exploration, but in your letter of July 21, 1952 you declined to ammend the contract and you set forth your reasons accordingly.

We consulted our engineering firm at that time, Preston & Reynolds, and we spent several thousand dollars diamond drilling, over and above the contract requirements.

Prior to the authorization of our contract our Mine Superintendent, Elmer Shields, had talked informally about cooperating with the Whitedelf Mine, with exploration at depth, as related to the two properties. Emphasis was placed on the fact that the two properties adjoined, that we had a two-compartment shaft, excellent equipment, and that we were an assessment corporation. Nothing came of these informal negotiations.

RECEIVED
SEP - 3 1954
U.S.G.S.
SPOKANE, WASH.

...T OF THE INTERIOR
...ic Minerals Administration
RECEIVED
SEP 13 1954



Since that time we are aware of the fact that a considerable sum of DMA money and private funds have been spent in exploration in the Whitedelf property.

Since the termination of our DMA contract, HOPE SILVER-LEAD MINES has continued to operate and explore the possibilities in our property, by using our own funds obtained by periodic assessments.

Since considerable additional information on the Clark Fork area has been obtained by both the Whitedelf Mine and the Hope Mine, I believe that this would be an excellent time to give consideration to further DMA assistance to the Hope Mine.

The HOPE SILVER MINE is currently making regular ship ments of lead and zinc concentrates to the smelters. The last year we have installed a set of zinc cells inour mill and we are getting excellent returns.

The vein upon which we are working now was first discovered on the surface of our property. It was mined by leasors on the surface. We projected a tunnel into the side of the mountain and intersected this vein. Now we have gone down underneath this existing mining activity and have done some diamond drilling on our own account and we have again found this vein. The ore is very good and it indicates to us in generalities, that between the Hope Mine and the Whitedelf Mine there must be a large and a substantial ore body in the Clark Fork area.

We are very much interested in further bulldozing and surface exploration on our property. We believe it would produce extremely valuable geological information concerning the Clark Fork area which would probaly lead to more ore being opened up in the area and would also tend to provide permanent and more accurate conclusions concerning the Clark Fork area.

Our company is paying all its bills on a current basis, we have no bounded debt whatsoever, our property is free and clear from any financial obligations and we are very much interested in developing the Clark Fork area on a long term basis.

Your consideration of the subject content of this letter will be greatly appreciated. I shall look forward to hearing from you.

If it would be possible for you to give me a personal interview sometime during the latter part of September I would be glad to make arrangements with my Mine Superintendent, and one or two other members of our Board of Directors, to come to Spokane to talk to you concerning this subject.

Thank you.

Very truly yours,

GCL:lm
cc: Edwin L. Groenig
Yakima, Wash.

Lawrence Brulotte
Yakima, Wash.

Paul Schroeder
Coeur d'Alene, Idaho

L. P. Larson
Coeur d'Alene, Idaho

K.W. Greenquist
Coeur d'Alene, Idaho

Elmer Shields
Clark Fork, Idaho

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

March 2, 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 6 1953

Re: Docket No. DMEA-1238
Hope Silver-Lead Mining Co.
Hope Mine, Bonner Co., Idaho
Contract No. Idm-E130

Dear Mr. Selfridge:

Enclosed are the original and three copies of a Final Field Team Report on the Hope Silver-Lead Mining Company's Exploration Project Contract. The project expended all available contract funds before completion of project work; however, as exploration work had failed to find significant mineralization, no request for additional funds was submitted to Washington.

The Hope mine closed work shortly after the DMEA contract stopped and is now idle. As the company is largely a stock-holding organization with company officials engaged in other types of work and as there is no company official capable of preparing a final report on project accomplishments, the obligation for such a final report from the Operator has been waived by the Executive Officer.

It is recommended that no certification of discovery be made.

By Field Team, Region II

A. E. Weissenbor
A. E. Weissenbor, Exec. Officer
(U. S. Geological Survey)

Acting for Thomas E Howard
M. E. Volin, Member
(U. S. Bureau of Mines

Enclosures(4)
Distribution
DMEA(Orig.&3)
USBM(2)
Robert Hull(1)

Certifying Officer(1)
Fryklund(1)

Reviewed by
DMEA OPERATING COMMITTEE
3-11-53
(date)

F.T. FINAL RPT.

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 6 1953

# FINAL REPORT

Contract Idm-E130

by

E. A. Magill
Mining Engineer
U. S. Bureau of Mines

Verne C. Fryklund, Jr.
Geologist
U. S. Geological Survey

HOPE SILVER-LEAD MINING COMPANY
Kennewick, Washington

| | |
|---|---|
| Docket No.: | DMEA 1238 |
| Commodity: | Lead-Zinc |
| Contract date: | September 5, 1951 |
| Completion date: | September 5, 1952 |

HOPE MINE
CLARK FORK MINING DISTRICT
Bonner County, Idaho

Reviewed by
DMEA OPERATING COMMITTEE
3-11-53
(date)

Spokane, Washington

February 12, 1953

FINAL REPORT

HOPE SILVER-LEAD MINING COMPANY
Hope Mine, Clark Fork Mining District
Bonner County, Idaho

Contract Idm-E130

* * * *

## INTRODUCTION

The Hope Mine is owned by the Hope Silver-Lead Mining Company with main offices in Kennewick, Washington. The mine is one and one-half miles north of Clark Fork, Idaho, on the east bank of Lightning Creek, in section 35, T. 56. R. 2 E., B.M. The exploration contract was signed in Washington September 5, 1951, and work on the contract began in October 1951.

## SUMMARY AND RECOMMENDATIONS

The contract called for drifting along the Red Vein on the 700 level to either the property line or to the Norquist fault if it was reached before the drift reached the property line, total drifting not to exceed 1200 feet. It was hoped that ore shoots would be discovered along the vein or that an ore shoot might be present north of the Norquist fault intersection. The funds for this contract were completely expended at the end of July 1952, several hundred feet short of either of the two objectives (see accompanying map).

The results of this contract were negative as only minor amounts of ore minerals were encountered in the drift. A request for additional funds to continue drifting on the property was considered by the Field Team in late June 1952, but no request for such funds was made to Washington. It is recommended that the Government not participate in further work in the mine. No certification of discovery should be made.

## MINING AND EXPLORATION HISTORY OF THE HOPE MINE

The Hope Mine (originally known as the Elsie K) was discovered in 1923, and ore was mined until the fall of 1949. No ore is known to have been produced from this mine since that date except possibly a small tonnage that may have been mined by lessors. The productive vein is flat dipping, almost parallel to the bedding, and was nowhere much more

than 8 to 12 inches thick and in many of the stopes only 2 to 3 inches thick. On the 700 level the Elsie K Vein would be perhaps 2,500 to 3,000 feet east, in the hanging wall, of the Red Vein. The intersection of the two veins has been eroded away. The geology of this portion of the mine has been described by A. L. Anderson in Idaho Bureau of Mines and Geology Bulletin 12, and in USGS Bulletin 944B.

Exploration of the property for the last several years has been concentrated on the 700 level, which is reached by a 700 foot vertical shaft. Most of this work has consisted of crosscutting to the east to intersect the downward extension of the Elsie K Vein, a vein that dips about 15° to 20° southeast. About 1600 feet of crosscut was driven before someone recognized how far the crosscut would have to go to intersect the target and, consequently, stopped advance of the crosscut.

During the war, the U. S. Bureau of Mines drilled three deep holes in the Hope-Whitedelf area. (See accompanying map.) This drilling is described in RI 3992 by S. H. Lorain. One hole is believed to have intersected the downward extension of the Whitedelf Pearl Vein ore shoot; assays and widths (two intersections from the same hole) indicate a very interesting downward extension of the Whitedelf ore body. Two holes were drilled in Hope ground to test what is believed to be the extension of the Pearl Vein but only minor amounts of ore minerals were found. Nevertheless, the finding of good ore in the Whitedelf drill hole suggested that the Pearl Vein extension warranted further exploration in Hope ground.

The Hope management drove a northwest-bearing crosscut on the 700 level that cut three major fault structures (see map), each of which contained a minor amount of ore minerals. The Middle Vein, same as the Whitedelf Pearl Vein, was followed almost to the property line toward the southwest but no ore was found. About at the same time, the most northwest structure was followed, again with no results. As a last effort the Red Vein, the most southeasterly structure, was opened up and about 600 feet of barren drifting had been done when the company applied for, and received, a DMA contract.

## DESCRIPTION OF PROJECT

The exploration project called for 1200 feet of drifting southwestward along the Red Vein on the 700 level of the Hope mine.

Work under the project was commenced on September 5, 1951, and was continued with only brief interruptions until the funds ($36,000.00) were expended in July 1952. A total of 954 feet of drifting was completed at a cost of $37.73 per foot.

Due to actual costs being greater than was originally estimated, the target area was not reached.

The Operators requested additional funds in the amount of $6,000.00 on June 2, 1952, in order to be able to complete the 1200 feet of drifting as originally proposed. This request was denied by the Field Team on July 21, 1952.

The 700 level drift on the Red Vein was carried 6 by 7 in the clear excepting timbered portions which were carried $5\frac{1}{2}$ by 7. Drilling was with two automatic feed drifters mounted on a jumbo; mucking with an Eimco mucking machine loading into 36 cubic foot side dump cars and trammed by electric battery trammer to the 700 level station of the Hope shaft. The cycle was muck out, drill, and blast on each ~~round~~ shift. During the first few months of the project work was carried on a single shift basis, with relative high overhead costs (mainly power for pumping). This gave a high per foot cost. Upon the suggestion of the Field Team, work was placed on a double shift basis resulting in a lower cost per foot. Trouble was also encountered with excessive flows of water when faults were encountered. These drained within a few days or weeks, but they did slow down progress when first encountered.

The total amount allowable under the contract was $36,000.00. All funds were expended. The Operator was paid $18,000.00 by the Government.

There was no equipment acquired under the exploration project contract.

## GEOLOGY

The Hope mine actually consists of two separate mines, the only factors common to the two mines are three high angle faults and the same ore mineralogy. The Elsie K workings have been adequately described, and information on this part of the mine can be had from A. L. Anderson's report. The geology of the other portion of the mine, the 700 level, will be summarized below.

The 700 level is probably in the Wallace formation of the Belt Series, Pre-Cambrian, although that identification is tentative. The beds range in thickness from about one-eighth of an inch to three feet; lithologically they are light gray shales and quartzites. Bedding dips are very gentle; along parts of the Middle Vein drift they are almost flat; locally there is a considerable variation in strike because of minor rolls in the bedding, but in general, the beds strike a few degrees east and west of north.

The most prominent structural features on the level are the northeast-striking, high angle Red Vein, Middle Vein and North Vein faults; they cut and in turn are cut by other faults of several magnitudes. Northwest-striking faults, as explosed in the Red Vein drift, are cut by the Red Vein fault. Some of these faults were accompanied by minor pyrite mineralization, the larger faults are the sources of much water that has made mining operations very difficult. The Red, Middle, and North faults were opened at about the same time and minor amounts of ore minerals were introduced.

The Red, Middle, and North faults have been called reverse faults, but bedding drag in the Red Vein drift is that to be expected of a normal fault. The other major faults on the level are the Dike fault and the Air Raise fault. The Dike fault strikes about N. 40° and dips 70° south. It offsets the three veins an unknown amount. After the fault was opened it was filled with a dike and possibly in the Elsie K workings with some ore minerals. There has been post dike movement. The Air Raise fault was first recognized in the Elsie K workings, and it is probably the same fault that offsets the Red Vein about 40 feet. The fault strikes about N. 60° W. and dips about 55° south. It is a normal fault.

There is evidence for at least three periods of movement along the Red Vein fault. First, major movement followed by the introduction of minor amounts of sulphides and gangue minerals; second, movement along the fault that crushed the sulphides and produced a very persistent thin black gouge; third, minor slipping that has in places moved through the black gouge. At a maximum, the zone of disturbance is about ten feet wide but most of the drift has followed a gouge seam that is less than one inch wide.

There is a minor bleached zone along the fault, but it is rarely wider than one or two feet.

The ore minerals recognized were galena and sphalerite; the gangue minerals are siderite and minor amounts of quartz. Pyrite seems mainly associated with the early faults. Near the 1320 foot point from the crosscut a southeast-striking, curved structure branching off from the main fault contained enough sulphide so that development rock was sent to the mill. This area was about 7 feet long.

## SUGGESTIONS FOR FUTURE EXPLORATION

If the company were to continue the development of the Elsie K Vein on a modest scale, they could at least mine some ore. The vein contained about the same amount of ore on the 9 level as in the upper levels, and there is no reason why the vein will not persist further in depth. Two splits of the Elsie K have been mined, and down holes might find other splits. (At least one up hole was drilled with negative results.) The lateral extent of the vein has not yet been adequately explored and might be tested to the east, past the Norquist fault.

The situation on the 700 level is about that of the start of the contract. There are three major structures that contain minor amounts of ore minerals, and several things could be done to investigate other portions of these structures. The Red Vein drift could be continued south to the property line. All three structures could be

investigated north of the Dike fault, something that has not been tried because of the attraction of the Whitedelf ore body. The veins could be explored in depth by drilling. (In an attempt to cut down the Red Vein drift overhead that was resulting in high footage costs, the company attempted to drill the Middle Vein from the Red Vein drift. Two holes were tried at 45° dips. Each time the dip increased to about 80° and the holes were abandoned. Control of any deep holes will be difficult, although the Bureau of Mines was able to complete three, more or less, vertical holes over 1,000 feet long.) Probably the most suitable way of exploring these veins would be to deepen the shaft and again drift on the structures, although shaft sinking is not recommended at this time. It is believed that the Whitedelf ore shoot will enter Hope ground about 2,000 feet below the 700 level; further sinking might be done if the Whitedelf ore shoot should prove commercial at that depth.

In summary, there are several things that could be done in further exploring this mine; there are no good reasons for believing that one objective is any better than another. Any effort would be a long shot, and so far, there is not enough evidence to justify any further effort at the property. The company apparently has the same feeling as the pumps have been pulled.

## COMPETENCE OF OPERATOR

The Operators did an excellent job under the exploration project contract. They used good equipment and carried out the work efficiently and in a workmanlike manner.

## MINE WORKINGS AND PLANT

All work under the exploration project contract was carried out through the Hope shaft. The work was done on the 700 level, the only level in the shaft. The extent of the workings is shown on the map attached to this report. Details on the Hope shaft are reported in U.S.B.M. Report of Investigations No. 3992, "The Clark Fork Lead-Zinc District, Bonner County, Idaho", by S. H. Lorain dated August 1946. The workings are in good condition and generally require little or no timber excepting when crossing some of the major faults.

Due to the heavy water flow, ventilation is generally good although vent tube with blower was used part of the time in driving the Red Vein drift.

All water drains to a special sump at the Hope shaft and is pumped in one lift to the surface. Volume varied but averaged over 200 gallons per minute and reached 500 gallons per minute when fissures were encountered.

The mine is well equipped and has a 150-ton bulk flotation mill on the property. All surface equipment is driven by electric power furnished by Mountain States Power Co.

## RECOVERABLE ORE RESERVES

The exploration work disclosed no ore.

Distribution
- DMEA(Orig.&3)
- USBM(2)
- USGS(SRO)
- Docket
- Fryklund

FILE COPY
SURNAME:

Talbert

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

800

DEC 1 1952

AIR MAIL

Mr. Robert M. Hull
DMEA Auditor
Bureau of Mines
1201 North Division Street
Spokane, Washington

Re: Docket DMA-1238X, Contract Idm-E130
Hope Silver-Lead, Mines, Inc.

Dear Bob:

Receipt is acknowledged of the Washington copies of the Audit Report and Audit Certificate covering the final audit of the referenced project.

There appears to be a typographical error in Schedule B on the line for June. The "Claimed 2/3" on previous lines has been dittoed, whereas apparently June should read "Claimed 1/3." I have corrected our copies accordingly. Please have all field copies corrected.

The following comments are offered for your future guidance in similar circumstances since I don't consider the questions of enough importance to warrant returning this report for correction:

(1) Where costs in excess of the contract amount are billed by the Operator, the excess should be included in your audit "exceptions."

(2) A more understandable tie-in between your Schedule B and your narrative would have been desirable, since it is difficult without reference to the Forms MF-104 to reconcile the $754.90 shown in your narrative with the $871.84 indicated on the Schedule.

(3) There should be an identification of the disallowances by the Certifying Officer and an indication of your concurrence.

Best regards,

(Signed) E. D. Talbert

12-1-52

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

EDTalbert/ama
December 1, 1952

Copy to: Admr. Reading File
Mails and Files
Mr. Chambers

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

1201 N. Division St.
Spokane 2, Washington
November 17, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 24 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: H. T. Reno, Mining Engineer, Bureau of Mines

Subject: Final invoice, Contract Idm-E130, Hope Silver-Lead Mines, Inc., Bonner County, Idaho, Docket No. DMEA 1238 (silver-lead)

Supplies purchased for use on the project have been expended during the course of the work. As the project cost has exceeded the amount of the contract, no supplies remain in which the Government has an interest.

H. T. Reno

Orig. & 3--Wash.
USGS (2)
DMEA & AD
Robt. Hull, Auditor
HTR

SD

M. E. Volin, Member, DMEA Field Team. Reg. II August 7, 1952

H. T. Reno, Mining Engineer

Hope Silver Lead Mines, Inc., Contract Idm-E130, Docket No. 1238X, (silver-lead), Bonner County, Idaho.

According to the July invoice, the funds expended on the project exceed the amount of the contract. Therefore, the contract is completed and steps should be taken to close out the accounts.

No items of equipment in which the Government has an interest have been purchased.

As the Executive Officer has waived documentation requirements, a final audit will be required.

H. T. Reno

cc: Wash. (2)
USGS (2)
HTR (1)

STANDARD FORM NO. 64

# Office Memorandum • UNITED STATES GOVERNMENT

Butte, Montana

TO : M. E. Volin, Member, DMEA Field Team, Region II DATE: Aug. 12, 1952

FROM : John S. McNabb, Mining Engineer, Bureau of Mines

SUBJECT: Routine inspection of Minerals Engineering Co., Contract Idm-E 300, Lost Creek Tungsten, Beaverhead County, Montana, Docket No. DMEA 2440 (tungsten)

A routine inspection of the Lost Creek Tungsten Deposit was made on ~~XXXX~~ August 1, 1952. The drifts on B and H levels were inspected and a Brunton survey was made of each. The drift at B level had advanced a distance of 42.8 feet during the month and the entire drift now measured 93.8 feet. Most of the ~~drft~~ drift to date has been driven in shear zones and has required timbering. It was noted that the drift was being driven too far to the west by about 15 degrees. Mr. Meyers of the U.S. G.S. also noted this fact and has instructed the operators to make an eastward turn.

The drift at H level was begun on July 1 and on August 1 had reached a distance of 88.2 feet. At the time of the inspection there was a showing of tactite in one corner of the drift.

In addition to the work being done under Contract Idm-E 300, a surface stripping project was being carried on in the vicinity of E level. An area about 150 feet wide had been stripped all of which reportedly showed signs of mineralization. No assays had been taken from this area at the time of my inspection.

An assay laboratory has been installed at the property. Assaying will be done by means of chemical digestion, just as bulk ore is handled in the refinery at Bishop, California.

The work at the Lost Creek Property is being carried on vigorously and efficiently. The drift work has been recently put on a contract basis, and the operators are aiming at an advance of 600 feet per month. Two shifts are being worked in both drifts, and should the miners round in and out on each shift, it is possible that an advance of approximately 600 feet could be attained during a month's operation.

John S. McNabb

1201 North Division Street,
Spokane 2, Washington

July 30, 1952

Hope Silver-Lead Mines, Inc.
P. O. Box 126
Kennewick, Washington

Subject: Contract Idr-E130

Gentlemen:

The standbating documents accompanying your June invoice are returned herewith as explained in our letter of July 28, 1952.

Sincerely yours,

Glenn C. Reed
Mining Engineer
Mining Division - Region II

GCR:w
Incl.
cc: W. K. Lee, Albany
USGS
DTEA
WASH. ✓ Incl A
OCR

50

M. E. Volin July 29, 1952

H. T. Heno

Periodic Inspection Contract Idm-E130, Hope Silver-Lead Mines, Inc., Docket DMA 1236 (lead-zinc)

I inspected the work with the mine superintendent, Mr. Shields, July 9, 1952. This project is to explore 1200 lin. ft. of the "Red Vein" by drifting.

At the time of my visit progress during the past month had been slowed by a large water course in the drift and it had been advanced only 32 feet during the month, a total advance of 262 feet. The amount of water was diminishing slowly but was continuing to hinder progress.

The operator had reported to the Field Team that ore was encountered at about 250 feet of advance. However the mineralization was evidently the result of a small cross fracture, and was present for only 8 to 10 feet. The vein appears to split at this cross fracture and it may be that this will be the end of the so called "Red Vein", as the two splits do not have the red, iron-oxide appearance that has been a prominent characteristic heretofore.

A request, made for funds to continue the drift to the end-line, was denied by the Field Team. It is believed that soon the operator will be discouraged with the drift and will want to quit on his own accord.

Standards of work continue to be high.

H. T. Heno

Orig. to files
cc: USGS Spokane (2)
WASH (2)
HTH (1)

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

No. 657 Fourth Street
Spokane 4, Washington

Department of the Interior
Defense Minerals Administration
JUL 28 1952

July 21, 1952

Re: Hope Silver-Lead Mines Inc.
Docket No. DMEA-1238X
Contract No. Dim-E 130

Mr. [illegible]
[illegible]
Greenwich, Washington

Dear Mr. [illegible]:

I regret that I have not been able to reply sooner to your request that the loan application contract be [illegible]. We have carefully reviewed the whole project and have re-[illegible] all available information on the property, as well as the [illegible] work, in the last two weeks. Our conclusions can be summarized as follows:

1. There is no significant amount of ore minerals anywhere exposed in the 700 level except for the small southwest-trending structure 100 feet southwest of Station 700 NLL. This structure by itself is regarded as too small to be of much interest.

2. [illegible] should be awarded until the contract funds are expected to be sufficient to [illegible] the [illegible] market, [illegible] there is a [illegible] information we would not feel justified in making an additional loan to continue the drift.

3. [illegible] on the 700 level [illegible] be justified on present information.

[illegible] on the 700 level; our belief, [illegible] by [illegible] drill holes [illegible] of [illegible]. [illegible] be explored below the drift level [illegible] drill holes [illegible] or [illegible] the 700 level; but, after most [illegible], we do not feel [illegible] would [illegible] in a [illegible] of the type [illegible] amounts of [illegible] [illegible] of [illegible] [illegible] [illegible]

and conscientiously performed your part of the exploration project, but we feel that on geologic grounds no other decision is possible.

By the Field Team, Region II

A. L. Salsburn, Exec. Officer
(U. S. Geological Survey)

K. [illegible], Member
(U. S. Bureau of Mines)

cc: [illegible] (2)
[illegible] A, Arlington (2) ✓

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 14 1952

No. 157 Howard Street
Spokane 1, Washington

June 25, 1952

Memorandum:

To: L. L. Weisenburn, Executive Officer, DMA Field Team, Region II.

From: Verne J. Frydlund, Jr., Geologist, U. S. Geological Survey

Subject: Inspection of Pine Silver-Lead Mine, Silverton, Idaho, July-1230, Pocket and 1230-, Lead-Line.

The face June 13 was about 520 feet from the cut line. Drifting to date on the lead vein has had very little results. Other than some ground-up sulphide in gouge, I saw no sulphides. According to Mr. Roberts, mine foreman, and Carill, some sulphide came up from the mill but did not reach the back.

There may be enough funds to pay for July and June work but not enough to go to the end line.

There appears to be little point in extending the contract so that they can reach the cut line.

The north ore shoot of the Intermediate Line may continue into lower ground, and if so, the shoot will be 2000 feet below the lower 700 foot level.

There seems little point in exploring for this small target at such a depth.

The only significant exploitable mineralization in lower ground is the middle vein where it was cut by the No. 1 [illegible] drill hole (see L. L. 3/6). Unfortunately 200 feet down dip from the intersection there is no ore in the vein; 200 feet up dip from the intersection is the beginning of 400 feet of gravel.

Further drilling of the middle vein at depth (below 700 level) and further drilling of the lead vein both above and below the 700 level might intersect an ore shoot.

Drifting to the northeast on the other side of the Dike fault on both the Red vein and the Middle vein seems as good a proposition as any.

I see no good reason why the Government should participate in any further exploration at the Hope property unless the Company can present evidence for a more specific target for exploration. A more specific target may be determined by the present company drilling program where they are testing the Middle vein at depth from a station on the Red vein.

Verne C. Fryklund, Jr.
Geologist

cc: [illegible] (2)
[illegible] ✓
[illegible] (SRO) ✓

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

So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 30 1952

June 24, 1952

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration

From: Field Team, Region II, DMEA

Subject: Amendment No. 2 to Hope Silver-Lead Mines, Inc. Contract Idm-E130, DMEA 1238X, Lead-Zinc.

Enclosed is Amendment No. 2, which is to permit extension of the working time of the contract, as it is apparent that the work will not be completed within the specified time.

By DMEA Field Team, Region II

A. E. Weissenborn

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

for Glenn O. Reed

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures

cc: USBM, Albany
USBM, Spokane (2)

JDS 7-3-52

M. E. Volin, Member, DMEA Field Team, Reg. II June 18, 1952

H. T. Reno, Mining Engineer, Bureau of Mines

Periodic inspection, Contract Idm-E130, Hope Silver-Lead Mines, Inc., Docket 1238 (lead-zinc)

I inspected the work with the manager, Mr. Shields, June 5, 1952. This project is to explore the Red vein by 1200 feet of drifting.

At the time of my visit, the drift had advanced 830 feet to where it had cut a large water course. As the mine pumps are working almost to capacity, work in the heading was suspended to allow time for the water course to drain. In the meantime, the heading crew is excavating a switching station.

The Operator is diamond drilling on company account to explore the Red vein 1,000 feet below the drift level. Work to date has been negative.

Standards of work on this project are good and although the costs are exceeding the estimate it is believed that the work is being done for the least possible cost. This Operator is certainly doing his fair share to assure successful completion of the project.

H. T. Reno

Orig. to files
cc: USGS (2)
Wash., D.C. (2)
HTR

M. E. Volin, Member, DMEA Field Team, Reg. II May 21, 1952

H. T. Reno, mining engineer, Bureau of Mines

Periodic inspection, Contract Idm-E130, Hope Silver-Lead Mines, Bonner County, Idaho, Docket No. DMEA 1238 (lead-zinc)

I visited this property with E. A. Magill on May 9, 1952. We inspected the work with the mine superintendent, Mr. Shields.

Contract work (1200 feet of drift on the Red Vein at the 700 level) was temporarily suspended while a diamond drill station was being excavated on company account. As muck from the station had dammed the drift we were not able to measure the advance. Mr. Magill got to the face with hip boots and reported slight mineralization with no change in geologic characteristics.

The operator plans to test the vein 1000 feet deeper by diamond drilling on company account. This work will absorb a part of the service expense, consequently decreasing the unit cost on the contract work. Diamond drill cores will be turned over to the Bureau of Mines for storage.

H. T. Reno

Orig. to files
cc: USGS, Spokane
2 cys - Wash.
HTR

M. E. Volin, Member, DMEA Field Team, Reg. II May 21, 1952

H. T. Reno, mining engineer, Bureau of Mines

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H. T. Reno

Orig. to files
cc: USGS, Spokane
2 cys - Wash.
HTR

M. E. Volin, Member, DMEA Field Team, Reg. II June 18, 1952

H. T. Reno, Mining Engineer, Bureau of Mines

Periodic inspection, Contract Idm-E130, Hope Silver-Lead Mines, Inc., Docket 1238 (lead-zinc)

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At the time of my visit, the drift had advanced 830 feet to where it had cut a large water course. As the mine pumps are working almost to capacity, work in the heading was suspended to allow time for the water course to drain. In the meantime, the heading crew is excavating a switching station.

The Operator is diamond drilling on company account to explore the Red vein 1,000 feet below the drift level. Work to date has been negative.

Standards of work on this project are good and although the costs are exceeding the estimate it is believed that the work is being done for the least possible cost. This Operator is certainly doing his fair share to assure successful completion of the project.

H. T. Reno

Orig. to files
cc: USGS (2)
Wash., D.C. (2)
HTR

M. E. Volin, Member, DMEA Field Team, Reg. II April 14, 1952

E. A. Magill, Mining Engineer, Bureau of Mines

Routine progress examination Hope Silver-Lead Mine, Bonner County, Idaho. Contract Idm-E130, Docket No. 1238X. Commodity: Lead-Zinc.

A routine progress examination of the subject property was made on April 8, 1952.

Since the last examination on March 8, 1952, the Red Vein drift has been advanced 180 feet. The vein is still tight and shows no commercial mineralization although scattered galena and sphalerite does show along the fracture. Two faults have been crossed; these two faults each show a brecciated zone about 4 feet in width. Pyrite crystals have been deposited on the brecciated rocks within the fault zone. There is the possibility that the vein has been offset at the first fault and that the operators are not now on the main structure; however, this is considered rather remote.

The operators are planning to go ahead with a diamond drilling program at their own expense in an attempt to determine if the Pearl and Red Veins are commercial 500 ± feet below the present level. This program will consist of two diamond drill holes each about 1,000 feet in length. If this program is successful the operators contemplate applying for DMEA assistance in sinking their shaft to further explore their findings.

Operations are at present being carried on with two shifts and progress is satisfactory. Costs have been lowered to about $30 per foot.

E. A. Magill

Orig. to files
cc: USGS, Spokane
2 to Washington
EAM

500

M. E. Volin, Member, DMEA Field Team, Reg. II March 18, 1952

E. A. Magill, mining engineer, Bureau of Mines

Routine progress examination of Hope Silver-Lead Mine, Bonner County, Idaho, Contract Idm-E130

A routine progress examination of the subject property was made on March 8, 1952.

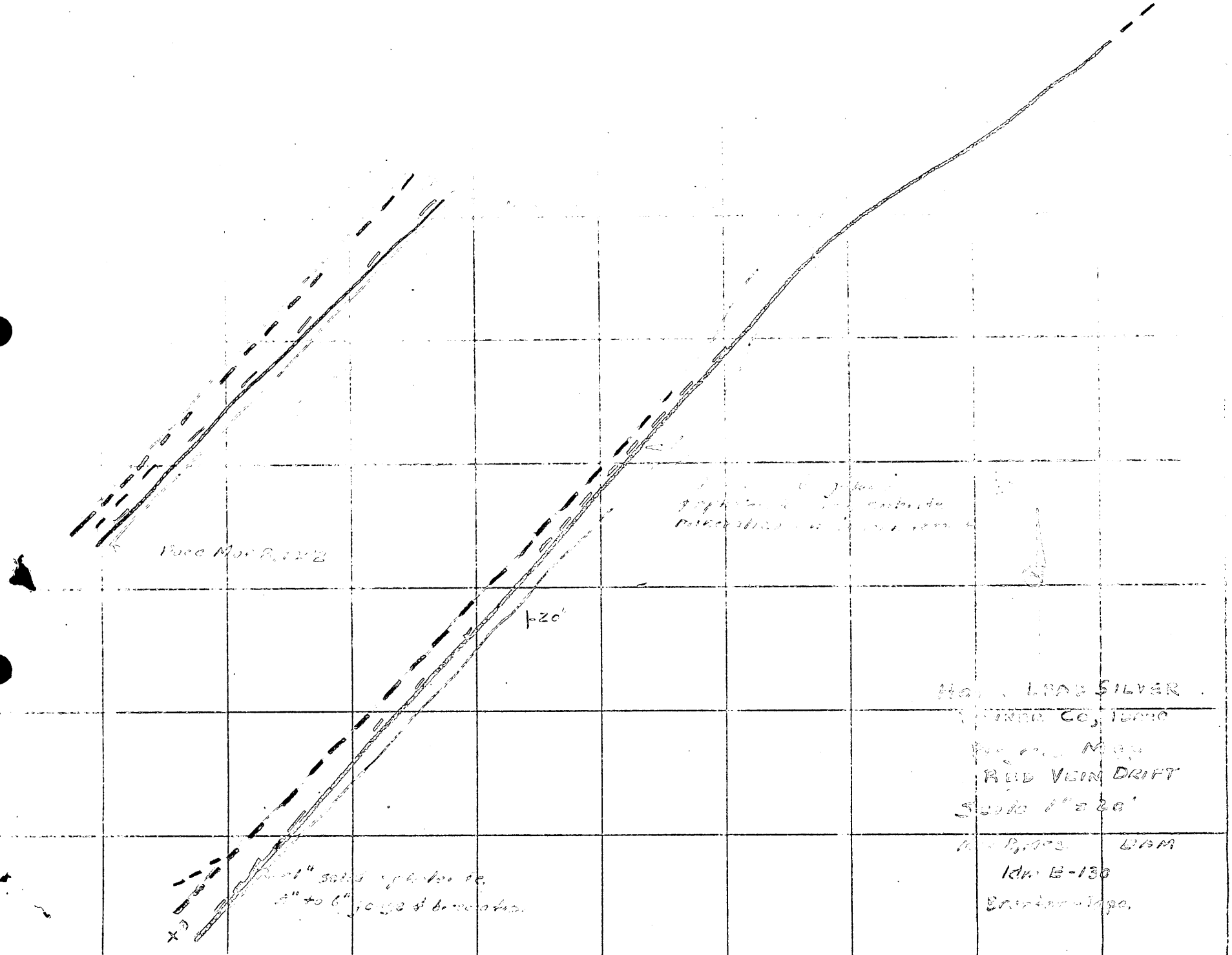
Since the last examination on January 12, 1952, the drift on the Red vein has been advanced a total of 287 feet including the 10 feet of crosscutting past the Red vein. The operators have been running the heading since January 21 on a two-shift basis. This has reduced the per foot costs substantially.

For about the last 200 feet the Red vein has shown intermittent mineralization (see attached progress sketch). This mineralization has consisted of bunches of galena and sphalerite with siderite.

E. A. Magill

Defense Minerals Administration
MAR 31 1952

cc: USGS, Spokane (with 2 cys for Wash.)
EAM


Face Mar 8, 1922
20'
LEAD SILVER
Co, Idaho
RED VEIN DRIFT
LBM
Idn. E-130

1238

IDAHO

BONNER COUNTY

February 1, 1952

Hope Silver-Lead Mines, Inc., Idm-E130

50-50 of $36,000.00

9 months

The exploration called for 1200 feet of drifting on the Red vein on the 700 level to intersect the Nordquist fault.

High pumping costs and the fact that only one heading has been driven, and that on a single shift basis, have made exploration costs excessive. It has recently been called to the operator's attention that costs might be lessened by driving the heading on a double shift basis. Also, that other parts of the geolgic target might warrant attention, which would permit more than one heading to be driven on the exploration level.

FILE COPY
SURNAME: Mittendorf

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

OCT 12 1951

Q.E.C.

Contract Service Section
General Accounting Office
Washington 25, D. C.

Re: Docket No. DMA-1238X, Lead-Zinc
Exploration Project Contract
Idm-E130
Hope Silver-Lead Mines, Inc.
Bonner County, Idaho

Gentlemen:

Enclosed for recording in your office is the original, signed copy of an Exploration Project Contract executed between the operator named in the above reference and the Government of the United States.

Sincerely yours,

C. O. Mittendorf (J.H.)

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1

SAFeitler/jem
10-9-51

cc to: Adm. Reading File
Reports & Records
Messrs. Mittendorf, Olund
Mr. Feitler
Docket

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
Oct 4 1 55 PM '51

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
Oct 4 1 54 PM '51

September 28, 1951

Mr. C. O. Mittendorf, Director
Production Expansion Division
Defense Minerals Administration
Department of Interior
Washington 25, D.C.

Re: Docket DMA 1238 X
Hope Silver-Lead Mines, Inc.
Bonner County, Idaho

Dear Mr. Mittendorf:

Attached are the original and three copies of the Exploration Project Contract for the subject property.

The contracts have been signed by the applicant. Copies have been retained by the applicant and the field office.

Sincerely yours,

A. E. Weissenborn KG

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

cc: U.S.B.M.-Spokane

350
FILE COPY
SURNAME:

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

Billings
Brooks
McKnight
Thayer

DMA-1238
Hope Silver-Lead Mines Inc.
Clark Fork, Idaho
Lead-Zinc

SEP 23 1955

a.e.c.

Mr. A. . Weissenborn
Executive Officer Region II
South 157 Howard Street
Spokane 4, Washington

Dear Mr. Weissenborn:

Your letter of September 12 to Mr. C. D. Mittendorf respecting DMA-1238 Hope Silver-Lead Mines, Inc. has been referred to me.

This is to advise that on September 17 a contract was mailed to you for applicant's signature.

Very truly yours,

Tom Lyon

B.F. 9.25

Chairman, Coordinating Committee

Lowell B. Moon

For Bureau of Mines

Thayer

For Geological Survey

TPBILLINGS:ks

cc: T. Lyon
Mittendorf
Administrator
DMA Docket File 1238
Moon
Mote
McKnight
Billings

OFFICIAL FILE COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

| To. | Init. | Date |
|---|---|---|
| #350 | BJ | SEP 18 1951 |
| | | |
| 210 | | |

September 12, 1951

Mr. C. O. Mittendorf, Director
Production Expansion Division
Defense Minerals Administration
Washington 25, D. C.

DMA - 1238

Dear Mr. Mittendorf:

In the DMA Release dated September 10, I note that under Idaho the Hope Silver Lead Mines, Inc. has been listed as one of the companies receiving an exploration contract. To date we have not received the contract in this office and I would appreciate it if you would check on this and determine what has happened to it. I assume that the Press Release is correct and that the Hope Silver Lead Mines has been given an exploration contract.

Mailed - Sept 17th to Weissenborn for applicants signature

Sincerely,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

cc: U. S. B. M., Spokane

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
SEP 18 8 09 AM '51

SEP 18 1951

L

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Rm. 157 Howard Street
Spokane 4, Washington

September 10, 1951

Mr. Glenn C. Lee
Tri-City Herald
P. O. Box 186
Kennewick, Washington

Dear Mr. Lee:

The announcement that an exploration contract had been approved for the Zero Silver-Lead mine was made in a DMA press release dated September 10. As this office had not received the contract at that time I immediately wrote inquiring about this. By a coincidence your letter inquiring about the contract arrived this morning in the same mail as the contract itself.

I am enclosing the original and five copies of the contract. You will note that the allowable monthly rental value, now termed maximum allowable depreciation, for the equipment which you own and which is to be used in the exploration has been revised downward. I have been informed that these allowances were considered excessive compared to similar allowances on other DMA exploration projects, and consequently were reduced. The rest of the contract appears to be identical to the one you submitted.

The contract requires the signature of a duly authorized official of the company. If any changes in the contract are unsatisfactory to you, the contract will have to be returned to Washington for re-consideration. After the work in the proposed lease clauses can be approved by the Field Office if, in our opinion, they are desirable or necessary. One signed copy of the contract should be retained by you, and the remaining copies including the original should be forwarded to this office as soon as possible.

I am enclosing a supply of monthly report forms (I-104). These should be sent to the U. S. Bureau of Mines, 1201 North Division, Spokane. It would be highly desirable if your bookkeeper or other appropriate official would come to Spokane to consult with the Bureau of Mines at the time the first monthly report is submitted. We have found that a little instruction in filling out this form avoids later difficulties with the fiscal office in speeds payment of the contract.

Sincerely yours,

A. H. Eisenhorn
Executive Officer, DMA
Field Team, Region II

Enclosures
cc: G. O. Wittendorf
U.S.G.S.
Spokane

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
SEP 24 10 39 AM '51

FILE COPY
SURNAME:

400

Mutterdorf

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

SEP 17 1951

A. E.

Mr. A. E. Weissenborn
Executive Officer, Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA 1238X
Hope Silver Lead Mines, Inc.
Kennewick, Washington

Dear Mr. Weissenborn:

Enclosed please find six copies of the revised contract covering the subject exploration project. You will recall that you submitted proposed contracts on the original Form MF-200, which were signed by the applicant. Upon legal review of the contract, Counsel discussed his objections to expressing the allowance to be paid an operator for the use of his own equipment in terms of a "rental allowance". Although such designation is in conformity with the original contract Form MF-200, he preferred to designate such approved allowance on a depreciation basis; however, he was willing to waive the redraft of the contract for that particular reason.

As the result of a somewhat critical review of the case, it was noticed that the allowances to be paid to the operator for the use of his equipment were somewhat excessive when compared with our normal practice. In the circumstances, it was considered appropriate to adjust your proposed allowances, and since such an adjustment would require a change in Exhibit A, it was deemed advisable to redraft the entire contract on the new Form MF-200 and resubmit it to the applicant for his signature.

The contract has been signed by this office with project register number and effective date as shown.

The contract requires the signature of a duly authorized official of the company without any changes to its contents. If any

provisions are unsatisfactory to the operator, the contracts must be returned to this office for re-execution.

After signing the contract, one copy is to be given to the operator and one copy retained by your office. The remaining copies, including the original, are to be sent to this office as soon as possible.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

Enclosures-6

APPROVED:

Tom Lyon

Chairman, Coordinating Committee

Member, Bureau of Mines

Member, Geological Survey

SAFeitler/meh 9/12/51
cc to: Reports and Records
Adm. Reading File
Mr. Mittendorf, Olund
Mr. Feitler
Mr. Moon
Mr. Billings
Mr. McKnight
Region II
Docket

Mr. A. E. Weissenborn
Executive Officer
DMA Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA 1P3CX
Hope Silver Lead Mines, Inc.
Keanewick, Washington

Dear Mr. Weissenborn:

Enclosed please find six copies of the revised contract covering the subject exploration project. The legal department has put forward several suggestions on the "Rental"--"Depreciation" problem and revised the contract form MY 200 in June, 1951. Therefore the contract has been rewritten to conform.

The contract has been signed by this office with project register number and effective date as shown.

The contract requires the signature of a duly authorized official of the company in the presence of yourself or a member of your Region II staff without any changes to its contents. If any provisions are unsatisfactory to the operator, the contracts must be returned to this office for re-execution.

After signing the contract, one copy is to be given to the operator and one copy retained by your office. The remaining copies including the original one are to be sent to this office as soon as possible.

Sincerely yours,

C. C. Mittendorf, Director
Production Expansion Division

Enclosures-6

APPROVED:

EAFeitler/bjs
9/10/51

Chairman, Coordination Committee

Member, Bureau of Mines

Member, Geological Survey

cc to: Adm. Reading File
Reports & Records
Mr. Mittendorf, Mr. Olund
Mr. Feitler
Mr. Billings
Mr. McKnight
Mr. Moen
Region II Docket

Mr. A. L. Weissenborn
Executive Officer
DMA Region II
South 157 Howard Street
Spokane 6, Washington

Re: Docket No. DMA 12361
Hope Silver Lead Mines, Inc
Tonnewick, Washington

Dear Mr. Weissenborn:

Enclosed please find six copies of the revised contract covering the subject exploration project. Depreciation on cost on a five year basis is now used instead of rental.

The contract has been signed by this office with project register number and effective date as shown.

The contract requires the signature of a duly authorized official of the company in the presence of yourself or a member of your Region II staff without any changes to its contents. If any provisions are unsatisfactory to the operator, the contracts must be returned to this office for re-execution.

After signing the contract, one copy is to be given to the operator and one copy retained by your office. The remaining copies including the original one are to be sent to this office as soon as possible.

Sincerely yours,

L. L. Mittendorf, Director
Production Expansion Division

Enclosures:

Chairman, Coordinating Committee

Member, Bureau of Mines

Member, Geological Survey

SKeitler/bjs
9/5/51

cc to: Adm. Reading File
Reports & Records
Mr. Mittendorf, Mr. Clund
Mr. Keitler
Mr. Billings
Mr. McKnight
Mr. Moon
Region II
Docket

Mr. E. T. Weissenborn
Executive Officer
DMA Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA 1238X
Hope Silver Lead Mines, Inc.
Kettle Falls, Washington

Dear Mr. Weissenborn:

Enclosed please find six copies of the revised contract covering the subject exploration project.

The contract has been signed by this office with project register number and effective date as shown.

The contract requires signature of duly authorized official of the company in the presence of yourself or member of your Region II staff without any changes to its contents. If any provisions are unsatisfactory to the operator, the contracts must be returned to this office for re-execution.

After signing the contract, one copy is to be given to the operator and one copy retained by your office. The remaining copies including the original one are to be sent to this office as soon as possible.

Sincerely yours,

L. L. Kittendorf, Director
Production Expansion Division

Enclosures-6

Approved:

Chairman, Coordinating Committee

Member, Bureau of Mines

Member, Geological Survey

Mueller/bjs
9/4/51

cc to: Adm. Handling file
Reports & Records
Mr. Kittendorf, Mr. Blund
Mr. Reitler
Mr. Billings
Mr. McKnight
Mr. Moon
Region II
Docket

Mr. A. E. Weissenborn
Executive Officer
DMA Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA 1238X
Hope Silver Lead Mines, Inc.
Kennewick, Washington

Dear Mr. Weissenborn:

Please find herewith two copies of the subject exploration project contract, one to be retained by your office and one to be forwarded to the Operator.

The copy required by the Regional Finance Officer will be forwarded directly by the Washington Finance Section.

Sincerely yours,

C. O. Mittendorf, Director
Production Expansion Division

Enclosures-2

SAFeitler/bjs
8/30/51
cc to: Adm. Reading File
Reports & Records
Mr. Mittendorf, Mr. Olund
Mr. Feitler
Region II
Docket

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

August 29, 1951

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: Hope Silver-Lead Mines, Inc. exploration contract -- Docket No. DMA-1238X

The contract in the captioned case is approved as to legal form and sufficiency subject to appropriate dating and signature by the Government.

Your file is returned herewith.

J. L. Hoffland
General Counsel

Attachment

THE VOICE OF
SOUTHEASTERN
WASHINGTON

THE POWERHOUSE AREA
OF THE PACIFIC NORTHWEST

Member of
Audit Bureau of Circulations
Associated Press
United Press

# Tri-City Herald

P. O. Box 126
KENNEWICK, WASH.

Pasco - Kennewick - Richland

August 29, 1951

Dma 1238

Mr. S. A. Feitler
Defense Minerals Administration
Washington 25, D. C.
Department of the Interior

Dear Mr. Feitler:

It was a pleasure to talk to you today over the telephone in regard to the loan you are processing for Hope Silver-Lead Mines, Inc., Clark Fork, Ida.

I'm indeed glad to know that your department is authorizing a loan to our company. This will also be very good news for our officers, directors and stockholders throughout the Pacific Northwest.

I shall keep in touch with you and keep you posted from time to time as to our progress with our property.

Thank you again.

Very truly yours,

TRI-CITY HERALD

Glenn Lee

Glenn C. Lee
Publisher

GCL:lm

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
SEP 4 2 26 PM '51

SEP 5 1951

400 FILE COPY
SURNAME:

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

Feitler
Mittendorf

AUG 29 1951

A. E. C.

Mr. Glenn C. Lee, President
Hope Silver-Lead Mines, Incorporated
Kennewick, Washington

Re: DMA Docket 1238x

Dear Mr. Lee:

This is in answer to your letter of August 20, 1951 addressed to Mr. Landon F. Strobel, Executive Secretary, Defense Minerals Administration.

Your application has been forwarded to this division and is now in the final stages of processing. It is probable that the contract will be mailed to you within ten days.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf,
Director
Production Expansion Division

SAFeitler/mjs

8/27/51

J.F. 8/29

Send copies to: Administrator's R. F.
Region II (2)
Reports & Records
Mittendorf
Feitler
Docket

FILE COPY
SURNAME:

Guthrie 140

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

August 29, 1951

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: Hope Silver-Lead Mines, Inc. exploration contract -- ~~Docket~~ No. DMA-1238X

The contract in the captioned case is approved as to legal form and sufficiency subject to appropriate dating and signature by the Government.

Your file is returned herewith.

J. L. Hofflund

J. L. Hofflund
General Counsel

Attachment

RRGuthrie/ema

Copy to: Reports & Records
J. L. Hofflund
R. R. Guthrie
Chron.

a.e.c.

FILE COPY 350
SURNAME:

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

Johnson
Clear
(For Mote)
McKnight

DMA 1238X
Hope Silver-Lead Mines, Inc.

Mr. John E. Reynolds
Idaho First National Bank Bldg.
Kellogg, Idaho

Dear Mr. Reynolds:

This letter is in reply to yours of August 14 regarding the status of the above captioned application for exploration assistance.

The request has passed beyond this office and is now under consideration in the Production Expansion Division of the Defense Minerals Administration.

Very truly yours,

Gunnard Johnson BJ 8/23

G. E. Johnson, Acting Chief
Lead-Zinc Branch

FWHanson'lm
8/21/51

cc: Reports and Records
Mote
McKnight
DMA Docket File

P. O. BOX 622

PHONES: OFFICE 598; RES. 356-W

# PRESTON AND REYNOLDS

MINE ENGINEERING & GEOLOGICAL SERVICE

ROOM 109 IDAHO FIRST NATIONAL BANK BLDG.

KELLOGG, IDAHO

August 14, 1951

Mr. T. P. Billings, Chief
Lead-Zinc Branch
Defense Minerals Administration
Department of the Interior
Washington, D.C.

Dear Mr. Billings:

Several days ago I telephoned you concerning the application of the Hope Silver-Lead Mines, Inc. for a DMA loan. In your letter of reply you refer to an old application that we made for the Regal mine, near Bonners Ferry.

We are no longer interested in the Regal, having given up our lease several months ago. Our telephone connection was not too good the day I called you but I am at a loss to know how we got to talking about the Regal instead of the Hope.

I would appreciate hearing from you immediately concerning the status of the Hope loan. We feel that the Hope is a good bet and that it should be given very serious consideration. It has more merit than a number of properties that have been granted loans. Additional drifting along the Red Vein, since our application was submitted, has shown nearly commercial zinc ore for over 50 feet. This is very encouraging considering that our principle target is still a long ahead of us.

Very truly yours,

John R. Reynolds

John R. Reynolds

Hope 238X
Whitedeer 255X

AUG 17 1951

VOICE OF
THEASTERN
SHINGTON

Member of
Audit Bureau of Circulations
Associated Press
United Press

THE POWERHOUSE AREA
OF THE PACIFIC NORTHWEST

# Tri-City Herald

P. O. Box 126
KENNEWICK, WASH.

Pasco - Kennewick - Richland

August 20, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 24 1951

Mr. Landon F. Strobel, Exec. Secy
Defense Minerals Administration
Washington 25, D. C.
Department of the Interior

Dear Mr. Stobel:

In further reference to your letter of June 15, 1951, and in reference to Defense Minerals Administration Docket Number 1238X concerning an exploration loan for the Hope Silver-Lead Mines, ~~Inc.~~ at Clark Fork, Idaho --- what is the status of our application at this time?

I understand that Mr. Otto Herres is no longer connected with the Lead-Zinc Branch and that Mr. Billings is handling it.

We have noticed newspaper reports of twenty-one exploration loans having been granted by DMA in Washington, Idaho and Montana up to date.

Our officers, directors and stockholders are interested in our application and would like to know about its' final outcome.

Our Mine is an old established property, we have excellent equipment, and our corporation is an assessement company whereby we can assess our members periodically to carry on our operation. With this strong situation, guaranteeing to the government that we will produce our half of the money, and with our excellent equipment and facilities, we believe we have a justifiable property that will merit your continued consideration.

Will you be so kind as to check our application and advise me whether or not it is going to be granted. If it is going to be rejected will you kindly outline in detail for me the reasons for our application not being approved. Will you kindly answer me by airmail as soon as possible.

Thank you and

Very truly yours,

TRI-CITY HERALD

Glenn Lee

Glenn C. Lee
Publisher.

GCL:lm

FILE COPY
SURNAME:

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

AUG 16 1951

McKnight
Oil Exp.
(For Mote)
Johnson

DMA 1238X
Hope Silver-Lead Mines, Inc.

a.e.c.

Mr. Glenn C. Lee, President
Hope Silver-Lead Mines, Inc.
Kennewick, Washington

Dear Mr. Lee:

This is to advise that the application for exploration assistance for the Hope Silver-Lead Mines, Inc., DMA 1238X, is now in the hands of the Production Expansion Division and it is expected that it will be assigned for further review sometime during this week.

Very truly yours,

Gunnard Johnson

J.F. 8/16

T. P. Billings, Chief
Lead-Zinc Branch

TPBillings'lm
8/13/51

cc: Reports and Records
Mote
McKnight
✓ DMA Docket File

L

350
FILE COPY
SURNAME:

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

AUG 16 1951

McKnight
O'Leary
(for Mote)
Johnson

DMA 1238X
Hope Silver-Lead Mines, Inc.

a.r.e.

Mr. John Reynolds, Geologist
Preston & Reynolds
P.O. Box 622
Kellogg, Idaho

Dear Mr. Reynolds:

In reply to your telephone call, this is to advise that the application for exploration assistance for the Hope Silver-Lead Mines, Inc., DMA 1238X, is now in the hands of the Production Expansion Division and it is expected that it will be assigned for further review sometime during this week.

Very truly yours,

J.F. 8/16

T.P. Billings by W.E.F.

T. P. Billings, Chief
Lead-Zinc Branch

TPBillings'lm
8/13/51

ccL Reports and Records
Mote
McKnight
✓ DMA Docket File

L

McKnight
O'Leary (for Mate)
6/5/51

Defense Minerals Administration 7-19-51

Review of Application for Exploration Assistance

Docket No. DMA 1238X

To: Production-Expansion Division

Commodity Lead-zinc

From: Director, Supply Division

Total Amount $36,000

Govt. Participation 50%

1. Name and Address of Applicant Hope Silver-Lead Mines, Inc.
Kennewic, Washington

2. Location of Property Hope Mine, Bonner County, Idaho NW 1/4 of Section 35
T. 56 N., R. 2 E., B.M.

3. Mineral or metal Lead-zinc Is it listed in Section 9 of MO-5? Yes

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good See field team report

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project?
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Does not apply

Does the lease have sufficient time to run to cover a future productive period? Does not apply

*question numbers are those of MF-103

7. Are subordination agreements necessary? No

a) MF-201? _____

b) MF-202 _____

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Yes

e) Power (question 13)* Yes

Is a field check needed on any of these points? No

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

_____

Is a field check needed on this point? No

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Yes, see attached contract exhibit

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Yes

_____

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? _____

_____

_____

_____

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? Yes, see attached contract exhibit

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data?_____ If so, attach a draft.

e) Are the cost estimates reasonable? Yes

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? Has been made

11. Exhibit B (question 23-d)*

a) Is it applicable? No, see attached contract exhibit

b) If so, are sufficient data furnished?_____ If so, attach a draft.

c) Is a field check needed?_____

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes, See attached contract exhibit

b) Sufficient data? Yes If so, attach a draft.

c) Are rents and charges reasonable? Yes

d) Is a field check needed? No

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? Yes, see attached contract exhibit

b) Is the schedule adequate for the work proposed? Yes

c) Is the schedule excessive for the work proposed?_____

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? No

14. Exhibit E (question 23-c)*

a) Is it applicable? No. See attached contract exhibit

b) Sufficient data?

c) Reasonable?

d) Field check needed?

15. In your judgment, can the proposed work be done in the proposed time? Yes

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? Examination has been made by field team. Concur with recommendation of field team for exploration.

Reviewed by: B. Gildersleeve - GS

Date 7-19-51



INT.-DUP. SEC., WASH., D.C. 99009

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

So. 157 Howard Street
Spokane 4, Washington

June 29, 1951

Memorandum

To: Otto Herres, Chief, Lead-Zinc Branch, DMA

From: Field Team, Region II

Subject: Hope Mine, Clarks Fork district, Bonner County, Idaho
Docket DMA 1238X

Through: Landon F. Strobel

Enclosed are four copies of a report on the subject docket. Also enclosed are six copies of a proposed contract.

As pointed out in the report the proposal is a geologic long-shot which, if successful, will keep in production a well-equipped mine and mill which is now virtually out of ore. On this basis the Field Team considers that the risk is justified.

By Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. E. Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures:

cc: L. F. Strobel
U.S.B.M. Spokane
U.S.B.M. Albany

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 2 1951
LANDON F. STROBEL
Executive Secretary

JUL 3 1951

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 2 1951
LANDON F. STROBEL
Executive Secretary

June 29, 1951

MEMORANDUM

To: Field Team, DMA, Region II

From: E. A. Magill, U. S. Bureau of Mines, and J. J. Quinlan, U. S. Geological Survey

The Hope Silver-Lead Mines, Incorporated, has requested an exploration loan in the amount of $40,983.50. It is proposed to use this money to extend the 700 level drift on the Red vein to its intersection with the Norquist fault. Since this application was made, some 500 feet of this drifting has been already completed by the company.

A contract was written with the Hope Silver-Lead Company in the amount of $36,000.00 to cover the estimated 1,200 feet of drifting left.

The Red vein is explored by 600 feet of drifting on the 700 level of the Hope mine. It is a mineralized high-angle reverse fault striking N. 45-55° E., and dipping 70-80° SE. The fault varies from a tight fracture to a four-foot gouge and brecciated zone containing lenses and stringers of quartz, red carbonate (mineral not identified), pyrite, minor amounts of galena, and sphalerite. The wall rocks on both sides of the fault belong to the upper Wallace formation--Belt series. The beds are well bleached along the fault, but appear to be little disturbed. The Red vein is 800 feet in the hanging wall, and roughly parallel to the Pearl fault, the most productive structure in the Clark Fork district.

The Hope target is the intersection of the Red vein and the Norquist fault where the applicant expects to encounter conditions similar to those found at the intersection of the Pearl fault and the Norquist fault. This is a geologic long-shot. The projected intersection of the Red vein and the Norquist fault on the 700 level is in Whitedelf ground; however, the intersection rakes rapidly into Hope ground. Also the shoots found on the Pearl structure extended 650 feet northeast of the Norquist fault.

ON-SITE EXAM

The Examination Team is of the opinion that the proposed program is warranted. They realize that the proposed work is based entirely on a geologic possibility but if it is successful, it would mean that the life of a well equipped mine and mill would be extended. The company has spent well over a quarter of a million dollars in an attempt to develop ore on the 700 level where values were shown in a U. S. Bureau of Mines diamond drill hole.

If any ore were to be discovered, it could be mined and milled without any additional expense and mine plant. The Hope management is fully competent to carry out the proposed exploration work.

Sincerely,

E. A. Magill

E. A. Magill, U. S. Bureau of Mines

J. J. Quinlan

J. J. Quinlan, U. S. Geological Survey

cc: U.S.B.M., Spokane
U.S.B.M., Albany

FILE COPY
SURNAME:

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

June 15, 1951

Mr. Glenn C. Lee, President
Hope Silver-Lead Mines, Inc.
Kennewick, Washington

Subject: DMA-1238X
Re: Exploration Loan -
Hope Mine

My dear Mr. Lee:

Receipt is acknowledged of your application and attachments of May 7, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1238X and referred to Mr. Otto Herres, Chief, Lead-Zinc Branch on May 24, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1238X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

L. F. Strobel:jc
cc: Strobel
File
Herres
Lyon

Dma - 1238 X

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington

May 10, 1951

Mr. L. F. Strobel
Executive Secretary
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Strobel:

I am enclosing herewith an application for an exploration contract on the Hope Silver-Lead Mines of Clark Fork, Idaho. Also attached are two sets of mine maps, one set of which is colored. Of the various maps included, the one entitled "Generalized Geologic Plan", which is on a scale of 1 to 200, shows most clearly the applicant's proposal.

Also attached to the application are four copies of a report by John R. Reynolds on the Hope and Whitedelf Mines.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

cc: U.S. Bur. Mines
Spokane, Wash.
Enclosures

P.S. Also enclosed are four copies of a preliminary application from Preston and Reynolds. This was held here until the applicants filled out Form MF-103.

One copy of the applications is being withheld in this office in anticipation of an early examination.

A.E.W.

MAY 25 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 2 1 1951
LANDON F. STROBEL
Executive Secretary

# HOPE SILVER-LEAD MINES, INC.

POST OFFICE BOX 187

CLARK FORK, IDAHO

GLENN C. LEE
PRESIDENT
KENNEWICK, WN.

L. P. LARSON
SEC'Y.-TREAS.
COEUR D'ALENE, IDA.

EDWIN L. GROENIG
VICE-PRESIDENT
RT. 2 BOX 786
YAKAMA, WN.

DIRECTORS
GLENN C. LEE
KENNEWICK, WN.
L. P. LARSON
COEUR D'ALENE, IDA.
EDWIN L. GROENIG
YAKIMA, WN.
PAUL SCHROEDER
COEUR D'ALENE, IDA.
O. W. EDMONDS
COEUR D'ALENE, IDA.

May 8, 1951.

Mr. A. E. Weissenborn
Defense Minerals Administration
South 157 Howard St.
Spokane, Washington.

Dear Mr. Weissenborn:

Enclosed is the additional information for the Hope Silver Lead Mines, Inc.

If there is anything else you may need in this respect, kindly get in touch with me, or, John Reynolds of Kellogg.

Your consideration of our request for assistance from your department is very much appreciated.

Thank you.

Very truly yours,

Hope Silver Lead Mines, Inc.

Glenn C. Lee

Glenn C. Lee
President.

P. O. BOX 622

PHONES: OFFICE 598; RES. 356-W

Dma-1238X

# PRESTON AND REYNOLDS

MINE ENGINEERING GEOLOGICAL SERVICE

ROOM 109 IDAHO FIRST NATIONAL BANK BLDG.

KELLOGG, IDAHO

April 10, 1951

Dear Mr. Weissenborn:

I have been requested by Mr. Glenn C. Lee, President, Hope Silver-Lead Mining Co., to furnish you with data pertinent to Hope's application to the Defense Mining Administration for a loan under the exploration and development program.

Our firm has done all of the engineering and geological work at the Hope Mine for several years. I am enclosing a copy of a report that I made on the property last year. The property has also been described by Anderson in U.S.G.S. Bull. 944B and Lorain in U.S. Bur. of Mines RI 3992. The following is a brief summary from these reports together with additional data requested by you in our telephone conversation of last week:

1. LOCATION:

   The property of the Hope Silver-Lead Mining Co. is situated about 2 miles north of Clark Fork, Bonner County, Idaho.

2. LABOR CONDITIONS:

   There are numerous experienced miners living in the Clark Fork area. It will be unnecessary to recruit any outside labor for the operation of this property.

3. EQUIPMENT:

   The property is completely equipped with a modern mining plant and a 100 ton flotation mill.

4. PRODUCTION:

   U.S.G.S. Bull. 944B gives the production from the Hope Mine from 1925 to 1943 as being 109,592 tons, containing 28.90 oz. Au, 319,236 oz. Ag, 3,562 lbs. Cu, 10,077,843 lbs. Pb and 774,300 lbs. Zn. Inasmuch as no smelter settlement was made for zinc, other than war time premiums, the total zinc production is unknown. It would, however, be considerably more than the figure shown.

The same source gives the production of the neighboring Whitedelf Mine as being 82,702 tons, containing 6.65 oz. Au, 658,318 oz. Ag, 16,061 lbs. Cu and 11,301,107 lbs. Pb.

Both properties have produced ore since the above figures were compiled in 1943.

5. DEVELOPMENT:

In the Hope Mine the Elsie K. Vein is developed by two incline shafts and on nine levels. A 700 foot vertical shaft with several long crosscuts and drifts explore the Pearl, Red and West Veins. The total development to date is nearly 15,000 feet of underground workings.

6. GEOLOGY:

The principal production in the Hope Mine has been from the Elsie K. Vein, a low-angle thrust fault which cuts across flatly dipping beds of the Striped Peak formation. Several other mineralized structures in addition to the Elsie K. are exposed in the mine.

The bulk of the ore mined at the Whitedelf has been from a single shoot on the Pearl Vein, a high-angle reverse fault cutting backs of the Wallace formation.

This shoot was localized near the intersection of the Pearl Vein and Norquist, or Pugh, fault.

7. PROPOSED DEVELOPMENT PROGRAM:

The development program currently being carried out at the Hope Mine consists of drifting to the west on the Red Vein from the bottom of the 700 foot vertical shaft. The Red Vein is a very strong structure similar to the Pearl Vein and roughly parallel to it. The objectives are the intersection of the Red Vein with the Air-Raise and Norquist faults. Geological conditions similar to those that produced the Whitedelf ore shoot should be encountered in this area.

Drifting along the Red Vein to date has disclosed a strong structure varying from 3 to 10 feet in width.

The chief vein filling has been a red carbonate of the siderite group and white quartz with lesser amounts of iron, zinc and lead sulphides. Samples from the one small ore shoot thus far encountered have assayed as high as 16% zinc and 3% lead.

An additional 1700 feet of drifting will be required to reach the principal objective, the intersection of the Red Vein and Norquist fault. (See accompanying maps.)

8. COST ESTIMATES:

The current cost of drifting on the Red Vein is from $25 to $27 per foot. If the work is placed on a two shift basis, an overall cost of $25 per foot can be easily maintained.

$25 x 1700 ft. = $42,500, total cost of proposed development program

On a two shift basis it will not be difficult to make an average advance of 200 feet per month.

9. CONCLUSIONS:

We feel that the work now being done on the Red Vein by the Hope Silver-Lead Mining Co. is based on sound geological reasoning and that the chances of opening bodies of commercial lead and zinc are very good. The showings thus far encountered have been very encouraging.

Very truly yours,

PRESTON & REYNOLDS

John R. Reynolds

John R. Reynolds.