Idaho Metallurgical Industries Inc.

DMER - 3739 Royalty expires Aug.

In answer to July 26, 1982, Form 63, the operator stated "all claims allowed to revert to original owners as option not exercised."

Gray Copper claims Nos. 1 thru 6

owned ½ by Mr & Mrs William H. Ingraper

P.O. Box 327

Kremmling, Colorado

TO → " ½ by Mr & Mrs Oscar Westfall

Box 188 - Salmon, Idaho

TO R.V. Pierce

Bonanza Copper lode R.V. Pierce

" " Nos. 1 thru 7 (R.V. Pierce)

(Fraction Nos. 1 and 2 - (Relinquished) no longer valid

Bonanza Extension, (R.V. Pierce)

Bonanza Copper (R.V. Pierce)

Black Rock Lode (R.V. Pierce)

Black Rock Nos. 1 and 2 (R.V. Pierce)

(Black Rock Nos. 3 thru 8. (Relinquished) no longer valid

owned 100% by Robert E. Hagel

Gibbonsville, Idaho

Robert F. Hagel granted a lease and option June 7, 1964 on these claims to Machinery Center, Inc., R.V. Pierce, Inc., P.O. Box 964, Salt Lake City, Utah. In a letter dated Jan. 9, 1965, Mr. Pierce offered ONE the states of work on the claims.

(continued next sheet)

DMEA - 3739

The Operator had rights to the following claims under the terms of a quit claim, dated May 29, 1955, by D.M. Stranahan:

Black Rock claims Nos. 9 thru 18
Bonanza Copper Nos. 8 thru 35
Camp Bird
Camp Bird claims Nos. 1 thru 11.

Tinkers Pride claims Nos. 1 thru 4.
owned by Hugo A. Sini and Charles W. Harmon.
Hugo A. Sini - Cobalt, Idaho returned a completed form 65. April 1, 1964.
Mr. Harmon returned a 68 form Feb 12, 1964 stating he had not seen the claims for 30 or 4 years.
In a letter dated Dec. 18, 1964 Harmon advised that he heard the claims were located by another party and suggested DMEA write to Paul Adams, Clerk and Recorder of Lemhi County, Salmon, Idaho.
This advise could also apply to the claims acquired by the Operator from D.M. Stranahan.

DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE E884 DMEA NO. 3739

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

Interim Royalty Audits
✓ Reports of Royalty Review
Certification of Discovery "Pseudo" in Amend. No. 2
Certificate of Audit (Final)
Interim Audit(s)
✓ Report of Review
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
(3) Envelope for maps - Maps for oper. Final Report - Bound in large Folder - Map cabinet

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 Bound Volume and Map Folder
(2R) ✓ Interim Reports
(2R) ✓ Operator's monthly reports and all attachments (latest on top)
✓ On-site Exam Report(s) (Tab)
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order) Interim Summary Reports by W. O. Engineers

Right Side

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

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

R.S.S. 9779

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-8884, Docket DMEA-3739 (cobalt-copper), dated August 26, 1955, with

Idaho Metallurgical Industries, Inc.
Room 602, 88 Metcalfe Street
Ottawa, Canada

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Timber's Pride, et al., claims located in Lemhi County, Idaho, during the period September 9, 1959, through August 24, 1962.

In accordance with Article 8 and Amendment No. 2 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated September 16, 1957, indicated accepted costs under the exploration contract amounting to $66,741.87 with the Government's contribution on a 62½ percent basis being $41,713.67.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through September 8, 1959. Accordingly, as of August 24, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

E. D. Talbert
E. D. Talbert, OME Auditor

September 7, 1962

Idm-8884 Idaho Metallurgical Industries, Inc. DMRA-3739

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of 82 unpatented claims in secs. 2, 5, 4, 9, and 10, T. 21 N., R. 18 E., Boise Meridian, Big Deer Creek area of the Blackbird Mining District. At the time the contract was executed the Operator owned 50 of the claims and was in possession of the other 32 claims by assignment of option agreements. In consideration of the contract Owner's Consents to Lien were executed on June 21 and 22, 1955, by William Henry and Emma Infanger, Salmon, Idaho, Oscar and Edna Westfall, North Fork, Idaho, Charles W. Harmon, Felt, Idaho, Hugo A Simi, Cobalt, Idaho, Elmer R. and Elsie Hassl, Ronan, Montana, and Robert F. and Leah Hassl, Gibbonsville, Idaho.

Exploration work under the contract was terminated effective December 1, 1955, under provisions of Amendment No. 2. No minerals were produced during the exploration period. An examination of the property on December 6, 1957, disclosed no production and no further activity except additional exploratory drilling as assessment work. In a February 11, 1960, letter the Operator advised that (1) nothing of any value had been discovered, (2) all options were being allowed to lapse, and (3) further assessment work was being suspended.

In an August 24, 1962, reply to a MMR Form 63 inquiry, Quebec Metallurgical Industries Ltd., 2200-25 King Street West, Toronto 1, Canada, the Operator's parent company, stated that (1) there had been no production since February 11, 1960, (2) options were not exercised and claims reverted to owners, and (3) the Operator's charter had been allowed to lapse.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files contain no evidence of production from the property under the contract during the period covered by this review; and
(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

(1) Mr. [illegible]
(2) F. E. [illegible]

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E884, Docket No. DMEA-3739 (Cobalt-Copper), dated August 26, 1955, with

Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York 17, New York

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Tinker's Pride located in Lemhi County, Idaho, during the period August 26, 1955, through September 8, 1959.

In accordance with Amendment No. 2 of the contract royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final cost audit dated September 15, 1957, indicated accepted costs under the exploration contract amounting to $66,741.86 with the Government's contribution, on a 62½ percent basis, being $41,713.67.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The Operator did not resume exploration work under the contract during the recess period provided in Amendment No. 2 so the contract was terminated as of December 1, 1955, with "pseudo" certification as provided by said amendment;
(2) Semi-annual reports by representatives of the Field Team, Region I, and other documents in the files indicate that there has never been any production of minerals from the land during the exploration period or subsequent thereto; and
(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

The review has indicated that there has not been and production since August 26, 1955, from the land described in Article 2 of the contract and no royalty is due the Government.

C. E. Fisher
C. E. Fisher, OME Auditor

September 17, 1959

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Idaho Metallurgical Industries, Inc.

Address 230 Park Avenue

New York 17, New York

Exploration Contract No. Idm-E884 Docket No. DMEA-3739

		Check One Yes	No.
1.	(a) Does the Operator stockpile ore subject to royalty repayment?		X
	(b) If so, is segregation and identification procedure adequate?		
2.	(a) Does Operator commingle production subject to DMEA or OME royalties with exempt production?		X
	(b) If so, do you consider the allocation of the commingled production equitable?		
3.	(a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
	(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4.	Do you consider the assay controls in effect are adequate?	X	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	X	
7.	Does the Operator buy from or sell to other Operators?		X
8.	Comment on any item 2 (b) to 6 if answer is No.		

Property inactive.

September 8, 1959
Date

S. W. Zoldok
Mining Engineer
S. W. Zoldok

53362

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

EXTRA COPY
DMEA
RECEIVED OCT 16 1957

DATE	INITIALS	CODE
10-16	[illegible]	[illegible]
17	[illegible]	[illegible]
16	[illegible]	[illegible]
10-18	WSM	[illegible]

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York 17, New York

pertaining to Exploration Project Contract No. Idm-E884, Docket No. DMEA-3739, dated August 26, 1955, including Amendments Nos. 1 and 2, for the period of August 26, 1955 to May 1, 1956, inclusive, covering a project for the exploration of cobalt and copper on property known as Tinker's Pride, located in Lemhi County, State of Idaho.

My review included an examination of the Monthly Report (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the DMEA Field Team, Region I, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

(a) The administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder;

(b) The Monthly Reports were supported by a documentary proof of the costs incurred under the contract; and

(c) A major portion ($64,347.87) of the costs incurred covered work performed under independent contract.

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

Total cost as billed by Contractor		$87,026.56
Exceptions (see schedule attached)		
By DMEA Finance Officer	$20,152.69	
Herewith - By audit	132.00	20,284.69
Total accepted costs		$66,741.87

The contract calls for a 62½ percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Forty one thousand seven hundred thirteen and 67/100 Dollars

--$41,713.67--

is considered valid and proper, provided 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.

C. A. Turner, Auditor

September 16, 1957

SCHEDULE - SUMMARY FORMS MF - 104

Idaho Metallurgical Industries, Inc. DMEA 3739 Idm E884

	Operator's Forms MF-104				Disallowances Prior to Audit			Balance
	8-26-55 to 11-30-55	8-26-55 to 5- 1-56	8-26-55 to 11-30-55 Supplemental	Total	8-26-55 to 11-30-55	8-26-55 to 5- 1-56	Total	Approved by the Certifying Officer
Item No. 1	$ 6,459.00	$ —	$ —	$ 6,459.00	$ 740.00	$ —	$ 740.00	$ 5,719.00
Item No. 2	—	—	—	—	—	—	—	—
Item No. 3	9,115.02	—	—	9,115.02	2,115.02	—	2,115.02	7,000.00
Item No. 4	2,197.74	—	—	2,197.74	637.74	—	637.74	1,560.00
Item No. 5	3,536.22	—	—	3,536.22	836.22	—	836.22	2,700.00
Item No. 6	—	820.80	—	820.80	—			
		14,366.00	—	14,366.00	—			
		1,042.04	—	1,042.04	—	4,358.18	4,358.18	16,000.00
		204.29	—	204.29	—			
		1,169.14	—	1,169.14	—			
		2,640.95	—	2,640.95	—			
		114.96	—	114.96	—			
Item No. 7	—	—	—	—	—	—	—	—
Item No. 7 and No. 9	3,132.00	—	—	3,132.00	606.00	—	606.00	2,526.00
Item No. 8	36,497.98	—	5,730.42	42,228.40	10,859.53	—	10,859.53	31,368.87
Items No. 9 to No. 14 incl.	—	—	—	—	—	—	—	—
Totals	$ 60,937.96	$ 20,358.18	$ 5,730.42	$ 87,026.56	$ 15,794.51	$ 4,358.18	$ 20,152.69	$ 66,873.87

September 16, 1957

C. A. Turner, Auditor

Schedule - Audit Summary

Idaho Metallurgical Industries, Inc. DMEA-3739 Idm-E884

	Totals Summary of Forms MF-104	Corrected Distribution	Disallowed By Audit	Accepted Costs Stage I
Item No. 1	$ 6,459.00	$ 6,459.00	$ 740.00	$ 5,719.00
Item No. 2	-	-	-	-
Item No. 3	9,115.02	9,115.02	2,115.02	7,000.00
Item No. 4	2,197.74	2,197.74	637.74	1,560.00
Item No. 5	3,536.22	3,536.22	836.22	2,700.00
Item No. 6	820.80	20,358.18	4,358.18	16,000.00
	14,366.00			
	1,042.04			
	204.29			
	1,169.14			
	2,640.95			
	114.96			
Item No. 7	-	534.00	126.00	408.00
Item No. 7 and 9	3,132.00	-		
Item No. 8	42,228.40	42,228.40	10,859.53	31,368.87
Item No. 9	-	2,598.00	612.00	1,986.00
Item No. 10	-	-		
Item No. 11	-	-		
Item No. 12	-	-		
Item No. 13	-	-		
Item No. 14	-	-		
Item No. 15	-	-		
Item No. 16	-	-		
Totals	$87,026.56	$87,026.56	$20,284.69	$66,741.87

EXTRA COPY
DMEA
RECEIVED

DATE	INITIALS	CODE

C. A. Turner, Auditor

September 16, 1957

Schedule - Work Completed

Idaho Metallurgical Industries, Inc. DMEA-3739 Idm-2884

Stage I

Item No. 1			
Bulldozing	409 Hours @ $13.98		$ 5,719.00
Item No. 3			
Self Potential Survey	80,000 Linear Ft. @	.0875	7,000.00
Item No. 4			
Collection Soil Samples	1600 Samples @	.975	1,560.00
Item No. 5			
Analysis of Soil Samples			2,700.00 27668
Item No. 6			
Geological Study	640 Acres @	25.00	16,000.00
Item No. 7			
Analysis of samples Item No. 6	68 Samples @	6.00	408.00
Item No. 8			
Drilling NX Holes	2969.3 feet @	8.12	24,110.71
BX Holes	852.0 feet @	7.58	6,458.16
Cementing and Reaming	320.0 feet @	2.50	800.00
Item No. 9			
Analysis Sludge & Core Samples	331 Samples @	6.00	1,986.00
Accepted Costs			$66,741.87

No work done on Stages II and III

7,000 1,560 8,560 2,700 11,260

EXTRA COPY
DMEA
RECEIVED 1957
DATE | CODE

September 16, 1957

C. A. Turner, Auditor

SCHEDULE OF EXCEPTIONS

Idaho Metallurgical Industries, Inc. DMEA 3739 Idm E884

Item				Claimed by Operator	Disallowed Prior to Audit	Disallowed During Audit	Accepted Costs, Stage I
No. 1	Bulldozing		$ 6,459.00	$ 6,459.00	$	$	$
	Allowable Costs Per Contract	409 Hours @ $13.98	5,719.00				5,719.00
	Disallowed - D4 Cat Not Authorized by Contract		740.00		740.00		
No. 3	Self Potential Survey	101.664 Lin. Feet @ $.0896	$ 9,115.02	9,115.02			
	Maximum Per Contract	80.000 Lin. Feet @ .0875	7,000.00				7,000.00
	Disallowed Excess of Maximum		2,115.02		2,115.02		
No. 4	Collection of Soil Samples	2253 Samples @ $.975	$ 2,197.74	2,197.74			
	Maximum Per Contract	1600 Samples @ .975	1,560.00				1,560.00
	Disallowed Excess of Maximum		637.74		637.74		
No. 5	Geochemical Analysis Soil Samples		$ 3,536.22	3,536.22			
	Maximum Per Contract		2,700.00				2,700.00
	Disallowed Excess of Maximum		836.22		836.22		
No. 6	Geological Study	689 A @ $29.55	$20,358.18	20,358.18			
	Maximum Per Contract	640 A @ 25.00	16,000.00				16,000.00
	Disallowed Excess of Maximum		4,358.18		4,358.18		
No. 7	Analysis of Soil Samples Item No. 6	89 @ $6.00	$ 534.00	534.00			
	Accepted Costs	68 @ 6.00	408.00				408.00
		21	126.00				
	Deleted by Certifying Officer		95.00		95.00		
	Disallowed During Audit		31.00			31.00	
No. 8	Diamond Drilling - Reaming and Cementing		$42,228.40	42,228.40			
	Allowable Costs Per Contract						
	Drilling NX Hole	2969.3' @ $8.12 $24,110.71					
	BX Hole	852.0' @ 7.58 6,458.16					
	Reaming and Cementing	320.0' @ 2.50 800.00	31,368.87				31,368.87
	Disallowed Excess of Maximum		10,859.53		10,859.53		
No. 9	Analysis Sludge and Core Samples	433 @ $6.00	$ 2,598.00	2,598.00			
	Accepted Costs	331 @ 6.00	1,986.00				1,986.00
		102	612.00				
	Disallowed by Certifying Officer		511.00		511.00		
	Disallowed by Audit		101.00			101.00	
	Totals			$ 87,026.56	$ 20,152.69	$ 132.00	$ 66,741.87

September 16, 1957

C. A. Turner, Auditor

Docket Copy

EXPLORATION PROJECT CONTRACT
IDAHO METALLURGICAL INDUSTRIES, INC.
DOCKET NO. DMEA-3739

Amendment No. 2

It is agreed this 25th day of June, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Idaho Metallurgical Industries, Inc., that Exploration Project Contract Idm-3884 (Docket No. DMEA-3739), dated August 26, 1955, as amended, is further amended as follows:

1. In Exhibit "A", under the heading Description of the Work, the following changes are made:

(a) Work Item 8 in Stage I on page 3 is amended by deleting "...5,000 feet of AX size core drilling..." and substituting "...2,969.3 feet of NX size core drilling and 852 feet of BX size core drilling..."

(b) Work Item 10 of Stage II on page 3 is amended (i) by deleting "...20,000 feet of AX size core drilling..." and substituting "...approximately 8,300 feet of NX size core drilling and 8,250 feet of BX size core drilling...", and (ii) by deleting "...4,000 feet of hole may be cemented and reamed or reamed and cased,..." and substituting "...3,200 feet of hole may be cemented and redrilled or reamed and cased..."

2. In Exhibit "A", under the heading Estimated Costs of the Project, the following changes are made:

(a) The first sentence of the first paragraph of Work Item 8 of Stage I on page 5, and the figure "$32,500.00*" in said Work Item 8 on page 6, are deleted and the following substituted in lieu thereof:

"2,969.3 feet of core drilling @ $8.12/ft* NX size	$24,110.71	
852 feet of core drilling @ $7.58/ft* BX size	6,458.16	$30,568.87*"

(b) The Estimated Total Cost for Stage I, as amended by Article 2A(3) of Amendment No. 1 of March 20, 1956, is changed from "$86,400.00*" to "$84,468.87*."

(c) Work Item 10 of Stage II on page 6 is deleted and the following is substituted:

Work Item 10

NX core diamond drilling, 8,300 feet @ $7.50*/ft.	$62,250.00
NX core diamond drilling, 8,250 feet @ $7.00*/ft.	57,750.00
Estimated Total of diamond drilling (Includes all costs whatsoever, except those costs provided for in Items 11 through 14 below).	$120,000.00*
Cementing and re-drilling or reaming and casing, 3,200* feet @ $2.50*/ft.	8,000.00*

(d) The Summary, as amended by Article 2(d) of Amendment No. 1 of March 20, 1956, is hereby further amended to read as follows:

Estimated Total Cost of Stage I	$84,468.87*
Estimated Total Cost of Stage II	179,240.00*
Estimated Total Cost of Stage III	81,850.00
Estimated Total Cost of the Project (rounded)	$345,558.00
Government Participation @ 62.5%	$215,973.75

(*Indicates maximum)

3. In Article 5 of the Contract, as amended by Article 1 of Amendment No. 1 of March 20, 1956, the figures of "$347,490.00" and "$283,181.86" are deleted and the following figures are substituted, respectively: "$345,558.00" and "$215,973.75."

4. (a) Work pursuant to the Contract shall be suspended during the period beginning December 1, 1955, and ending not later than June 30, 1957.

(b) The Government shall not contribute to any costs incurred by the Operator during the period of suspension, or to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(c) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension, shall preserve and protect the project work and any property in which the Government has an interest.

5. In Article 3 the period for completion of the work is extended from June 30, 1957, to June 30, 1958.

6. The maximum period for royalty payments and lien for the payment thereof is extended to eleven (11) years from the date of the Contract.

7. It is of the essence of this Contract that the work be resumed before the termination of the period fixed for suspension, and completed before the termination of the period here fixed for completion; and if the work is not so resumed and completed in the manner required by the Contract, then the following provisions shall thereupon become effective:

(a) The Contract and all obligations of the parties hereunder, except as otherwise herein expressly provided, shall be and are hereby terminated, as follows:

(i) effective December 1, 1955 if the work has not been resumed on or before June 30, 1957

(ii) effective June 30, 1958 if the work is resumed on or before June 30, 1957, but is not completed on or before June 30, 1958.

(b) The Government shall contribute to allowable costs incurred prior to said effective date; and shall contribute to allowable costs incurred or to be incurred beginning with said effective date in performing winding-up and settlement actions provided for in the Contract, including (i) the preservation and disposal of property to the cost of which the Government has contributed, and (ii) the making and rendering of reports and accounts.

(c) Any work or operations prosecuted or costs incurred by the Operator beginning with said effective date, except as otherwise provided in this termination agreement, shall be for the sole account of the Operator without contribution by the Government.

(d) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including (i) the disposal of any facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed, and (ii) the rendering of the final report and final account.

Indrity
6/18/56
Dunger
"Appd. Col. Off."
Chapman
Martin
Chambers
F. Johnson

(e) The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract, in the same manner and amount, for the same period, and subject to the same conditions provided in the Contract as if a certification of discovery or development had been made, such certification being waived by the Operator.

(f) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided for in this Amendment No. 2.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C P Mittendorf
Administrator, Defense Minerals
Exploration Administration

IDAHO METALLURGICAL INDUSTRIES, INC.

By John H. Baker

Title President

JUL 20 1956

EXPLORATION PROJECT CONTRACT
IDAHO METALLURGICAL INDUSTRIES, INC.
DOCKET NO. DMRA-3739

Justification for Amendment No. 2

Diamond drilling in adjacent areas of the Calera Mining Company, and the Northfield Mines, Inc., indicated that coring results were poor with AX or smaller bits. After numerous tests the Calera Mining Company has found that the coring results have been greatly improved with NX and BX bits and are now doing their drilling with the larger bits.

The Idaho Metallurgical Industries, Inc., found that in Stage I they were able to get high core recoveries by using the larger bits. For good sampling it is necessary to make a good core recovery.

RECEIVED
Docket copy APR 27 1956

B. Chambers

RECEIVED
APR 9 - 1956

EXPLORATION PROJECT CONTRACT
IDAHO METALLURGICAL INDUSTRIES, INC.
DOCKET NO. DMRA-3739

AMENDMENT NO. 1

It is agreed this 20th day of March, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Idaho Metallurgical Industries, Inc., that Exploration Project Contract No. Idm-2884 (Docket No. DMRA-3739), dated August 26, 1955, is amended, effective August 26, 1955, as follows:

1. In Article 5 of the Contract, change the estimated total allowable cost from "$328,290.00" to "$347,490.00," and change the maximum amount of the Government participation from "~~$226,100.00~~" to "$217,181.25." $205,180.00

2. Amend Exhibit "A" of the Contract as follows:

Under the heading "Estimated Costs of the Project" (*Indicates Maximum):

A. In Stage I:

(1) On page 5, Work Item 7, change cost of analyzing samples from "$1,500.00*" to "$3,000.00*."

(2) On page 6, Work Item 9, change cost of analyzing samples from "$3,600.00*" to "$7,200.00*."

(3) On page 6, change Estimated Total Cost of Stage I from "$81,300.00*" to "$86,400.00*."

B. In Stage II:

(1) On page 6, Work Item 11, change cost of analyzing samples from "$13,500.00*" to "$27,000.00*."

(2) On page 7, change Estimated Total Cost of Stage II from "$165,740.00*" to "$179,240.00*."

C. In Stage III:

(1) On page 7, Work Item 16, change unit cost of analyzing samples from "$3.00" per sample to "$6.00" per sample and the total cost thereof from "$600.00" to "$1,200.00."

Thayer
"Appd. Sol. Off."
Selfridge
Hyman
Martin
Chambers

(2) On page 7, change Estimated Total Cost for Stage III from "$81,250.00" to "$81,250.00."

II. The Summary on page 8 is deleted, and the following is substituted:

SUMMARY

Estimated Total Cost of Stage I	$ 56,400.00*
Estimated Total Cost of Stage II	179,249.00*
Estimated Total Cost of Stage III	81,250.00
Estimated Total Cost of the Project	$317,099.00*
Government Participation @ 42.5%	$137,151.25*

3. The increase in unit price from $3.00 to $6.00 per combined analysis of cobalt and copper shall be in effect only so long as the samples are sent from the property for analyzing by outside chemists.

Executed in septuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mittendorf
Administrator, Defense Minerals
Exploration Administration

IDAHO METALLURGICAL INDUSTRIES, INC.

By John H. Baker
President

RECEIVED
APR 9 - 1956

JUSTIFICATION FOR EXECUTING AMENDMENT NO. 1
WHICH CHANGES EXHIBIT "A" OF CONTRACT NO.
IDM-E884 (DOCKET NO. DMEA-3739) IDAHO
METALLURGICAL INDUSTRIES, INC.

When this contract was presented to the Operator for signature, the Operator's representatives conferred with DMEA officials and provided data indicating that the costs allowed, in Exhibit "A" of the proposed contract, for assaying might be insufficient to obtain dependable determinations. It was agreed in that conference that in order to expedite work on the project, the contract would be signed in the form presented to the Operator, with the understanding that the matter of costs for assaying would be examined and, if the allowances now provided for assaying and drilling were found to be inadequate, the Contract would be amended accordingly.

The cost of assaying was placed at $3.00 per sample in the Contract on the assumption that the cost would be similar to the cost therefor at an adjoining operating property.

However, the cost of assaying at the adjoining property, based on large numbers of daily samples assayed by company personnel in a presently existing laboratory, was found to be substantially lower than the operator of this project could attain, as he would either have to build, equip, staff and operate a chemical laboratory not provided for under the terms of this contract or send out samples for assay by commercial laboratories.

Replies to inquiries indicate that the customary charge by commercial laboratories serving the area in which the project is located is $5.00 per sample assayed for cobalt and $1.00 for copper.

If the Operator, at his own expense, builds, equips, and staffs a chemical laboratory for the purpose of doing analytical work for other phases of his mine operations, he will be able to make assays for this project at a lower cost than by sending samples to commercial laboratories and at a greater convenience to himself. Hence, the amendment provides that the higher rate for assaying is authorized only so long as the samples are sent away from the property for analyzing by outside chemists.

Docket copy

MF-200
(Revised June 1954)

Docket No. DMEA- 3739

Commodity Cobalt-copper

Contract No. Idm-E 884

Con-
tract

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 26th day of August, 195 5, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Idaho Metallurgical Industries, Inc., an Idaho corporation,

whose mailing address is c/o William C. Schmidt
230 Park Avenue, New York 17, New York,

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, ~~and~~ xxx Annex II, and 2 maps, Figs. 1 and 2, and Exhibit "B".

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

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

(b) The Operator represents and undertakes that:

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

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

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

of the land (lessor, seller, optionor, etc.) are attached, as follows: Consents to Lien of optionors or all claims identified in Annex I as held under option to purchase.

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of cobalt and copper. The work to be performed is described in Exhibit "A." The Operator on or before August 26, 1955 shall commence the work, and on or before June 30, 1957 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall have completed the work, or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable costs set forth in Exhibit "A" except as otherwise provided in Exhibit "A" with respect to stages of work.

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $328,290.00. The Government shall contribute 62½ percent of the allowable costs as they are incurred in a total sum not in excess of $205,180.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.*— See Annex II.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. M. Mitchell

Administrator, Defense Minerals Exploration Administration

"Appd. Sol. Off."

Butin

Talbot

Selfridge

Chapman

Fitzhugh

Martin

IDAHO METALLURGICAL INDUSTRIES, INC.

(Operator)

By T. Kirkpatrick President

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

B. P. McCann

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

EXPLORATION PROJECT CONTRACT
IDAHO METALLURGICAL INDUSTRIES, INC.
DOCKET NO. DMEA-3739

ANNEX I

The land referred to in Article 2 of the contract consists of the claims listed in Exhibit "B" attached to and made a part of this ANNEX I.

The attached maps, Fig. 1, Index Map, and Fig. 2, map of the Big Deer Creek Area, show locations of the claims regionally and locally.

The claims listed in Exhibit "B" as located by "Hagel," "Simi and Harmon," and "Westfall" are held by the Operator under option agreements, and the Consents to Lien of the optioner-owners are attached to the contract.

The claims listed in Exhibit "B" as located by "Stranahan" are owned by the Operator.

EXHIBIT "A"

MINING CLAIMS

QUEBEC METALLURGICAL INDUSTRIES, LTD.

BIG DEER CREEK AREA

LEMHI COUNTY, IDAHO

Name of Claim		Book of Mining Claims	Page	Date of Location	Location
Black Rock		2	60	Mar. 15, 1943	Hagel
"	No. 1	3	279	Nov. 6, 1947	"
"	No. 2	3	279	Nov. 6, 1947	"
"	No. 3	3	280	Nov. 6, 1947	"
"	No. 4	3	280	Nov. 6, 1947	"
"	No. 5	3	281	Nov. 6, 1947	"
"	No. 6	3	281	Nov. 7, 1947	"
"	No. 7	3	282	Nov. 7, 1947	"
"	No. 8	3	282	Nov. 7, 1947	"
"	No. 9	6	159	Oct. 14, 1954	Stranahan
"	No. 10	6	159	Oct. 16, 1954	"
"	No. 11	6	160	Oct. 16, 1954	"
"	No. 12	6	160	Oct. 14, 1954	"
"	No. 13	6	161	Oct. 14, 1954	"
"	No. 14	6	161	Oct. 14, 1954	"
"	No. 15	6	162	Oct. 15, 1954	"
"	No. 16	6	162	Oct. 15, 1954	"
"	No. 17	6	163	Oct. 15, 1954	"
"	No. 18	6	163	Oct. 15, 1954	"
Bonanza Copper		2	56		Hagel
"	No. 1	2	57		"
"	No. 2	3	277	Nov. 6, 1947	"
"	No. 3	3	277-278	Nov. 6, 1947	"
"	No. 4	3	278	Nov. 6, 1947	"
"	No. 5	3	278	Nov. 6, 1947	"
"	No. 6	4	212	Sept. 1, 1951	"
"	No. 7	4	213	Sept. 1, 1951	"
Fraction	No. 1	4	210	Aug. 29, 1951	"
"	No. 2	4	211	Aug. 29, 1951	
Bonanza Extension	No. 1	4	214	Sept. 1, 1951	"
Bonanza Copper Millsite		3	600	Apr. 10, 1951	"
Bonanza Copper	No. 8	6	164	Nov. 12, 1954	Stranahan
"	No. 9	6	164	Nov. 12, 1954	"
"	No. 10	6	165	Nov. 29, 1954	"
"	No. 11	6	165	Nov. 29, 1954	"
"	No. 12	6	166	Nov. 29, 1954	"
"	No. 13	6	166	Nov. 17, 1954	"
"	No. 14	6	167	Nov. 17, 1954	"
"	No. 15	6	167	Nov. 17, 1954	"

Name of Claim		Book of Mining Claims	Page	Date of Location	Location
Bonanza Copper	No. 16	6	168	Nov. 16, 1954	Stranahan
"	No. 17	6	168	Nov. 16, 1954	"
"	No. 18	6	169	Nov. 16, 1954	"
"	No. 19	6	169	Nov. 16, 1954	"
"	No. 20	6	170	Nov. 16, 1954	"
"	No. 21	6	170	Nov. 15, 1954	"
"	No. 22	6	171	Nov. 15, 1954	"
"	No. 23	6	171	Nov. 15, 1954	"
"	No. 24	6	172	Nov. 13, 1954	"
"	No. 25	6	172	Nov. 13, 1954	"
"	No. 26	6	173	Nov. 13, 1954	"
"	No. 27	6	173	Nov. 13, 1954	"
"	No. 28	6	174	Nov. 13, 1954	"
"	No. 29	6	174	Nov. 29, 1954	"
"	No. 30	6	175	Nov. 29, 1954	"
"	No. 31	6	175	Nov. 29, 1954	"
"	No. 32	6	176	Nov. 30, 1954	"
"	No. 33	6	176	Nov. 30, 1954	"
"	No. 34	6	177	Nov. 30, 1954	"
"	No. 35	6	177	Nov. 27, 1954	"
Camp Bird		6	178	Oct. 12, 1954	"
"	No. 1	5	178	Oct. 12, 1954	"
"	No. 2	6	179	Oct. 12, 1954	"
"	No. 3	6	179	Oct. 12, 1954	"
"	No. 4	6	180	Oct. 12, 1954	"
"	No. 5	6	180	Oct. 12, 1954	"
"	No. 6	6	181	Oct. 20, 1954	"
"	No. 7	6	181	Dec. 2, 1954	"
"	No. 8	6	182	Dec. 2, 1954	"
"	No. 9	6	182	Dec. 2, 1954	"
"	No. 10	6	183	Dec. 2, 1954	"
"	No. 11	6	183	Dec. 2, 1954	"
Tinkers Pride	No. 1	1	151	May 1, 1939	Simi and Harmon
"	No. 2	1	152	May 2, 1939	" " "
"	No. 3	1	153	May 3, 1939	" " "
"	No. 4	1	154	May 3, 1939	" " "
Grey"Copper		3	541	Oct. 1, 1950	Westfall
"	No. 1	3	542	Oct. 1, 1950	"
"	No. 2	3	574	Jan. 5, 1951	"
"	No. 3	3	575	Jan. 5, 1951	"
"	No. 4	3	634	May 23, 1951	"
"	No. 5	3	635	May 23, 1951	"
"	No. 6	3	636	May 24, 1951	"

EXPLORATION PROJECT CONTRACT
IDAHO METALLURGICAL INDUSTRIES, INC.
DOCKET NO. DMEA-3739

ANNEX II

ARTICLE 13. Changes and added provisions.--(a) In Article 3, that part of the third sentence that begins on line five with the word "or" is deleted.

(b) (1) In Article 6(a) the requirement for estimating costs in Exhibit "A" by the categories specified in said article, is waived. The Government will contribute to allowable actual costs of Stages I and II falling within Article 6(a) that do not aggregate more than the maximum total cost fixed for an item of work. To the extent that costs in excess of the maximum total cost of any item are necessary to complete that item, the Operator shall incur and pay such excess costs for his own account without contribution by the Government.

(2) In lieu of the allowable costs set forth under Article 6(a), the Government will contribute to costs of work under Stage III of Exhibit "A" on the basis of the fixed unit costs set forth thereunder, as they accrue, for units of work actually performed. These fixed unit costs include all costs of the work whatsoever necessary to complete the work.

(c) (1) In addition to the requirements of Article 7(a), the Operator shall maintain separate cost accounts for each of the work items set forth under Stages I and II of Exhibit "A."

(2) In addition to the requirements of Article 7(b), the Operator's Monthly Report and Voucher showing the aggregate of the categorical costs (described in Article 6) shall be supplemented by statements showing the distribution of such costs to each of the work items set forth under Stages I and II of Exhibit "A."

EXPLORATION PROJECT CONTRACT
IDAHO METALLURGICAL INDUSTRIES, INC.
DOCKET NO. DMEA-3739

EXHIBIT "A"

Description of the Work

The purpose of the work is to explore along the Tinkers Pride-Bonanza Copper shear zone for cobalt and copper by trenching, self-potential surveying, soil sampling, diamond drilling, surface and underground mapping, drifting, and/or crosscutting.

The work is divided into three stages. The Operator shall perform so much of Stages II and III as the Government approves in writing in advance, based upon the results of the prior stages. The sequence of work under a stage does not depend upon the order in which the work is listed thereunder.

Stage I

The first exploration work (other than access road and camp work) done under Stage I shall be concentrated in the vicinity of the known cobalt showings described in Full's Preliminary Report on the Big Deer Creek Area, dated March 17, 1955. This initial exploration work consists of the minimum amount of mapping, trenching, self-potential surveying, and soil sampling necessary as a preliminary to testing by diamond drilling, where favorable, the known cobalt showings and the presently indicated self-potential anomalies mentioned in the Full report. This procedure should disclose something of the depth of oxidation, and the nature of the mineralization and indicated anomalies. This initial exploration work shall be agreed to by the Operator and the Government in advance, and shall include only that amount of mapping, self-potential surveying, and soil sampling, necessary to test not to exceed a 6,000-foot section along the strike of the shear zone.

After the initial exploration work under Stage I is performed the Operator shall perform so much of the remaining work outlined under Stage I as the Government approves in writing in advance.

Work Items

1. Extend the Galera access road northward (see Fig. 2) by bulldozing to give access to the known cobalt showings and the indicated anomalous areas, building such side roads as may be necessary to carry out the exploration project. The trenching, which shall start in the vicinity of the known cobalt showings, shall be done by an RD-7 bulldozer or equivalent and shall aggregate not more than 8,000 linear feet. The bulldozing time for access roads, trenches, and drill sites shall not exceed 850 hours.

2. Purchase four tents, each approximately 14 feet by 14 feet, with floor and side walls; purchase necessary camp equipment and furnishings; and construct a temporary camp.

3. Subject to the limitations concerning the initial exploration work, specified in the second and third paragraphs (unnumbered) under the Description of the Work, self-potential surveying shall be done along the Tinkers Pride-Bonanza Copper shear zone. It is expected that, if completed, the survey will cover an area approximately 12,000 feet long and up to 2,300 feet wide, extending from the granite contact at the north end of the property southward to and beyond Big Deer Creek. Lines for potential profiles normal to the base line shall be spaced at intervals of approximately 400 feet, except in cases where the survey indicates that a medial profile should be run. Self-potential readings shall be taken at 50-foot intervals along the profile lines. The aggregate length of the 30 to 40 lines that may be ultimately needed to cover the area shall not exceed 80,000 linear feet.

4. A soil sample for geochemical analysis shall be taken at each pot location simultaneously with the self-potential survey. Not to exceed 1600 samples shall be taken.

5. Initially, only alternate soil samples shall be assayed for cobalt and copper and, where advisable, for arsenic. The intervening samples may be assayed in areas where the assay results indicate such assaying is justified.

6. A geologic study, including sampling, surveying, and mapping of all trenches, cuts, roads, and outcrops, and including all other geological and engineering features not

covered by any other work item, shall be made concurrently as the exploration work progresses. Not to exceed 640 acres of the land may ultimately be mapped on a scale of not less than 1 inch equals 200 feet. Maps of underground workings, trenches, drill holes, and drill core shall be made on a scale suitable to clearly show the necessary detail. Sufficient copies of all maps shall be submitted to the Government to comply with the requirements set forth in the contract form.

7. Each sample collected under Item 6 shall be assayed for cobalt and copper and, where deemed advisable, for arsenic. Not to exceed 500 samples may be assayed.

8. As soon as the first exploration work done under Stage I indicates that diamond drilling is feasible, at approximately 10 drill sites approved by the Government, not to exceed an aggregate of 5000 feet of AX size core drilling shall be done. The holes shall be inclined at minimum angles of 45° to obtain vertical depths of not less than 300 feet. The depths shall be determined mainly by the depth to the sulphide zone. Not to exceed an aggregate of 1000 feet of hole drilled under this item may be cemented and reamed or reamed and cased. Access roads and drill sites suitable to do the drilling shall be bulldozed, as provided under Item 1.

9. Core and sludge samples suitable for existing conditions shall be taken at not more than 5-foot intervals in the better mineralized zones. Not to exceed 1200 samples may be assayed for cobalt and copper and where advisable, for arsenic in the oxidized zones.

Stage II

10. At not to exceed 40 drill sites approved by the Government, not to exceed an aggregate of 20,000 feet of AX size core drilling shall be done. The holes shall be inclined at minimum angles of 45° to obtain vertical depths of not less than 300 feet. The depth shall be determined mainly by the depth to the sulphide zone. Not to exceed an aggregate of 4000 feet of hole may be cemented and reamed or reamed and cased.

11. Core and sludge samples suitable for existing conditions shall be taken at not more than 5-feet intervals in the better mineralized zones. Not to exceed 4,500 samples may be assayed for cobalt and copper and where advisable, for arsenic in the oxidized zones.

12. Bulldoze the roads and drill sites necessary to drill the holes described under Item 10, with RD-7 bulldozer or equivalent.

13. In order to prepare for an all-year operation, it will be necessary to build an access road down Big Bear Creek to Panther Creek (see Fig. 2). This road, involving a substantial footage of rock work in the lower mile, will be at an elevation lower than the Calera access road and shall be approximately 3 miles in length, 10 feet wide, and dirt surfaced. The bulldozing phase of this work shall be with an RD-7 or equivalent.

14. Construct an all-weather camp suitable for all-year operation, including: a cookhouse approximately 14 feet by 30 feet, and furnished; two bunkhouses, each 14 feet by 20 feet, and furnished; a combination staff and office building; an electric plant; and a warehouse, approximately 12 feet by 16 feet.

Stage III

15. At portal sites approved by the Government adits shall be driven to intersect the sulphide zone or zones indicated by the diamond drill holes. The adit or adits shall be timbered and spiled as necessary, shall have a minimum cross section of 5 feet by 7 feet in the clear of timber, and shall not exceed 1,500 feet in aggregate length. It is estimated that the 1,500 feet of advance will require 700 feet of standard drift timbering only, an additional 300 feet of both standard and heavy drift timbering, and an additional 150 feet of spiling.

16. All sulphide areas penetrated shall be sampled at 5-feet intervals. Not to exceed 200 samples shall be assayed for cobalt and copper.

Estimated Costs of the Project

Actual Costs
(* Indicates maximum)

Stage I

Work Item 1

Bulldoze access roads, trenches, and drill sites @ $14.00*/hr., 850* hrs.	$11,900.00*

Work Item 2

Purchase four tents, and camp equipment and furnishings for camp; and construct temporary camp.	2,000.00*

Work Item 3

Self-potential surveying aggregating 80,000* linear feet of profile, at $0.0875*/ft. The costs of laying out and brushing out the lines, supplies, materials, and supervision are included in the estimated maximum cost per foot	7,000.00*

Work Item 4

Collection of soil samples for geochemical analysis	1,600.00*

Work Item 5

Geochemical analysis of soil samples for cobalt and copper and arsenic	2,700.00*

Work Item 6

Geological study for 640* acres @ $25.00*/acre.	16,000.00*

Work Item 7

Analyze samples of Item 6 for cobalt, copper, and arsenic	1,500.00*

Work Item 8

Diamond drill 5,000* feet of AX core hole @ $6.50*/ft. The estimated maximum cost per foot includes all

costs whatsoever, except surveying of the hole locations, building of access roads to and preparation of drill sites	$32,500.00*	
1,000* feet of hole either cemented and reamed or reamed and cased @ $2.50*/ft.	2,500.00*	
Work Item 9		
Analyze sludge and core samples for cobalt, copper, and arsenic	3,600.00*	
Estimated Total Cost for Stage I		$81,300.00*

Stage II

Work Item 10		
AX core diamond drilling, 20,000* feet @ $6.00*/ft. The estimated cost includes all costs whatsoever, except those costs provided for in this item and in items 11 through 14 below.	120,000.00*	
Cementing and reaming or reaming and casing, 4,000* feet @ $2.00*/ft.	8,000.00*	
Work Item 11		
Analyze core and sludge samples for cobalt, copper, and arsenic	13,500.00*	
Work Item 12		
Bulldoze access roads and drill sites (Item 10), 160* hours @ $14.00*/hr.	2,240.00*	
Work Item 13		
Construct approximately 3 miles of access road down Big Deer Creek to Panther Creek. Bulldozing costs shall not exceed $14.00*/hr. Payment		

shall be made for the costs of this item in three parts:

After completion of 1st mile	$3,000.00*	
After completion of 2nd mile	3,000.00*	
After completion of road	6,000.00*	$ 12,000.00*

Work Item 14

Cookhouse with furnishings	3,500.00		
Two bunkhouses with furnishings	3,000.00		
Staff and office building	2,500.00		
Electric plant	500.00		
Warehouse	500.00	10,000.00*	$165,740.00*

Fixed Unit Costs

Stage III

Work Item 15

Drifting and/or crosscutting, 1,500 feet @ $45.00/ft.	67,500.00
Standard drift timbering, 1,000 feet @ $7.00/ft.	7,000.00
Heavy drift timbering, 300 feet @ $7.00/ft. additional	2,100.00
Spiling, 150 feet @ $27.00/ft., which includes all timbering costs	4,050.00

Work Item 16

Analyze 200 samples for cobalt and copper @ $3.00/sample	600.00

Estimated Total Cost for Stage III $ 81,250.00

S U M M A R Y

Estimated Total Cost of Stage I	$ 81,300.00*	
Estimated Total Cost of Stage II	165,740.00*	
Estimated Total Cost of Stage III	81,850.00	
Estimated Total Cost of the Project		$328,890.00*
Government Participation @ 62.5% (rounded to)		$205,180.00*

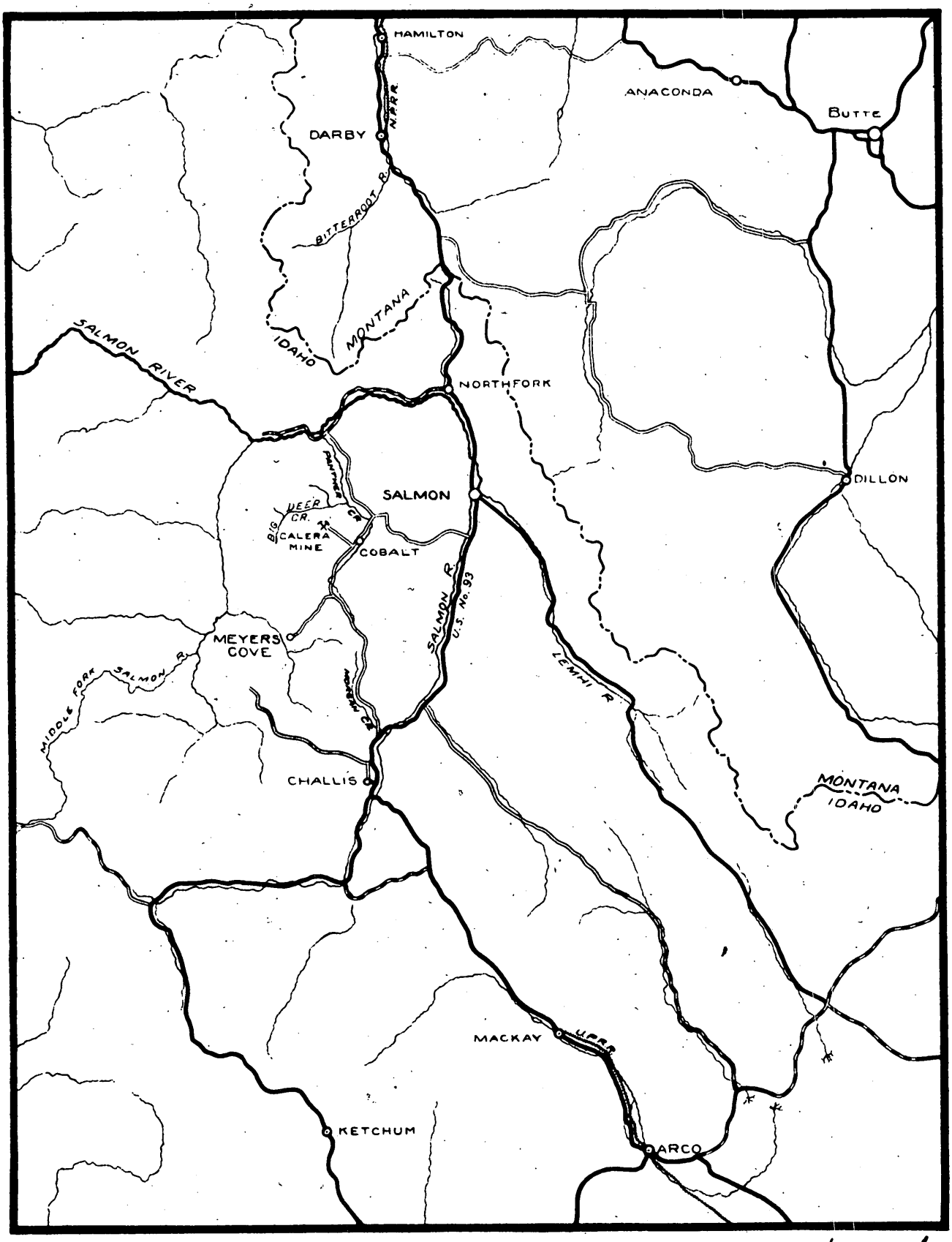


FIG. 1

INDEX MAP

Showing Location and Access to Cobalt Area

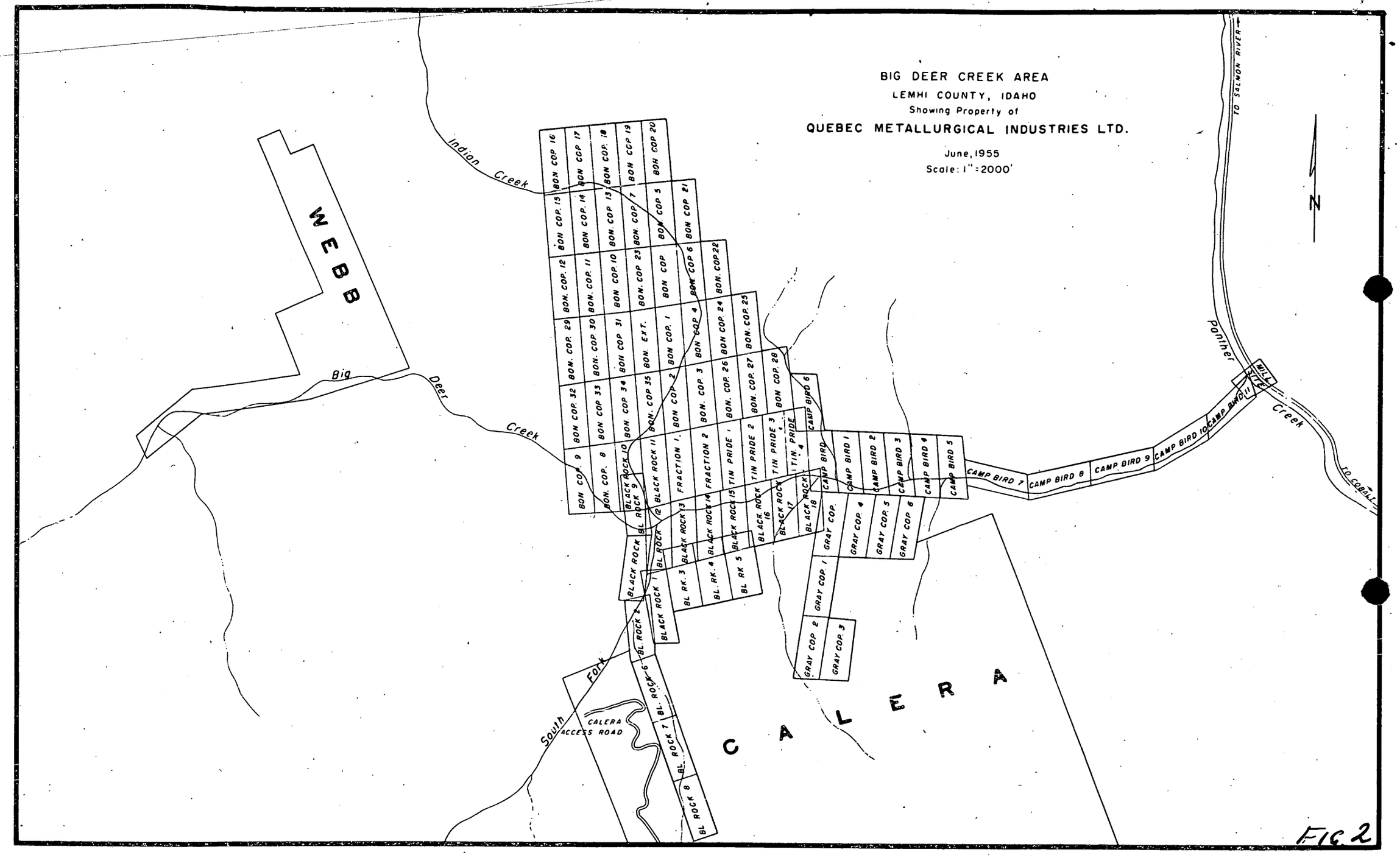

BIG DEER CREEK AREA
LEMHI COUNTY, IDAHO
Showing Property of
QUEBEC METALLURGICAL INDUSTRIES LTD.
June, 1955
Scale: 1" = 2000'
N
WEBB
CALERA
Indian Creek
Big Deer Creek
South Fork
Panther Creek
TO SALMON RIVER
TO COBALT
MILL SITE
CALERA ACCESS ROAD
BON COP. 16
BON COP. 17
BON COP. 18
BON COP. 19
BON COP. 20
BON COP. 15
BON COP. 14
BON COP. 13
BON COP. 7
BON COP. 5
BON COP. 21
BON COP. 12
BON COP. 11
BON COP. 10
BON COP. 23
BON COP
BON COP. 6
BON COP. 22
BON COP. 29
BON COP. 30
BON COP. 31
BON COP. EXT.
BON COP. 1
BON COP. 4
BON COP. 24
BON COP. 25
BON COP. 32
BON COP. 33
BON COP. 34
BON COP. 35
BON COP. 2
BON COP. 3
BON COP. 26
BON COP. 27
BON COP. 28
BON COP. 9
BON COP. 8
BLACK ROCK 10
BLACK ROCK 11
FRACTION 1
FRACTION 2
TIN PRIDE 1
TIN PRIDE 2
TIN PRIDE 3
TIN PRIDE 4
CAMP BIRD 6
BLACK ROCK 9
BLACK ROCK 12
BLACK ROCK 13
BLACK ROCK 14
BLACK ROCK 15
BLACK ROCK 16
BLACK ROCK 17
BLACK ROCK 18
CAMP BIRD
CAMP BIRD 1
CAMP BIRD 2
CAMP BIRD 3
CAMP BIRD 4
CAMP BIRD 5
CAMP BIRD 7
CAMP BIRD 8
CAMP BIRD 9
CAMP BIRD 10
CAMP BIRD 11
BLACK ROCK
BL. ROCK
BL. RK. 3
BL. RK. 4
BL. RK. 5
BLACK ROCK 1
BL. ROCK 2
BL. ROCK 6
BL. ROCK 7
BL. ROCK 8
GRAY COP.
GRAY COP. 1
GRAY COP. 2
GRAY COP. 3
GRAY COP. 4
GRAY COP. 5
GRAY COP. 6

FIG 2

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Idaho, County of Lemhi, described as

follows: 1/ All those certain Lode Mining Claims known as the GRAY COPPER Lode Mining claims, the GRAY COPPER Nos. 1 to 6, inclusive, described in Location Notices recorded in Book "3" of Mining Claims, at pages 541 and 542, 574 and 575, and 634 and 636, inclusive, respectively, and that certain Option Agreement recorded in Book "D" of Agreements, pages 472 and 473, and as supplemented by Agreement dated June 21st, 1955, all as recorded in the records of the County Recorder of Lemhi County, State of Idaho.

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

2/ IDAHO METALLURGICAL INDUSTRIES, INC.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

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

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

(OVER)

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

4. Changes and added provisions

In paragraph 2 the words "the period fixed in the contract or any amendment thereof has" are substituted for the words "ten years have."

Dated this 21st day of June, 1955.

Oscar Westfall [Seal]

Edna Westfall [Seal]

[Seal]

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Idaho, County of Lemhi, described as

follows: 1/ All those certain Lode Mining Claims known as the GRAY COPPER Lode Mining claims, the GRAY COPPER Nos. 1 to 6, inclusive, described in Location Notices recorded in Book "3" of Mining Claims, at pages 541 and 542, 574 and 575, and 634 and 636, inclusive, respectively, and that certain Option Agreement recorded in Book "D" of Agreements, pages 472 and 473, and as supplemented by Agreement dated June 21st, 1955, all as recorded in the records of the County Recorder of Lemhi County, State of Idaho.

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

2/ IDAHO METALLURGICAL INDUSTRIES, INC.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

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

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

(OVER)

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

4. Changes and added provisions

In paragraph 2 the words "the period fixed in the contract or any amendment thereof has" are substituted for the words "ten years have."

Dated this 21st day of June, 1955.

William Henry Infanger (SEAL)

Emma Infanger (SEAL)

(SEAL)

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Idaho, County of Lemhi, described as

follows:1/ **All those certain Lode Mining Claims known as the TINKERS PRIDE NOS. 1 to 4, inclusive, described in Location Notices recorded in Book "1" of Mining Claims, at pages 151 to 154, inclusive, and that certain Option Agreement recorded in Book "D" of Agreements, pages 474 and 475, and as supplemented by Agreement dated June 22, 1955, all as recorded in the records of the County Recorder of Lemhi County, State of Idaho.**

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

2/ **IDAHO METALLURGICAL INDUSTRIES, INC.**

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

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

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

(OVER)

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

4. Changes and added provisions

In paragraph 2 the words "the period fixed in the contract or any amendment thereof has" are substituted for the words "ten years have."

Dated this 22nd day of June, 1955.

Charles W Harman [Seal]

[Seal]

[Seal]

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Idaho, County of Lemhi, described as follows: 1/ All those certain Lode Mining Claims known as the TINKERS PRIDE NOS. 1 to 4, inclusive, described in Location Notices recorded in Book "1" of Mining Claims, at pages 151 to 154, inclusive, and that certain Option Agreement recorded in Book "D" of Agreements, pages 474 and 475, and as supplemented by Agreement dated June 22, 1955, all as recorded in the records of the County Recorder of Lemhi County, State of Idaho.

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

2/ IDAHO METALLURGICAL INDUSTRIES, INC.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

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

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

(OVER)

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

4. Changes and added provisions

In paragraph 2 the words "the period fixed in the contract or any amendment thereof has" are substituted for the words "ten years have."

Dated this 22nd day of June, 195 5.

[Seal]

Hugo A. Simi [Seal]

[Seal]

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Idaho, County of Lemhi, described as

follows: 1/ All those certain Lode Mining Claims known as the BONANZA COPPER LODE, and BONANZA COPPER NOS. 1 to 7, inclusive, FRACTION NOS. 1 to 2, inclusive, BONANAZA EXTENSION NO. 1, BONANZA COPPER MILL SITE, BLACK ROCK LODE and BLACK ROCK NOS. 1 to 8, inclusive, all as more particularly described in that certain Option Agreement recorded ----, in Book "D" of Agreements, at pages 470,471,472, and as supplemented by an Agreement dated June 17, 1955, all as recorded in the records of the County Recorder of Lemhi County, State of Idaho.

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

2/ IDAHO METALLURGICAL INDUSTRIES, INC.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

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

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

(OVER)

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

4. Changes and added provisions

In paragraph 2 the words "the period fixed in the contract or any amendment thereof has" are substituted for the words "ten years have."

Dated this 17th day of June, 1955.

Elmer R Hagel [Seal]

Elsie Hagel [Seal]

Robert Franklin Hagel [Seal]

Leah Hagel

EXPLORATION PROJECT CONTRACT
IDAHO METALLURGICAL INDUSTRIES, INC.
DOCKET NO. DMEA-3739

EXHIBIT "A"

Description of the Work

Maps accompanying this contract are as follows:

Fig. I, Index map showing location of the property in the Blackbird Mining District, Lemhi County, Idaho.

Fig. 2, Claim map showing claims and area controlled by applicant and adjoining property

The work will be divided in two stages as follows:

Stage I

Phase "A"

1. Bulldoze access roads and trenches. The access roads will be an extension of the Calera road, from the south into the Tinkers Pride and Bonanza Copper area, which should require approximately 30 hours bulldozing time. Bulldozer trenches shall be in area selected by the Operator and shall be agreed to by the Government. This work shall not exceed 8,000 linear feet of trenching and shall be carried out by and RD-7 bulldozer or equivalent. The time shall not exceed a total of 800 hours for the access roads and trenches.

2. Purchase tents, lumber, and equipment necessary and install for camp. Tents to be floored and sidewalled. Equipment includes cots, cooking utensils, dishes, etc.

3. Make a self-potential survey along the structural zone, which shall cover an area approximately 12,000 feet long by 2,300 feet wide, extending southerly from the granite contact to the north of Indian Creek (Fig. 2), following the indicated shear zone to south boundary, south of Big Deer Creek (Fig.2). The easterly and westerly self-potential lines shall be

at intervals of approximately 400 feet, except in cases where the survey so indicates intervening lines may be run. A total of 30 to 40 lines should be run to cover the area with a total length of approximately 80,000 feet.

4 The above-noted self-potential lines shall be soil-sampled for geochemical analysis at 50 foot intervals and every second sample shall be assayed for cobalt and copper and where deemed advisable for arsenic, In areas where the assay results so justify the intervening samples shall be resampled assayed.

5 Approximately 1,500 samples shall be taken and 800 to 900 samples shall be analyzed.

6 A geological study shall be made of approximately 640 acres (12,000 by 2,300 feet), included in the land referred to in Article 2, and the results shall be mapped on a scale not less than 1 inch equal 200 feet. /1

7 A survey of all trenches, cuts, mine workings, and geologic and geophysical features shall be made and they shall be plotted on a map with a scale not less than 1 inch equal 200 feet. /1

8 All mineralized zones in trenches, cuts, and outcrops shall be sampled and assayed for cobalt and copper and where deemed advisable for arsenic. estimated to be 500 samples.

/1, Four copies of these maps shall be made available to the Government and shall be acceptable.

Phase "B"

9 After a study of the geology, the self-potential survey, trenching and the assay results, with the approval of the Government points shall be selected for 8 to 10 diamond drill holes of AX size with a total length

not to exceed 5,000 feet. These holes shall be inclined at angles from 45 to 60 degrees and obtain vertical depths of not less than 300 feet. The depth shall be determined mainly by the depth of the sulphide zone. It is estimated that these holes shall require a maximum of 1,000 feet of cementing and reaming.

10 Sludge samples shall be taken at five foot intervals and core samples in not to exceed 5 foot intervals in the better mineralized zones. This will necessitate approximately 950 sludge samples and 250 core samples or a total of 1,200 samples, all to be assayed for cobalt, and copper, AND POSSIBLY ARSENIC

Stage II

If in the opinion of the Government, based upon the results in Stage I, further work is warranted and the Government approves it in advance, Stage II shall be performed

Phase "C"

11 In order to prepare for an all year operation, it will be necessary to build an access road to Panther Creek (Fig. 2). This road, involving a substantial footage of rock work, will be at a lower elevation and will be approximately 3 miles in length, 10 feet wide and with a dirt surface.

12 An all-year camp including a cook house, bunk house, staff house, and office, shall be established for approximately 20 men.

13 Points shall be selected for approximately 40 diamond drill holes, which shall be inclined at angles of 45 to 60 degrees and shall reach vertical depths of not less than 300 feet and the total shall not exceed 20,000 feet. The depth will be determined mainly by the sulphide zone. It is estimated that these holes will require a maximum of 4,000 feet of reaming and cementing.

14 Sludge samples shall be taken at 5 foot intervals and core samples in not to exceed 5 foot ~~samples~~ INTERVALS of the better mineralized zones. There should be approximately 3,600 ~~xxxx~~ sludge samples and 900 core samples or a total of 4,500 samples.

15 At a po8nt or points to be selected with the approval of the Government, crosscuts and drifts shall be driven to intersect the mineralized areas in the primary zone as indicated by the diamond drill holes. The amount of this work shall be approximately 1,500 feet, and all work shall be at least $4\frac{1}{2}$ by $6\frac{1}{2}$ feet in the clear. It is estimated that this work will require approximately 1,000 feet of normal timbering, an additional 300 feet of heavy timbering and 150 feet of spiling. If it is found that

7 sufficient depth cannot be attained with an economical length of adit, ~~the~~ a shaft may be sunk to attain this depth.

16 ~~Ixxisxxestimatedxthatxthisxworkxwillxrequirex~~

All mineralized zones shall be sampled at 5-foot intervals. It is estimated that approximately 200 samples shall be taken and assayed for cobalt and copper.

Estimated Cost of the Project
Actual Costs

Stage I

Phase "A"

1	Bulldoze access road and trenches. 800 hours at $14.00* per hour	$11,200.00*	
2	Four tents, approximately 14 X 14 feet, with floor and side-walls, ~~with~~ and equipment for cooking, eating, sleeping, and office work	2,000.00*	
3	A self-potential survey, with observations at 50 foot intervals, and necessary mapping. 80,000 feet at $0.0875* per foot	7,000.00*	
4	1,500 soil samples for geo-chemical analysis	1,500.00*	
5	Analysis of 900 soil samples for cobalt and copper and possibly arsenic.	2,700.00*	
6	Geological study and mapping of approximately 640 acres at $12.50* per acre	8,000.00*	
7	Surveying and mapping of trenches, cuts and other prominent features	8,000.00*	
8	Analysis of 500 trench samples for cobalt and copper and possibly arsenic	1,500.00*	
	Estimated total for Phase "A"		$41,900.00

Phase "B"

9	5,000 feet of diamond drilling at $6.50* per foot	$32,500.00	
	1,000 feet of reaming and cementing at $2.50* per foot	2,500.00	
10	Analysis of 1,200 sludge and core samples for cobalt and copper and possibly arsenic	3,600.00	
	Estimated total for Phase "B"		$38,600.00

Stage LL

Phase "C"
Actual Costs

11	3 miles of access road. Bulldozer (RD-7 or equivalent) 250 hours at $14.00* per hour		$ 3,500.00*	
	17,000 cubic feet of rock blasting at $0.50*per cubic foot		8,500.00*	
12	All year camp for 20 men. Cook-house with equipment for approximately 20 men. Approximately 14 X 30 feet	$3,500.00		
	2 bunk houses with equipment approximately 14 X 20 feet	3,000.00		
	Staff and office building	2,500.00		
	Electric plant	500.00		
	Warehouse, approximately 12 X 16 feet	500.00		
	Total		10,000.00*	
13	20,000 feet of diamond drilling, AX size at $6.00*per foot		$120,000.00*	
	4,000 feet of reaming and cementing at $2.00*per foot		8,000.00*	
14	Analysis of 4,500 samples for cobalt and copper and possibly arsenic		13,500.00*	
	Extimated total for Phase "C"			$163,500.00

Phase "D"
Fixed Unit Costs

15	1,500 feet of drifting and crosscutting at $45.00* per foot	67,500.00*	
	1,000 feet of normal timbering at $7.00 per foot	7,000.00*	
	300 feet of heavy timbering at $7.00 per foot	2,100.00	
	150 feet of spiling at $20.00 per foot	3,000.00*	
16	Analysis of 200 samples for cobalt and copper, and possibly arsenic	600.00*	
	Estimated total for Phase "D"		80,200.00

Drainage

Estimated total cost of Phase "A", Stage 1	$41,900.00	
Estimated total cost of Phase "B", Stage 1	38,600.00	
Estimated total cost of Pahse "C", Stage II	163,500.00	
Estimated total cost of Phase "D", Stage II	80,200.00	
Estimated total cost of project		$324,200.00
Government participation 62½ percent		$202,625.00

EXPLORATION PROJECT CONTRACT
IDAHO METALLURGICAL INDUSTRIES, INC.
DOCKET NO. DMEA 3739

EXHIBIT "A"
Description of the Work

Maps accompanying this contract are as follows:

Fig. 1 - Index map showing location of property in Blackbird Mining District, Lemhi County, Idaho.

Fig. 2 - Claim map showing claims and area controlled by applicant and adjoining property.

The work will be divided in ~~two~~ three stages as follows:

STAGE I

1. Bulldoze access roads and trenches. The access roads will be an extension of the Calera road, from the south into the Tinkers Pride and Bonanza Copper areas, which should require not to exceed 30 hours of bulldozing time. Bulldozer trenching shall be in area selected by the Operator and shall be agreed to by the Government. This work shall not exceed 8,000 linear feet of trenching and shall be carried out by an RD-7 bulldozer or equivalent. The time shall not exceed a total of 800 hours for roads and trenches. ~~There shall be sampled in mineralized zones. A maximum of 600 samples shall be taken and assayed for cobalt and copper~~

2. Purchase tents, lumber and equipment necessary and install, for camp. Tents to be floored and sidewalled. Equipment includes cots, cooking supplies, etc.

3. Make a self-potential survey along the structural zone, which shall cover an area approximately 12,000 feet long by 2,000 feet wide (approximately 640 acres), extending southerly from the granite contact to the north of Indian Creek following the indicated shear zones to south boundary, south of Big Deer Creek. The easterly and westerly self-potential lines shall be at intervals of approxi-

mately 400 feet, except that in cases where the survey so indicates, intervening lines may be run. A total of 30 to 40 lines should be run to cover the area with a total length of approximately 80,000 feet.

Intervale

4. The above noted self-potential lines shall be soil-sampled for geo-chemical analysis at 50 foot intervals and every second sample shall be assayed for cobalt and copper, except that in areas where the assay results so justify, the intermediate samples shall be assayed. (5) Approximately 1,500 samples shall be taken and 800 to 900 samples shall be analyzed.

6. A geological study shall be made of ~~the~~ approximately 640 acres (area 12,000 X 2,300 ft.) ~~acres~~ included in the land referred to in Article 2, and ~~the properties owned and under lease to the applicant and~~ the results shall be mapped on a scale not less than 1 inch equals 200 feet.

A map, or maps, which shall be acceptable to the Government, shall be made to show the results of 7 A survey ~~shall be made~~ of all trenches, cuts, mine workings, and geologic and geo-physical features and shall be ~~mapped or~~ plotted on a ~~good~~ working scale not less than 1" = 200'. (8) All mineralized zones in trenches, cuts or outcrops shall be sampled and assayed for cobalt and copper requiring an estimated 500 samples.

9. After a study of the Stage II geology, the self-potential survey and trenching and with the approval of the Government points shall be selected for 8 to 10 diamond drill holes of AX size with a total length not to exceed 5,000 feet. These holes shall be inclined at angles from 45 to 60 degrees and attain vertical depths

of not less than 300 feet. The depth will be determined mainly by the depth of the sulphide zone. It is estimated these holes will require a maximum of 1,000 feet of cementing and reaming. Sludge samples shall be taken at 5 foot intervals and core samples taken at 5 foot intervals ~~and core samples taken~~ of the better mineralized zone. This will necessitate approximately 950 sludge samples and 250 core samples all to be assayed for cobalt and copper.

STAGE III

If in the opinion of the Government, based upon the results obtained in Stage I and ~~2~~ II, further work is warranted and the Government approves it in advance, Stage III shall be performed.

8~~7~~. In order to prepare for an all year operation it will be necessary to build an access road to Panther Creek, (Fig. 2). This road, ~~involving~~ a substantial footage of rock work, will be at a lower elevation, and will be approximately 3 miles in length, 10 feet wide and with a dirt surface.

9~~8~~. An all year camp including a cook house, bunk houses, staff house and office, shall be established for approximately 20 men.

10~~9~~. Points shall be selected for approximately 40 diamond drill holes which shall be inclined at angles of 45 to 60 degrees and shall reach vertical depths of not less than 300 feet and the total shall not exceed 20,000 feet. The depth will be determined mainly by the sulphide or primary zone. Sludge

It is estimated that these holes will require a maximum of 4,000 feet of reaming and cementing.

samples will be taken at 5 foot intervals and core samples of the better mineralized zones. There should be approximately 3,600 sludge samples and 900 core samples.

11 ~~4~~. At a point or points to be selected with the approval of the Government, crosscuts and drifts shall be driven to intersect the mineralized areas in the primary zone as indicated by diamond drill holes. The amount of this work shall be approximately 1,500 feet and all work shall be at least $4\frac{1}{2}$ x $6\frac{1}{2}$ feet in the clear. If it is found that sufficient depth can not be attained with an economical length of adit, then a shaft may be sunk to attain this depth. All mineralized zones shall be sampled at 5 foot intervals. Approximately 200 samples should be taken and assayed for cobalt and copper.

It is estimated that this work will require 1,000 feet of normal timbering and an additional 300 feet of heavy timbering and 150 feet of spiling.

Estimated Cost of the Project

~~Fixed Unit~~ Costs

Actual

Stage I

Phase A

1	Bulldozing access road and trenches, 800 hours at $14.00* per hour	$11,200.00*
2	Four tents, approximately 14 X 14 feet, with floors and side walls, incl. equipment ~~Equipped~~ for cooking, eating, sleeping and office work	2,000.00* Net?
3	A self-potentail survey with observations at 50 foot intervals, with necessary mapping. 80,000 line feet at $0.0875* per foot	7,000.00*
4.	1,500 soil samples ~~shall be taken at 50 foot intervals~~ for geo-chemical analysis ~~at $1.00 per sample~~	1,500.00*
5 ~~4~~	Analysis of 900 soil samples for cobalt and copper and possibly arsenic ~~at $3.00 per sample~~	2,700.00*
6 ~~5~~	Geological study, and surveying approximately 640 acres at $~~10.00~~ 10.00* per acre	8,000.00* 6,400.00
~~5~~	~~Geological mapping. 80 days at $20.00 per day~~	~~1,600.00~~
7 ~~6~~	Surveying and mapping of trenches, cuts and other prominent features. ~~2 surveyors, 2 helpers, 2 brush and sample men and draftssman. 400 days at an average of $20.00 per day.~~	8,000.00*
8 ~~6.~~	Analysis of 500 trench samples for cobalt and copper ~~at $3.00 per sample~~	1,500.00*
	Estiamted total for Stage 1,	$41,900.00

Phase B

~~Stage II~~

9 ~~7.~~	5,000 feet of diamond drilling at $6.50* per foot.	$32,500.00*
10 ~~7~~	1,000 feet of reaming and cementing at $2.50* per foot.	2,500.00*
11 7	Analysis of 1,200 core samples for cobalt and copper ~~at $3.00 per sample~~	3,600.00*
	Estimated total for Stage II	$38,600.00

Please see article on reverse

Stage ~~III~~ II

Phase A
actual costs

8	3 miles of access road.		
	Bulldozer 250 hours at $14.00* per hour		$3,500.00*
	17,000 cubic feet of local blasting at $0.50* per cubic foot		8,500.00*
9.	All year camp for 20 men.		
	Cook house with equipment. Approximately 14 X 30 feet.	$3,500.00	
	2 Bunk houses, with equipment. approximately 14 X 20 feet	3,000.00	
	Staff and office building	2,500.00	
	Electric plant	500.00	
	Warehouse, approximately 12 X 16 ft.	500.00	
	Total		10,000.00*

Phase B
Estimated costs

10	20,000 feet of diamond drilling, AX size at $6.00 per foot		120,000.00
10	4,000 feet of reaming and cementing at 2.00 per foot		8,000.00
10	Analysis of 4,500 samples for cobalt and copper and preliminary assay at $3.00 per sample		13,500.00
11	1,500 feet of crosscutting and drifting at $45.00 per foot		67,500.00
11	1,000 feet of normal timbering at $7.00/ft.		7.000.00
11	300 feet of heavy timbering (additional) at $7.00 per foot		2,100.00
11	100 feet of spiling (additional) at $20.00/ft.		3,000.00
11	Analysis of 200 samples for cobalt and copper and preliminary assay at $3.00 per sample		600.00
	Estimated cost of Stage ~~III~~		$243,700.00
	Estimated total for project		$324,200.00
	Government participation, 62½ percent		$202,625.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE ELECTRIC POWER ADMINISTRATION
WASHINGTON 25, D. C.

Estimated Costs of the Project

The Government will participate on the basis of actual costs incurred, in accordance with Art. 6 of the contract, to the maximum indicated for all work in Stage I and in Phase A of Stage II, the categorical estimates being waived. However, the monthly voucher Form MF-104 will be completed by the Operator to indicate costs by category in accordance with Art. 6 (Check this No.) and will be supported by a statement showing the distribution of the categorical costs by the various items of work.

EXHIBIT "X"

Suggested Provisions for Article 13

Article 6(a) is amended to waive the requirement for schedules of estimated costs in Exhibit "A" for the categories specified in this article.

Article 6(a) is further amended to provide that: The Government will contribute to costs of work specified as Stage III on the basis of the fixed unit costs set forth thereunder, as they accrue for units of work actually performed, in lieu of actual costs. These fixed unit costs include all costs of the work whatsoever and are in lieu of the actual costs that would otherwise be allowable costs of the project as provided in this article.

Article 7(a) is amended by the addition of the following provision: The Operator shall maintain job or cost accounts for each of the work items set forth under Stages I and II of Exhibit "A".

Article 7(b) is amended by the addition of the following provision: The Operator's Monthly Report and Voucher showing the aggregate of the categorical costs (described in Article 6) shall be supplemented by statements showing the distribution of such costs to each of the work items set forth under Stages I and II of Exhibit "A".

EXPLORATION PROJECT CONTRACT
IDAHO METALLURGICAL INDUSTRIES, INC.
DOCKET NO. DMEA-3739

EXHIBIT "A"

Description of the Work

The purpose of the work is to explore in three stages the subject property along the Tinkers Pride-Bonanza Copper shear zone for cobalt and copper by trenching, self-potential surveying, soil sampling, ~~and geochemical assaying,~~ diamond drilling, surface and underground mapping, drifting and/or cross cutting. ~~shaft sinking.~~

The first part of the work of Stage I shall be concentrated in the vicinity of the known cobalt showings described in Full's Preliminary Report on the Big Deer Creek Area, dated March 17, 1955. An effort shall be made to keep to a minimum the amount of mapping, trenching, self potential surveying, and soil sampling until the known cobalt showings and the presently indicated self potential anomalies mentioned in the Full report ultimately have been tested by diamond drilling where favorably indicated. This procedure is suggested in order to learn something of the depth of oxidation and what the mineralized showings and indicated anomalies may represent. (1) ~~Expansion of the program shall depend upon the results of this initial work of Stage I.~~

(1) Continue with that part of the next paragraph reading "this initial work ---. The first sentence of paragraph 3 remains as is.

Although the work is divided into three stages as outlined below, its sequence in each stage shall not depend upon the numerical order shown which serves only to correlate the individual work descriptions with their respective costs as listed further on. (1) The initial work of Stage I shall be mutually agreeable to the Operator and the Government and shall include only that amount of mapping, self potential surveying, and soil sampling necessary to test not to exceed a 6,000 foot section along the strike of the shear zone. All work thereafter shall be approved by the Government in writing.

Stage I

1. Extend the Calera access road northward (see Fig. 2) by bulldozing to give access to the known cobalt showings and the indicated anomaleous areas, building such side roads as may be necessary to carry out the exploration project. The trenching, which shall start in the vicinity of the known cobalt showings, shall be done by an RD-7 bulldozer or equivalent and shall aggregate not more than 8,000 linear feet. The bulldozing time for access roads, trenches, and drill sites shall not exceed 850 hours.

2. Purchase tents, lumber, equipment, and necessary furnishings and construct a temporary camp.

3. Make a self-potential survey along the Tinkers Pride Bonanza Copper shear zone which shall ultimately cover an area approximately 12,000 feet long and up to 2,300 feet wide, extending from the granite contact at the north end of the property southward to and beyond Big Deer Creek. Lines for potential profiles normal to the base line shall be spaced at intervals of approximately 400 feet except in cases where the survey indicates that a medial profile should be run. Self potential readings shall be taken at 50 foot intervals along the profile lines. The aggregate length of the 30 to 40 lines ultimately needed to cover the area shall not exceed 80,000 linear feet.

4. A soil sample for geochemical analysis shall be taken at each pot location simultaneously with the self potential survey. Approximately 1600 samples ~~will~~ may be taken.

5. Initially only alternate soil samples shall be assayed for cobalt and copper and, where deemed advisable, for arsenic. The intervening samples may be assayed in areas where the assay results so justify.

6. A geologic study with attendant ~~mapping~~ sampling, surveying and mapping ~~surveying~~ shall be done concurrently as the exploration work progresses. Not to exceed 640 acres of the land referred to in Article 2 may ultimately be mapped on a scale of not less than 1 inch equals 200 feet. Maps of underground workings,

trenches, and drill logs shall be ~~of~~ on a scale suitable to clearly show the necessary detail. Sufficient copies of all maps shall be submitted to meet the requirements set forth in the contract form.

7. ~~All mineralized zones in trenches, cuts, or outcrops shall be sampled, and~~ Each sample collected under Item 6 shall be assayed for cobalt and copper and where deemed advisable, for arsenic. Approximately 500 samples may be assayed.

8. As soon as the initial part of the above described work indicates that diamond drilling is feasible and necessary to expand the program, the Operator and the Government shall mutually select approximately 10 drill sites for AX core drilling not to exceed an aggregate of 5000 feet. The holes shall be inclined at minimum angles of 45° to obtain vertical depths of not less than 300 feet. The depth shall be determined mainly by the depth ~~of~~ to the sulphide zone. Not to exceed an aggregate of 1000 feet of hole may be cemented and reamed or reamed and cased. Access roads and drill sites suitable to do the drilling shall be bulldozed, the cost being provided for under Item 1.

9. Core and sludge samples suitable for existing conditions shall be taken at not more than 5 foot intervals in the better mineralized zones. Approximately 1200 samples may be assayed for cobalt and copper and where deemed necessary, for arsenic in the oxidized zone.

Stage II

If in the opinion of the Government, based upon the results obtained in Stage I, further work is warranted, so much of Stage II shall be performed as the Government approves in advance in writing.

10. The Operator and the Government shall mutually select approximately 40 drill sites for AX core drilling which shall not exceed an aggregate of 20,000 feet. The holes shall be inclined at minimum angles of 45° to obtain vertical depths of not less than 300 feet. The depth shall be determined mainly by the depth ~~of~~ to the sulphide zone. Not to exceed an aggregate of 4000 feet of hole may be cemented and reamed or reamed and cased.

11. Core and sludge samples suitable for existing conditions shall be taken at not more than 5-foot intervals in the better mineralized zones. Approximately 4,500 samples may be assayed for cobalt and copper and where deemed necessary, for arsenic in the oxidized zone.

12. Bulldoze the roads and drill sites necessary to drill the holes described under item 10.

Story III 13. In order to prepare for an all-year operation, it will be necessary to build an access road down Big Deer Creek to Panther Creek (see Fig. 2). This road, involving a substantial footage of rock work in the lower mile, will be at a lower elevation and will be approximately 3 miles in length, 10 feet wide, and dirt surfaced.

Qo:' 14. A camp, including a cook house, bunk house, staff house, and office suitable for all-year operation shall be established to complete the exploration.

STAGE III

If in the opinion of the Government, based upon the results obtained in the preceding stages, further work is warranted, so much of Stage III shall be performed as the Government approves in advance in writing.

15. The Operator and the Government shall mutually select one or more portal sites from which an adit shall be driven to intersect the sulphide zone or zones indicated by the diamond drill holes. The adit or adits shall have a minimum cross section of 5 by 7 feet in the clear of timber and shall not exceed 1,500 feet in aggregate length. It is estimated that the 1,500 feet of advance will require 1,000 feet of standard drift timbering, 300 feet of heavy timbering, and 150 feet of spiling.

If it is found that sufficient depth to reach the sulphides cannot be obtained with an economical length of adit, a shaft may be sunk to attain the necessary depth.

16. All sulphide areas penetrated shall be sampled at five-foot intervals. Not to exceed 200 samples shall be assayed for cobalt and copper.

ESTIMATED COSTS OF THE PROJECT

Stage I

Actual Costs
(* Indicates maximum)

1.	Bulldoze access roads, trenches, and drill sites at $14.00* an hour, 850* hours	$11,900.00*
2.	Four tents, approximately 14 by 14 feet, with floor and side walls and furnishings for temporary camp	2,000.00*
3.	A self-potential survey aggregating 80,000* linear feet of profile at $0.0875* a foot. The costs for laying out and brushing out the lines, supplies, materials, and supervision are included. 1/	7,000.00*
4.	Collection of ~~1,600~~ soil samples for geochemical analysis. 1/	1,600.00*
5.	Geochemical analysis of ~~approximately 900~~ soil samples for cobalt and copper and possibly arsenic	2,700.00*
6.	Geological study, sampling, surveying, and mapping of all trenches, cuts, roads, outcrops and all other engineering and geological features not covered under another item in an area not to exceed 640* acres at ~~$12.50~~ 25.00* an acre. 1/	16,000.00*
7.	Analyze ~~500~~ samples of Item 6 for cobalt and copper and possibly arsenic.	1,500.00*
8.	Diamond drill 5,000* feet of AX core hole at $6.50* a foot. The estimated cost includes all costs whatsoever except surveying of the hole locations, building of access roads to and preparation of drill sites. 1,000* feet of hole either cemented and reamed or reamed and cased at $2.50* a foot	32,500.00* 2,500.00*

1/ See limitation in the second paragraph under Description of the Work as to the amount of initial work that can be done under this item.

9	Analyze ~~1,200~~ sludge and core samples for cobalt and copper and possibly arsenic.	3,600.00
	Estimated total cost for Stage I	$31,360.00

STAGE II

Actual Costs

(* Indicates maximum)

10. AX core diamond drilling, 20,000* feet at $6.00* a foot. The estimated cost includes all costs whatsoever except that provided for in the item immediately below $120,000.00*

Cementing and reaming or reaming and casing, 4,000* feet at $2.00* a foot 8,000.00*

11. Analyze ~~4,500~~ CORE & SLUDGE samples for cobalt and copper and possibly arsenic 13,500.00*

12. Access roads to and drill sites Item 10 by RD-7 bulldozer or equivalent, 160* hours at $14.00* an hour 2,240.00*

13. Approximately 3 miles of access road down Big Deer Creek to Panther Creek. Bulldozing shall not exceed $14.00* an hour for an RD-7 bulldozer or equivalent. The project shall be charged $3,000* or actual costs whichever is the smaller at the completion of each of the upper first two miles. It shall be charged an additional $6,000 or actual costs whichever is the smaller on the satisfactory completion of the entire road. 12,000.00*

14. All weather camp

Cook-house approximately 14 by 30 feet with furnishings $ 3,500.00

Two bunk houses approximately 14 by 20 feet with furnishings 3,000.00

Total camp with [illegible] $10,000.00

STAGE II (Cont'd.)
Actual Costs
(*Indicates maximum)

Staff and office building	$2,500.00
Electric plant	500.00
Warehouse approximately 12 by 16 feet	500.00
Estimated total for Stage II	~~$6,000.00*~~ $165,740*

STAGE III

Fixed Unit Costs

15. Drifting and/or crosscutting, 1,500* feet at $45.00 a foot	$67,500.00	
Standard drift timbering, 1,000 feet at $7.00 a foot	7,000.00	
Heavy drift timbering, 300 feet at $7.00 a foot additional	2,100.00	
Spiling, 150 feet at $27.00 a foot which includes all timbering costs	4,050.00	
16. Analyze 200 samples for cobalt and copper at $3.00 a sample	600.00	
Estimated total for Stage III		$81,250.00

Estimated total cost of Stage I	$81,300.00*	
Estimated total cost of Stage II	$165,740.00*	
Estimated total cost of Stage III	$81,250.00	
Estimated total cost of the project		$328,290.00
Government participation 62.5 per cent (rounded to)		$205,180.00

205,181.25

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT Made and entered into this 20th day of June, 1955 by and Between CHARLES W. HARMON, a single man, of Felt, Idaho, and HUGO A. SIMI, a single man, of Yellow Jacket Mine, Via Cobalt, Idaho, parties of the first part, and DANIEL M. STRANAHAN, of P.O. Box No. 1, Patagonia, Arizona, the party of the second part,-

WITNESSETH:

THAT, WHEREAS, On the 25th day of October, 1954, the parties entered into an Option Agreement for the option to purchase four contiguous mining claims known as the Tinkers Pride mining claims, located in the Blackbird Mining District, County of Lemhi, State of Idaho; and

WHEREAS, The parties now desire to specifically identify said mining claims;

NOW, THEREFORE, It is mutually agreed that the claims referred to in the above described Option Agreement are more particularly described as follows, to-wit:

TINKERS PRIDE No. 1 Lode Mining Claim, as the same is more particularly described in that certain notice of location dated May 1, 1939, recorded in Book "1" of Mining Claims, page 151, records of the County Recorder of Lemhi County, Idaho;

TINKERS PRIDE NO. 2 Lode Mining Claim, as the same is more particularly described in that certain notice of location dated May 2, 1939, recorded in Book "1" of Mining Claims, page 152, records of the County Recorder of Lemhi County, Idaho;

TINKERS PRIDE No. 3 Lode Mining Claim, as the same is more particularly described in that certain notice of location dated May 3, 1939, recorded in Book "1" of Mining Claims, page 153, records of the County Recorder of Lemhi County, Idaho;

TINKERS PRIDE NO. 4 Lode Mining Claim, as the same is more particularly described in that certain notice of location dated May 3, 1939, recorded in Book "1" of Mining Claims, page 154, records of the County Recorder of Lemhi County, Idaho;

IT IS FURTHER MUTUALLY COVENANTED AND AGREED and expressly made a part hereof that all other terms, conditions and stipulations contained

in the original aforesaid contract, shall remain in full force and effect without any change or modification, except only as herein provided.

IN WITNESS WHEREOF The parties hereto have hereunto set their hands and seals the day and year first above written.

(sgd.) CHARLES W. HARMON
First Party

(sgd.) HUGO O. SIMI
First Party

(sgd.) DANIEL M. STRANAHAN
SECOND PARTY

STATE OF IDAHO :
: ss.
County of Teton :

On this 20th day of June, 1955, before me, the undersigned, a Notary Public in and for said State, personally appeared CHARLES W. HARMON, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

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

(Seal)

(sgd.) M. R. MINER
Notary Public for the State of
Residence:

STATE OF IDAHO :
: ss.
County of Lemhi :

On this 22nd day of June, 1955, before me, the undersigned, a Notary Public in and for said State, personally appeared HUGO A. SIMI, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

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

(sgd.) CHARLES HERNDON
Notary Public for the State of
Residence: Salmon, Idaho

STATE OF ARIZONA :
: ss.
County of Santa Cruz :

On this 30th day of June, 1955, before me, the undersigned, a Notary Public in and for said State, personally appeared DANIEL M. STRANAHAN, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

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

(Sgd.) HILDA T. BLABON
Notary Public for the State of
Arizona
Residence: Patagonia, Arizona

(Seal)

My Commission expires:
Nov. 29-1958

COPY

MF-203

Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Idaho, County of Lemhi, described as follows: 1/ All those certain Lode Mining Claims known as the TINKERS PRIDE NOS. 1 to 4, inclusive, described in Location Notices recorded in Book "1" of Mining Claims, at pages 151 to 154, inclusive, and that certain Option Agreement recorded in Book "D" of Agreements, pages 474 - 475, and as supplemented by Agreement dated June 22, 1955, all as recorded in the records of the County Recorder of Lemhi County, State of Idaho.

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

2/ IDAHO METALLURGICAL INDUSTRIES, INC.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted

to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

4. Changes and added provisions _____

In paragraph 2 the words "the period fixed in the contract or any amendment thereof has" are substituted for the words "ten years have."

Dated this 22nd day of June, 1955

(sgd.) HUGO A SIMI (SEAL)

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

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

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

COPY

MF-203

(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Idaho, County of Lemhi, described as follows: 1/ All those certain Lode Mining Claims known as the TINKERS PRIDE NOS. 1 to 4, inclusive, described in Location Notices recorded in Book "1" of Mining Claims, at pages 151 to 154, in clusive, and that certain Option Agreement recorded in Book "D" of Agreements, pages 474 and 475, and as supplemented by Agreement dated June 22, 1955, all as recorded in the records of the County Recorder of Lemhi County, State of Idaho. which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ IDAHO METALLURGICAL INDUSTRIES, INC.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully

paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

4. Changes and added provisions _____

In paragraph 2 the words "the period fixed in the contract or any amendment thereof has" are substituted for the words "ten years have".

Dated this 22nd day of June, 1955

(sgd.) CHARLES W. HARMON (Seal)

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

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

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

C
O
P
Y

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, Made and entered into this 17th day of June, 1955, by and between ELMER HAGEL, sometimes known as Elmer R. Hagel, also known as Elmer Robert Hagel, and ELSIE HAGEL, husband and wife, now of Ronan, State of Montana, formerly of North Fork, Idaho, and ROBERT FRANKLIN HAGEL and LEAH HAGEL, husband and wife, of Gibbonsville, Idaho, parties of the first part, and DANIEL M. STRANAHAN, of P.O. Box 1, Patagonia, Arizona, party of the second part,

WITNESSETH:

THAT, WHEREAS, the first parties, on the 25th day of October, 1954, entered into an Option Agreement with the second party, for certain mining claims situate in the Blackbird Mining District, Lemhi County, State of Idaho, comprising the Bonanza Copper Group and Black Rock mining claims, and

WHEREAS, the parties hereto are desirous of having said claims properly identified and set out, inasmuch as the number of claims stated on the original Option Agreement is in error;

NOW, THEREFORE, IT IS MUTUALLY AGREED that the claims referred to in the above described Option Agreement are more particularly described as follows, to-wit:

BONANZA COPPER Lode Mining Claim, as the same is more particularly described in that certain notice of Location, dated _____, 19__, recorded in Book 2 of Mining Claims, page 56, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BONANZA COPPER NO. 1 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated _____, 19__, recorded in Book 2 of Mining Claims, page 57, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BONANZA COPPER NO. 2 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Nov. 6, 1947, recorded in Book 3 of Mining Claims, page 277, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BONANZA COPPER NO. 3 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Nov. 6, 1947, recorded in Book 3 of Mining Claims, pages 277-278, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BONANZA COPPER NO. 4 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Nov. 6, 1947, recorded in Book 3 of Mining Claims, page 278, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BONANZA COPPER NO. 5 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Nov. 6, 1947, recorded in Book 3 of Mining Claims, page 278, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BONANZA COPPER NO. 6 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Sept. 1, 1951, recorded in Book 4 of Mining Claims, page 212, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BONANZA COPPER NO. 7 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Sept. 1, 1951, recorded in Book 4 of Mining Claims, page 213, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same incorporated herein as if set forth in full;

FRACTION NO. 1 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Aug. 29, 1951, recorded in Book 4 of Mining Claims, page 210, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

FRACTION NO. 2 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Aug. 29, 1951, recorded in Book 4 of Mining Claims, page 211, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BONANZA EXTENSION NO. 1 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Sept. 1, 1951, recorded in Book 4 of Mining Claims, page 214, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BONANZA COPPER MILLSITE Claim, as the same is more particularly described in that certain Notice of Location, dated April 10, 1951, recorded in Book 3 of Mining Claims, page 600, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BLACK ROCK Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated March 15, 1943, recorded in Book 2 of Mining Claims, page 60, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BLACK ROCK NO. 1 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Nov. 6, 1947, recorded in Book 3 of Mining Claims, page 279, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BLACK ROCK NO. 2 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated November 6, 1947, recorded in Book 3 of Mining Claims, page 279, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BLACK ROCK NO. 3 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Nov. 6, 1947, recorded in Book 3 of Mining Claims, page 280, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BLACK ROCK NO. 4 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Nov. 6, 1947, recorded in Book 3 of Mining Claims, page 280, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated as if set forth in full;

BLACK ROCK NO. 5 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Nov. 6, 1947, recorded in Book 3 of Mining Claims, page 281, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BLACK ROCK NO. 6 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Nov. 7, 1947, recorded in Book 3 of Mining Claims, page 281, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BLACK ROCK NO. 7 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Nov. 7, 1947, recorded in Book 3 of Mining Claims, page 282, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full;

BLACK ROCK NO. 8 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location, dated Nov. 7, 1947, recorded in Book 3 of Mining Claims, page 282, records of the County Recorder of Lemhi County, Idaho, to which reference is hereby made and the same is incorporated herein as if set forth in full.

IT IS FURTHER MUTUALLY COVENANTED AND AGREED and expressly made a part hereof that all other terms, conditions and stipulations contained in the original foresaid contract, shall remain in full

force and effect without any change or modification, except only as herein provided.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

(sgd.) ELMER R. HAGEL (SEAL)
(") ELSIE HAGEL (SEAL)
(") ROBERT FRANKLIN HAGEL (SEAL)
(") LEAH HAGEL (SEAL)
Parties of the first part.

(sgd.) DANIEL M. STRANAHAN (SEAL)
Party of the second part.

STATE OF IDAHO :
: SS.
County of Lemhi :

On this 17th day of June, 1955, before me, the undersigned, a Notary Public in and for said State, personally appeared Elmer Hagel, Elsie Hagel, Robert Franklin Hagel and Leah Hagel

known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

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

(sgd.) CHARLES HERNDON
Notary Public for State of Idaho
Residing at Salmon, Idaho

STATE OF ARIZONA :
: SS.
County of Santa Cruz :

On this 30th day of June, 1955, before me, the undersigned, a Notary Public in and for said State, personally appeared DANIEL M. STRANAHAN, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

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

(sgd.) HILDA T. BLABON
Notary Public for State of Arizona
Residing at Patagonia, Arizona

My Commission expires:
Nov. 29, 1958

C.
O
P
Y

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, or seller has an interest in certain property in the State of Idaho, County of Lemhi, described as follows:1/ All those certain Lode Mining Claims known as the BONANZA COPPER LODE, and BONANZA COPPER NOS. 1 to 7, inclusive, FRACTION NOS. 1 to 2, inclusive, BONANZA EXTENSION No. 1, BONANZA COPPER MILL SITE, BLACK ROCK LODE and BLACK ROCK NOS. 1 to 8, inclusive, all as more particularly described in that certain Option Agreement recorded in Book "D" of Agreements, at pages 470, 471, 472, and as supplemented by an Agreement dated June 17, 1955, all as recorded in the records of the County Recorder of Lemhi County, State of Idaho.

_____

_____

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

2/ IDAHO METALLURGICAL INDUSTRIES, INC.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease (or contract, deed, or other document) dated _____, and recorded in book _____ page ____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.
2/ Insert the name of the Operator as it will appear in the exploration project contract.
3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

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

4. Changes and added provisions _____

In paragraph 2 the words "the period fixed in the contract or any amendment thereof has" are substituted for the words "ten years have."

Dated this 17th day of June, 1955.

(sgd.) Elmer R. Hagel (Seal)
(sgd.) Elsie Hagel (Seal)
(sgd.) Robert Franklin Hagel (Seal)
(sgd.) Leah Hagel

COPY

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT Made and entered into this 21st day of June, 1955, by and between WILLIAM HENRY INFANGER and EMMA INFANGER, husband and wife, of Star Route, Salmon Idaho, and OSCAR WESTFALL and EDNA WESTFALL, husband and wife, of North Fork, Idaho, parties of the first part, and DANIEL M. STRANAHAN, of P.O. Box No. 1, Patagonia, Arizona, the party of the second part,-

WITNESSETH:

THAT, WHEREAS, on the 25th day of October, 1954, the parties entered into an Operion Agreement for the option to purchase Seven contiguous Lode Mining Claims known as the GRAY COPPER GROUP of Mining Claims, located in the Blackbird Mining District, County of Lemhi, State of Idaho; and

WHEREAS, The parties now desire to specifically identify said mining claims;

NOW, THEREFORE, It is mutually agreed that the claims referred to in the above described Option Agreement are more particularly described as follows, to-wit:

GRAY COPPER Lode Mining Claim, as the same is more particularly described in that certain Notice of Location dated October 1, 1950, recorded in Book "3" of Mining Claims, page 541, records of the County Recorder of Lemhi County, Idaho;

GRAY COPPER No. 1 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location dated October 1, 1950, recorded in Book "3" of Mining Claims, page 542, records of the County Recorder of Lemhi County, Idaho;

GRAY COPPER No. 2 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location dated January 5, 1951, recorded in Book "3" of Mining Claims, page 574, records of the County recorder of Lemhi County, Idaho;

GRAY COPPER No. 3, Lode Mining Claim, as the same is more particularly described in that certain Notice of Location dated January 5, 1951, recorded in Book "3" of Mining Claims, page 575, records of the County Recorder of Lemhi County, Idaho;

GRAY COPPER No. 4 Lode Mining Claim, as the same is more particularly described in that certain notice of Location dated May 23, 1951, recorded in Book "3" of Mining Claims, page 634, records of the County Recorder of Lemhi County, Idaho;

GRAY COPPER No. 5 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location dated May 23, 1951, recorded in Book "3" of Mining Claims, page 635, Records of the County Recorder of Lemhi County, Idaho;

GRAY COPPER No. 6 Lode Mining Claim, as the same is more particularly described in that certain Notice of Location dated May 24, 1951, recorded in Book "3" of Mining Claims, Page 636,

records of the County Recorder of Lemhi County, Idaho;

IT IS FURTHER MUTUALLY COVENANTED AND AGREED and expressly made a part hereof that all other terms, conditions and stipulations contained in the original aforesaid contract, shall remain in full force and effect without any change or modification, except only as herein provided.

IN WITNESS WHEREOF The parties hereto have hereunto set their hands and seals the day and year first above written.

(sgd.) WILLIAM HENRY INFANGER
FIRST PARTY

(sgd.) EMMA INFANGER
FIRST PARTY

(sgd.) OSCAR WESTFALL
FIRST PARTY

(sgd.) EDNA WESTFALL
FIRST PARTY

(sgd.) DANIEL M. STRANAHAN
SECOND PARTY

STATE OF IDAHO :
: ss.
County of Lemhi :

On this 21st day of June, 1955, before me, the undersigned, a Notary Public in and for said State, personally appeared William Henry Infanger and Emma Infanger, and Oscar Westfall and Edna Westfall, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

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

(sgd.) CHARLES HERNDON
Notary Public for the State of Idaho
Resident: Salmon, Idaho

(SEAL)

STATE OF ARIZONA :
: ss
County of Santa Cruz :

On this 30th day of June, 1955, before me, the undersigned, a Notary Public in and for said State, personally appeared Daniel M. Stranahan, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

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

(SEAL)

(sgd.) HILDA T. BLABON
Notary Public for State of Arizona
Residence: Patagonia, Arizona

My commission expires;
Nov. 29- 1958

COPY

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Idaho County of Lemhi, described as follows: 1/ All those certain Lode Mining Claims known as the GRAY COPPER Lode Mining claims, the GRAY COPPER Nos. 1 to 6, inclusive, described in Location Notices recorded in Book "3" of Mining Claims, as Pages 541 and 542, 574 and 575, and 634 and 636, inclusive, respectively, and that certain Option Agreement recorded in Book "D" of Agreements, pages 472-473 and as supplemented by Agreement dated June 21st, ,955, all as recorded in the records of the County Recorder of Lemhi County, State of Idaho, which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of American, hereinafter called the "Government", and

2/ IDAHO METALLURGICAL INDUSTRIES, INC.
hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said

exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

4. Changes and added provisions _____

In paragraph 2 the words "the period fixed in the contract or any amendment thereof has" are substituted for the words "ten years have."

Dated this 21st day of June, 1955

(sgd.) OSCAR WESTFALL (Seal)

(sgd.) EDNA WESTFALL (Seal)

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

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

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

COPY

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Idaho, County of Lemhi, described as follows: 1/ All those certain Lode Mining Claims known as the GRAY COPPER Lode Mining Claims, and GRAY COPPER Nos. 1 to 6, inclusive, described in Location Notices recorded in Book "3" of Mining Claims, at pages 541 and 542, 574 and 575, and 634 to 636, inclusive, respectively, and that certain Option Agreement recorded in Book "D" of Agreements, pages 472 and 473, and as supplemented by Agreement dated June 21, 1955, all as recorded in the records of the County Recorder of Lemhi County, State of Idaho. which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and "

2/ IDAHO METALLURGICAL INDUSTRIES, INC.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production andto other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract or any amendment thereof there is

hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

4. Changes and added provisions _____

In paragraph 2 the words "the period fixed in the contract or any amendment thereof has" are substituted for the words "ten years have."

Dated this 21st day of June, 1955

(sgd.) WILLIAM HENRY INFANGER (SEAL)

(sgd.) EMMA INFANGER (SEAL)

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

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

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

COPY

ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS, That I, DANIEL M. STRANAHAN, a single man, of P.O. Box 1, Patagonia, County of Santa Cruz, State of Arizona, for and in consideration of the sum of ONE DOLLAR, and other valuable consideration to me in hand paid, by the IDAHO METALLURGICAL INDUSTRIES, INC., do hereby assign, sell, transfer and set over unto the Idaho Metallurgical Industries, Inc., an Idaho Corporation, all my right, title and interest in and to the following Contracts and Option Agreements, more particularly described as follows:

> One certain Option Agreement, Made and entered into on the 25th day of October, 1954, by and between Charles W. Harmon, of Felt, Idaho, and Hugo A. Simi, of Yellow Jacket Mine, via Cobalt, Idaho, first parties therein, and Daniel M. Stranahan, of P.O. Box 1, Patagonia, Arizona, second party therein, for a group of four contiguous mining claims, known as the TINKERS PRIDE Mining Claims, located in the Blackbird Mining District, Lemhi County, State of Idaho, as the same was supplemented by that certain Supplemental Agreement, dated June 22, 1955;
>
> One certain Option Agreement, Made and entered into on the 25th day of October, 1954, by and between Elmer Robert and Elsie Hagel, husband and wife, of North Fork, Idaho, and Robert Franklin and Leah Hage, husband and wife, of Gibbonsville, Idaho, parties of the first part therein, and Daniel M. Stranahan, of P.O. Box 1, Patagonia, Arizona, second party therein, for a group of Mining Claims and one Mill Site known as the BONANZA COPPER Group of Mining Claims, located in the Blackbird Mining District, Lemhi County, State of Idaho, as the same was supplemented by that certain Supplemental Agreement between the said parties, dated June 17, 1955;
>
> One certain Option Agreement, Made and entered into on the 25th day of October, 1954, by and between William Henry and Emma Infanger, husband and wife, of Star Route, Salmon, Idaho, andOscar and Edna Westfall, husband and wife, of North Fork, Idaho, parties of the first part therein, and Daniel M. Stranahan, of P. O. Box 1, Patagonia, Arizona, second party therein, for a group of Seven contiguous mining claims known as the Gray Copper Group of Mining Claims, located in the Blackbird Mining District, Lemhi County, State of Idaho, as the same was supplemented by that certain Supplemental Agreement between said parties, dated June 21, 1955;

Copies of all such Option Agreements as Supplemented are referred to herein and made a part hereof, by reference.

Giving and granting unto the said Idaho Metallurgical Industries, Inc., a Corporation, its successors and assigns, full power and authority, in my name or otherwise, to do any or all things under the terms of said agreements which I might or could

do, including all rights of every kind and character growing or arising out of said Agreements.

IN WITNESS WHEREOF I have hereunto set my hand and seal this 16th day of June, 1955.

(sgd.) D. M. STRANAHAN

STATE OF ARIZONA :
: ss.
County of Santa Cruz :

On this 16th day of June, 1955, before me, the undersigned, a Notary Public in and for said State, personally appeared DANIEL M. STRANAHA, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

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

(sgd.) HILDA T. BLABON
Notary Public for State of Arizona
Residence: Patagonia, Arizona

My Commission expires:
November 29, 1958

C
O
P
Y

DEED TO MINING CLAIMS

THIS INDENTURE, Made the 20th day of May, 1955, between D. M. STRANAHAN, a Widower, of P.O. Box 20, Patagonia, State of Arizona, party of the first part, and IDAHO METALLURGICAL INDUSTRIES, INC., an Idaho corporation, party of the second part,

WITNESSETH: That the said party of the first part, for and in consideration of the sum of ONE DOLLAR ($1.00) and other valuable considerations, lawful money of the United States of America, to him in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, remised, released and forever quitclaimed and by these presents does grant, bargain, sell, remise, release and forever quitclaim unto the said party of the second part, its heirs and assigns, the following lode mining claims situated in the Blackbird Mining District, in the County of Lemhi, State of Idaho, and more particularly described as follows, to-wit:

BLACK ROCK GROUP, comprising the following lode mining claims, Location Notices of which are recorded in the office of the County Recorder of Lemhi County, Idaho, as shown by the numbers listed after each mining claim:

Black Rock No. 9; Book 6 of Mining Claims, page 159
Black Rock No. 10; Book 6 of Mining Claims, page 159
Black Rock No. 11; Book 6 of Mining Claims, page 160
Black Rock No. 12; Book 6 of Mining Claims, page 160
Black Rock No. 13, Book 6 of Mining Claims, page 161
Black Rock No. 14; Book 6 of Mining Claims, page 161
Black Rock No. 15; Book 6 of Mining Claims, page 162
Black Rock No. 16, Book 6 of Mining Claims, page 162
Black Rock No. 17; Book 6 of Mining Claims, page 163
Black Rock No. 18, Book 6 of Mining Claims, page 163

BONANZA COPPER GROUP, consisting of the following lode mining claims, Location Notices of which are recorded in the office of the County Recorder of Lemhi County, Idaho, as shown by the numbers listed after each mining claim:

Bonanza Copper No. 8; Book 6 of Mining Claims, page 164
Bonanza Copper No. 9, Book 6 of Mining Claims, page 164
Bonanza Copper No. 10; Book 6 of Mining Claims, page 165
Bonanza Copper No. 11; Book 6 of Mining claims, page 165
Bonanza Copper No. 12; Book 6 of Mining Claims, page 166
Bonanza Copper No. 13; Book 6 of Mining Claims, page 166
Bonanza Copper No. 14, Book 6 of Mining Claims, page 167
Bonanza Copper No. 15; Book 6 of Mining Claims, page 167
Bonanza Copper No. 16; Book 6 of Mining Claims, Page 168
Bonanza Copper No. 17, Book 6 of Mining Claims, page 168
Bonanza Copper No. 18; Book 6 of Mining Claims, page 169
Bonanza Copper No. 19; Book 6 of Mining Claims, page 169
Bonanza Copper No. 20, Book 6 of Mining Claims, page 170

Bonanza Copper No. 21, Book 6 of Mining Claims, page 170
Bonanza Copper No. 22, Book 6 of Mining Claims, page 171
Bonanza Copper No. 23, Book 6 of Mining Claims, page 171
Bonanza Copper No. 24, Book 6 of Mining Claims, page 172
Bonanza Copper No. 25, Book 6 of Mining Claims, page 172
Bonanza Copper No. 26, Book 6 of Mining Claims, page 173
Bonanza Copper No. 27, Book 6 of Mining Claims, page 173
Bonanza Copper No. 28, Book 6 of Mining Claims, page 174
Bonanza Copper No. 29, Book 6 of Mining Claims, page 174
Bonanza Copper No. 30, Book 6 of Mining Claims, page 175
Bonanza Copper No. 31, Book 6 of Mining Claims, page 175
Bonanza Copper No. 32, Book 6 of Mining Claims, page 176
Bonanza Copper No. 33, Book 6 of Mining Claims, page 176
Bonanza Copper No. 34, Book 6 of Mining Claims, page 177
Bonanza Copper No. 35, Book 6 of Mining Claims, page 177

CAMP BIRD GROUP, comprising the following lode mining claims, Location Notices of which are recorded in the office of the County Recorder of Lemhi County, Idaho, as shown by the numbers listed after each mining claim:

Camp Bird, Book 6 of Mining Claims, page 178
Camp Bird, No. 1, Book 6 of Mining Claims, page 178
Camp Bird, No. 2, Book 6 of Mining Claims, page 179
Camp Bird, No. 3, Book 6 of Mining Claims, page 179
Camp Bird No. 4, Book 6 of Mining Claims, page 180
Camp Bird No. 5, Book 6 of Mining Claims, page 180
Camp Bird No. 6, Book 6 of Mining Claims, page 181
Camp Bird No. 7, Book 6 of Mining Claims, page 181
Camp Bird No. 8, Book 6 of Mining Claims, page 182
Camp Bird No. 9, Book 6 of Mining Claims, page 182
Camp Bird No.10, Book 6 of Mining Claims, page 183
Camp Bird No.11, Book 6 of Mining Claims, page 183

Together with all the dips, spurs and angles, and also all the metals, ores, gold and silver-bearing quartz rock and earth therein, belonging thereto, and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed; and also all and singular the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and the rents, issues and profits thereof; and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity, of the said parties of the first part, of, in and to the said premises, and every part and parcel thereof, with appurtenances.

To Have and to Hold all and singular, the said premises, together with the appurtenances and privileges thereto incident, unto the said party of the second part, its heirs and assigns forever. It is expressly covenanted that it is intended hereby to convey any and all right, title, interest and estate which may hereafter be acquired to said premises, or any part thereof, by virtue of any patent, which may hereafter be issued by the United States Government therefor under

proceedings heretofore instituted in that behalf by the said parties of the first part or their grantors.

IN WITNESS WHEREOF, the said party of the first part have hereunto set their hands and seals the day and year first above written.

(Sgd.) D. M. STRANAHAN (SEAL)

_____ (SEAL)

STATE OF ARIZONA :
: SS.
County of Santa Cruz :

This instrument was acknowledged before me this 20th day of May, 1955, by D. M. Stranahan.

WITNESS My hand and official seal this 20th day of May, 1955.

(Sgd.) HILDA T. BLABON
Notary Public for State of Arizona

My commission expires:
Nov. 29, 1958.

STATE OF IDAHO :
: ss.
County of Lemhi :

Recorded at the request of

Charles Herndon

June 6, 1955

at 16 minutes past 1 o'clock

P.M. in Book 45 of Deeds

Page 100 Records of Lemhi

County, Idaho

W. W. Simmonds
County Recorder

By Opal Reddington
Deputy

Fees, $2.25 Paid

Compared /
Indexed - Direct /
Indexed - Indirect /

OPTION AGREEMENT

THIS AGREEMENT made and entered into this 25th day of October, 1954, by and between Charles W. Harmon, of Felt, Idaho, and Hugo A. Simi, of Yellow Jacket Mine, via Cobalt, Idaho, First Parties, and Daniel M. Stranahan of P.O. Box No. 1, Patagonia, Arizona, Second Party, to wit:

WHEREAS First Parties are the owners of a group of four (4) contiguous mining claims known as the Tinkers Pride claims located in the Blackbird Mining District, Lemhi County, State of Idaho and recorded in Lemhi County Court House, Salmon, Idaho;

AND WHEREAS First Parties have agreed to grant to Second Party the sole and exclusive option to purchase the said mining claims on the terms and conditions hereinafter set forth;

NOW, THEREFORE, for and in consideration of One Dollar ($1.00), receipt of which is hereby acknowledged, and for the mutual agreements, conditions and covenants hereinafter contained, IT IS MUTUALLY AGREED AS FOLLOWS:

I

First Parties hereby give and grant unto Second Party, his successors and assigns, the sole and exclusive option to purchase free from any lien or encumbrance the aforerecited mining claims known as the Tinkers Pride claims.

II

In consideration for the granting of the said option, Second Party agrees to pay to First Parties on the signing of this agreement the sum of Three Hundred Dollars ($300.00).

III

The said option shall be irrevocable by First Parties and shall continue in full force and effect for a period of six (6) years from the date hereof, provided that payments are made by Second Party to First Parties as follows:

$700.00 on or before the 25th October, 1955;
900.00 on or before the 25th October, 1956;
1,100.00 on or before the 25th October, 1957;
2,000.00 on or before the 25th October, 1958;
2,500.00 on or before the 25th October, 1959.

IV

From the date hereof and during the currency of the said option, Second Party, his servants, agents and workmen, shall be entitled to possession of the said claims and shall have the sole and exclusive right in his discretion to carry on such exploration and development work thereon as he may determine without let or hindrance from First Parties, their servants or agents, and in particular shall have the right to remove from said claims free of charge bulk samples for treatment and recovery tests.

V

First Parties warrant that they are the sole owners of the said mining claims, that the same were located in conformance with the laws of the United States and the State of Idaho, that the discovery work and erection of monuments has been performed on each of the said claims, that assessment work for the year ending noon July 1st, 1954, has been performed and an affidavit of labor performed and improvements made has been prepared and recorded, and that all of the claims are free and clear of all liens and encumbrances.

VI

Second Party covenants that, during the currency of said option, he will pay such taxes, rates, assessments and other like charges which may be directly applicable to maintaining the validity of said mining claims, he will perform such annual assessment work on the said claims as may be required by law for the same purpose and he will record such work in the manner required by law on or before the 1st day of July in each year, commencing with the year 1955.

VII

The said option shall be exercisable by Second Party at any time during the currency thereof and may be exercised by giving written notice thereof, either by serving such notice on First Parties personally or by sending it by registered mail, postage prepaid, addressed to First Parties at Felt, Idaho, or at such other address as First Parties may give to Second Party for purposes of notice. If so mailed such notice shall be deemed to have been served at the expiration of seventy-two (72) hours after the same is posted by Second Party and the registration receipt shall conclusively establish the date and time of mailing.

VIII

If the option is exercised as aforesaid, Second Party agrees to pay to First Parties all those sums set forth in Clause III hereof which have not previously become due and payable and in addition thereto, the further sum of Two Thousand Five Hundred Dollars ($2,500.00).

IX

Upon the exercise of the option as aforesaid and upon the payment in full of all sums mentioned in Clause VIII hereof, First Parties shall forthwith execute and deliver to Second Party or any grantee he may designate, a good and sufficient deed conveyeing all of said claims to the grantee free and clear of all liens and encumbrances.

X

If Second Party fails to make the payments required by Clause III hereof or fails to exercise his option in the manner and within the time herein provided for, the said option shall thereupon terminate and be null and void. In such event First Parties shall retain as liquidated damages any payments theretofore made, with no further obligation or liability on the part of Second Party, and may forthwith repossess themselves of the said claims; provided that Second Party shall have a period of two (2) months within which to remove any machinery, equipment, buildings or supplies which he may have placed upon the property.

XI

This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands as of the day and year first above written.

(sgd.).....
Charles W. Harmon

(sgd.).....
Hugo A. Simi
FIRST PARTIES

(sgd.).....
Daniel M. Stranahan

SECOND PARTY

STATE OF IDAHO)
)
) ss.
COUNTY OF TETON)

On this 6th day of Nov., 1954, before me M. R. Niner, a notary public in and for the County of Teton, State of Idaho, personally appeared Charles W. Harmon and ~~Hugo A. Simi~~ known to me to be the persons whose names are subscribed to the within instrument as First Parties thereof, and acknowledged to me that they executed the same for the purpose therein contained.

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

My commission expires: Oct. 16, 1955 (Sgd.) M. R. Niner
.....
Notary Public

STATE OF ARIZONA)
) ss.
COUNTY OF SANTA CRUZ)

On this 3rd day of November, 1954, before me Hilda T. Blabon, a notary public in and for the County of Santa Cruz, State of Arizona, personally appeared Daniel M. Stranahan known to me to be the person whose name is subscribed to the within instrument as Second Party thereof, and acknowledged to me that he executed the same for the purpose therein contained.

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

My commission expires;

Nov. 29 - 1954

(sgd.) Hilda T. Blabon
.....
Notary Public

STATE OF IDAHO)
) ss
COUNTY OF CUSTER)

On this 19th day of November, 1954, before me, J. Lessil Sharp, a notary public in and for the County of Custer, State of Idaho, personally appeared Hugo A. Simi known to me to be the person whose name is subscribed to the within instrument as First Party thereof, and acknowledged to me that he executed the same for the purpose therein contained.

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

(sgd.) J. Lessil Sharp

Notary Public
Residence: Challis, Idaho
My Comm. Exp. 1/17/55

COPY

OPTION AGREEMENT

THIS AGREEMENT made and entered into this 25th day of October, 1954, by and between William Henry and Emma Infanger, husband and wife, of Star Route, Salmon, Idaho, and Oscar and Edna Westfall, husband and wife, of North Fork, Idaho, First Parties, and Daniel M. Stranahan, of P.O. Box No. 1, Patagonia, Arizona, Second Party, to wit:

WHEREAS First Parties are the owners of seven (7) contiguous lode mining claims known and recorded as the Gray Copper group of claims, located in the Blackbird Mining District, Lemhi County, State of Idaho, and recorded in the Lemhi County Court House, Salmon, Idaho;

AND WHEREAS First Parties have agreed to grant to Second Party the sole and exclusive option to purchase the said mining claims on the terms and conditions hereinafter set forth;

NOW, THEREFORE, for and in consideration of One Dollar ($1.00) receipt of which is hereby acknowledged, and for the mutual agreements, conditions and covenants hereinafter contained, IT IS MUTUALLY AGREED AS FOLLOWS:

I

First Parties hereby give and grant unto Second Party, his successors and assigns, the sole and exclusive option to purchase free from any lien or encumbrance the aforerecited mining claims known as the Gray Copper Group of claims.

II

In consideration for the granting of the said option, Second Party agrees to pay to First Parties on the signing of this agreement the sum of Three Hundred Dollars ($300.00).

III

The said option shall be irrevocable by First Parties and shall continue in full force and effect for a period of six (6) years from the date hereof, provided that payments are made by Second Party to First Parties as follows:

$700.00 on or before the 25th October, 1955;
1,100.00 on or before the 25th October, 1956;
1,500.00 on or before the 25th October, 1957;
4,000.00 on or before the 25th October, 1958;
4,000.00 on or before the 25th October, 1959;

IV

From the date hereof and during the currency of the said option, Second Party, his servants, agents and workmen, shall be entitled to possession of the said claims and shall have the sole and exclusive right in his discretion to carry on such exploration and development work thereon as he may determine without let or hindrance from First Parties, their servants or agents, and in particular shall have the right to remove from said claims free of charge bulk samples for treatment and recovery tests.

V

First Parties warrant that they are the sole owners of the said claims, that the same were located in conformance with the laws of the United States and the State of Idaho, that the discovery work and erection of monuments has been performed on each of the said claims, that assessment work for the year ending noon July 1, 1954, has been performed and an affidavit of labor performed and improvements made has been prepared and recorded, and that all of the claims are free and clear of all liens and encumbrances.

Second Party covenants that, during the currency of said option, he will pay such taxes, rates, assessments and other like charges which may be directly applicable to maintaining the validity of said mining claims, he will perform such annual assessment work on the said claims as may be required by law for the same purpose and he will record such work in the manner required by law on or before the 1st day of July in each year, commencing with the year 1955.

VII

The said option shall be exercisable by Second Party at any time during the currency thereof and may be exercised by giving written notice thereof, either by serving such notice on First Parties personally or by sending it by registered mail, postage prepaid, addressed to First Parties at Salmon, Idaho, or at such other address as First Parties may give to Second Party for purposes of notice. If so mailed such notice shall be deemed to have been served at the expiration of seventy-two (72) hours after the same is posted by Second Party and the registration receipt shall conclusively establish the date and time of mailing.

VIII

If the option is exercised as aforesaid, Second Party agrees to pay to First Parties all those sums set forth in Clause III hereof which have not previously become due and payable, and in addition thereto, the further sum of Five Thousand Nine Hundred Dollars ($5,900.00).

IX

Upon the exercise of the option as aforesaid and upon the payment in full of all sums mentioned in Clause VIII hereof, First Parties shall forthwith execute and deliver to Second Party or any grantee he may designate, a good and sufficient deed conveying all of said claims to the grantee free and clear of all liens and encumbrances.

X

If Second Party fails to make the payments required by Clause III hereof or fails to exercise his option in the manner and within the time herein provided for, the said option shall thereupon terminate and be null and void. In such event, First Parties shall retain as liquidated damages any payments theretofore made, with no further obligation or liability on the part of Second Party, and may forthwith repossess themselves of the said claims; provided that Second Party shall have a period of two (2) months within which to remove any machinery, equipment, buildings or supplies which he may have placed upon the property.

XI

This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands as of the day and year first above written.

(sgd.)
.....
William Henry Infanger

(sgd.).....
Emma Infanger

(sgd.)
.....
Oscar Westfall

(sgd.).....
Edna Westfall

FIRST PARTIES

(sgd.)
.....
Daniel M. Stranahan

SECOND PARTY

STATE OF IDAHO)
) ss.
COUNTY OF LEMHI)

On this 8 day of Nov., 1954, before me Edgar W. Smith, a notary public in and for the County of Lemhi, State of Idaho, personally appeared William Henry Infanger, Emma Infanger, Oscar Westfall and Edna Westfall known to me to be the persons whose names are subscribed to the within instrument as First Parties thereof, and acknowledged to me that they executed the same for the purpose therein contained.

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

My commission expires: 12-12-55 (sgd.) Edgar W. Smith
.....
Notary Public

STATE OF ARIZONA)
) ss.
COUNTY OF SANTA CRUZ)

On this 3rd day of November, 1954, before me Hilda T. Blabon, a notary public in and for the County of Santa Cruz, State of Arizona, personally appeared Daniel M. Stranahan, known to me to be the person whose name is subscribed to the within instrument as Second Party thereof, and acknowledged to me that he executed the same for the purpose therein contained.

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

My commission expires:
Nov. 29, 1954

(sgd.) Hilda T. Blabon
.....
Notary Public

OPTION AGREEMENT

THIS AGREEMENT made and entered into this 25th day of October, 1954, by and between Elmer Robert and Elsie Hagel, husband and wife, of North Fork, Idaho, and Robert Franklin and Leah Hagel, husband and wife, of Gibbonsville, Idaho, First Parties, and Daniel M. Stranahan of P.O. Box No. 1, Patagonia, Arizona, Second Party, to wit:

WHEREAS First Parties are the owners of twelve (12) contiguous mining claims and one (1) mill site claim, known and recorded as the Bonanza Copper group of claims and of six (6) contiguous mining claims known and recorded as the Black Rock group of claims, all said claims being located in Blackbird Mining District, Lemhi County, State of Idaho, and recorded in Lemhi County Court House, Salmon, Idaho;

AND WHEREAS First Parties have agreed to grant to Second Party the sole and exclusive option to purchase the said claims on the terms and conditions hereinafter set forth;

NOW, THEREFORE, for and in consideration of One Dollar ($1.00) receipt of which is hereby acknowledged, and for the mutual agreements, conditions and covenants hereinafter contained, IT IS MUTUALLY AGREED AS FOLLOWS:

I

First Parties hereby give and grant unto Second Party, his successors and assigns, the sole and exclusive option to purchase free from any lien or encumbrance the aforerecited claims known as the Bonanza Copper group of claims and the Black Rock group of claims.

II

In consideration for the granting of the said option, Second Party agrees to pay to First Parties on the signing of this agreement the sum of Five Hundred Dollars ($500.00).

III

The said option shall be irrevocable by First Parties and shall continue in full force and effect for a period of seven (7) years from the date hereof, provided that payments are made by Second Party to First Parties as follows:

$1,500.00 on or before the 25th October, 1955;
2,500.00 on or before the 25th October, 1956;
3,500.00 on or before the 25th October, 1957;
10,000.00 on or before the 25th October, 1958;
10,000.00 on or before the 25th October, 1959;
10,000.00 on or before the 25th October, 1960.

IV

From the date hereof and during the currency of the said option, Second Party, his servants, agents and workmen, shall be entitled to possession of the said claims and shall have the sole and exclusive right in his discretion to carry on such exploration and development work thereon as he may determine without let or hindrance from First Parties, their servants or agents, and in particular shall have the right to remove from said claims free of charge bulk samples for treatment and recovery tests.

V

First Parties warrant that they are the sole owners of the said claims, that the same were located in conformance with the laws of the United States and the State of Idaho, that the discovery work and erection of monuments has been performed on each of the said claims, that assessment work for the year ending noon July 1, 1954, has been performed and an affidavit of labor performed and improvements made

has been prepared and recorded, and that all of the claims are free and clear of all liens and encumbrances.

VI

Second Party covenants that, during the currency of said option, he will pay such taxes, rates, assessments and other like charges which may be directly applicable to maintaining the validity of said mining claims, he will perform such annual assessment work on the said claims as may be required by law for the same purpose and he will record such work in the manner required by law on or before the 1st day of July in each year, commencing with the year 1955.

VII

The said option shall be exercisable by Second Party at any time during the currency thereof and may be exercised by giving written notice thereof, either by serving such notice on First Parties personally or by sending it by registered mail, postage prepaid, addressed to First Parties at North Fork, Idaho, or at such other address as First Parties may give to Second Party for purposes of notice. If so mailed such notice shall be deemed to have been served at the expiration of seventy-two (72) hours after the same is posted by Second Party and the registration receipt shall conclusively establish the date and time of mailing.

VIII

If the option is exercised as aforesaid, Second Party agrees to pay to First Parties all those sums set forth in Clause III hereof which have not previously become due and payable, and in addition thereto, the further sum of Twelve Thousand Dollars ($12,000.00).

IX

Upon the exercise of the option as aforesaid and upon the payment in full of all sums mentioned in Clause VIII hereof, First Parties shall forthwith execute and deliver to Second Party or any grantee he may designate, a good and sufficient deed conveying all of said claims to the grantee free and clear of all liens and encumbrances.

X

If Second Party fails to make the payments required by Clause III hereof or fails to exercise his option in the manner and within the time herein provided for, the said option shall thereupon terminate and be null and void. In such event, First Parties shall retain as liquidated damages any payments theretofore made, with no further obligation or liability on the part of Second Party, and may forthwith repossess themselves of the said claims; provided that Second Party shall have a period of two (2) months within which to remove any machinery, equipment, buildings or supplies which he may have placed upon the property.

XI

This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands as of the day and year first above written.

(sgd.).....
Elmer Robert Hagel

(sgd.).....
Elsie Hagel

(sgd.).....
Robert Franklin Hagel

(sgd.).....
Leah Hagel

FIRST PARTIES

(sgd.).....
Daniel M. Stranahan

SECOND PARTY

STATE OF IDAHO)
) ss.
COUNTY OF LEMHI)

On this 10th day of Nov., 1954, before me W. G. Ferrier, a notary public in and for the County of Lemhi, State of Idaho, personally appeared Elmer Robert Hagel, Elsie Hage, Robert Franklin Hagel and Leah Hagel, known to me to be the persons whose names are subscribed to the within instrument as First Parties thereof, and acknowledged to me that they executed the same for the purpose therein contained.

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

(sgd.) W.G. Ferrier
.....
Notary Public

My commission expires:

Jan. 21, 1958

STATE OF ARIZONA)
)
) ss.
COUNTY OF SANTA CRUZ)

On this 3rd day of November, 1954, before me Hilda T. Blabon, a notary public in and for the County of Santa Cruz, State of Arizona, personally appeared Daniel M. Stranahan, known to me to be the person whose name is subscribed to the within instrument as Second Party thereof, and acknowledged to me that he executed the same for the purpose therein contained.

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

(sgd.) Hilda T. Blabon
.....
Notary Public

My commission expires:

Nov. 29, 1954

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT-Idaho
Operator Metallurgical Industries Inc.
Docket No. DMEA- 3739
Contract No. Idm-E
Contract Date

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Lemhi, State of Idaho, described as follows:1/

All those certain Lode Mining Claims known as the GRAY COPPER Lode Mining Claim , and GRAY COPPER NOS. 1 to 6, inclusive, described in Location Notices recorded in Book "3" of Mining Claims, at pages 541 and 542, 574 and 575, and 634 to 636, inclusive, respectively, and that certain Option Agreement recorded in Book "D" of Agreements, pages 472 and 473, and as supplemented by Agreement dated June 21, 1955, all as recorded in the records of the County Recorder of Lemhi County, State of Idaho,

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this _____ day of _____, 195__.

_____ [Seal] _____ /Seal/
William Henry Infanger Oscar Westfall

_____ [Seal] _____ /Seal/
Emma Infanger Edna Westfall

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

_____
[Corporate Seal]

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT - Idaho
Operator Metallurgical Industries, Inc.
Docket No. DMEA-3739
Contract No. Idm-E
Contract Date

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Lemhi, State of Idaho, described as follows:1/

All those certain lode mining claims known as the TINKERS PRIDE NOS. 1 to 4, inclusive, described in Location Notices recorded in Book "1" of Mining Claims, at pages 151 to 154, inclusive, and that certain Option Agreement recorded in Book "D" of Agreements, pages 474 and 475, and as supplemented by Agreement dated June 22, 1955, all as recorded in the records of the County Recorder of Lemhi County, State of Idaho,

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this _____ day of _____, 195__.

_____ [Seal]
Charles W. Harmon

_____ [Seal]

_____ [Seal]
Hugo A. Simi

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

_____

[Corporate Seal]

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT - Idaho
Operator Metallurgical Industries, Inc.
Docket No. DMEA- 3739
Contract No. Idm-E
Contract Date

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Lemhi, State of Idaho, described as follows:1/

All those certain Lode Mining Claims known as the BONANZA COPPER LODE, and BONANZA COPPER NOS. 1 to 7, inclusive, FRACTION NOS. 1 to 2, inclusive, BONANZA EXTENSION No. 1, BONANZA COPPER MILL SITE, BLACK ROCK LODE, and BLACK ROCK NOS. 1 to 8, inclusive, all as more particularly described in that certain Option Agreement recorded in Book "D" of Agreements, at pages 470, 471, 472, and as supplemented by an agreement dated June 17, 1955, all as recorded in the records of the County Recorder of Lemhi County, State of Idaho.

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this _____ day of _____, 195__.

_____ [Seal] _____ [Seal]
Elmer R. Hagel — Leah Hagel

_____ [Seal]
Elsie Hagel

_____ [Seal]
Robert Franklin Hagel

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

_____
[Corporate Seal]

Until further notice, please address Quebec Metallurgical Industries, Ltd., in care of Mr. William C. Schmidt,
230 Park Avenue,
New York 17, New York.

See Schmidt's let. of 3/30/55

Two copies only of this application were brought personally by Mr. Schmidt on 3/28. Mr. Martin advised him that 2 added copies of attachments were needed. Mr. Schmidt promised to send us same.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1955

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 3739
Metal or Mineral Cobalt-Copper
Date Received 3-28-55
Estimated Cost $53,875
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: QUEBEC METALLURGICAL INDUSTRIES, LTD.
88 Metcalfe Street
Ottawa, Ontario, Canada
(Corporation, incorporated in Ontario, Canada)

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract See attached Exhibit A.

(*b*) State any mine name by which the property is known. Tinkers Pride claims, et al.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Information will be supplied later.

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. Will be furnished later

(*e*) If you own the land, describe any liens or encumbrances on it Information will be supplied later.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See Exhibit A.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Cobalt - Copper

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project: $53,875.00

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

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

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

[XX] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated March 28, 1955

William C. Schmidt
(Applicant)

By

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—66551-1

230 PARK AVENUE
NEW YORK 17, N. Y.

March 24, 1955

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of The Interior
Washington 25, D.C.

Re: Blackbird District, Idaho
Cobalt

WSM

Dear Mr. Mittendorf:

In the course of our conversation on March 1, 1954 mention was made of other cobalt mining claims, some miles to the North of the Stevenson property, now controlled by Quebec Metallurgical Industries Ltd. of Ottawa. These claims, list of which is appended, were acquired on the recommendation of Messrs. Shenon and Full and they recommend that exploration work be done on them. Copy of their report is enclosed. However, before indicating the exact points for such exploration work, as crosscutting or diamond drilling, they recommend that more detailed geological work be done consisting of geochemical and geophysical studies as well as trenching (bulldozing) to expose the surface for sampling. We agree that this procedure is entirely logical and will probably give the most information for the least money. An estimate of the cost of this work is also enclosed.

We, therefore, wish to make application for governmental financial assistance to cover part of the cost of the geological, geophysical and geochemical work together with the bulldozing, trail or road building, etc., as outlined in Shenon and Full's estimate, and the exploration work to follow consisting of setting up a camp, bulldozing roads to take in equipment, tunnelling and diamond drilling, etc.

Inasmuch as we cannot tell at this point how much of the exploration work mentioned above will be warranted and will not know until we have Shenon and Full's report in hand, we have thought that it could be included on a unit cost basis with maximums to be set after discussion with you.

Yours very truly,

William C. Schmidt

William C. Schmidt

WCS:b

SHENON AND FULL

MINING GEOLOGISTS

SALT LAKE CITY, UTAH

PHILIP J. SHENON
1339 THIRD AVENUE
PHONE 5-5627

ROY P. FULL
3945 SOUTH 11TH EAST
PHONE 87-1840

Minas de Matahambre,
Matahambre,
Prov. de Pinar del Rio,
Cuba. 3/12/55.

REC...

MAR 1 7 1955

NEW. ...

Mr. Neil O'Donnell
230 Park Avenue,
New York 17, N.Y.

Dear Neil:

Although it will be several months before the Northfield information is brought together in final form some early conclusions are possible. We have discussed most of them with you or they have been included in our monthly reports. I believe the work accomplished the purposes you outlined when we first discussed the project. First, we have been able to arrive at quite definite conclusions regarding the Stevenson ground, which was the first objective you outlined. Second, we have found, and your company has acquired options on, what appears to be favorable ground. Your company has also staked sufficient claims to tie the properties together and protect its interests, should exploration reveal valuable cobalt deposits.

The favorable appearing ground is located on Big Deer Creek, near the north edge of the area mapped last summer. It is in rough mountain terrain, for the most part covered by thick soil and, on the north slopes, grown over with thick forests of pine trees. The area is near the edge of what is known as the Idaho Primative Area and at this time is quite isolated, although an inexpensive road would make it accessible for truck or jeep. You have seen the area around the Calera mine, although I do not recall that you have been into Big Deer Creek. You are, however, familiar with the rough nature of the terrain.

It was determined by our work last summer that cobalt mineralization is wide spread in the Big Deer Creek area; also that the best mineralization is concentrated along structural zones. The mineralization is known to extend north and west of Indian Creek. How far it extends is unknown but at this stage of the work at least 20 square miles should be carefully scouted (prospected might be a better word). Full has outlined the work we believe should be done this summer. It is an ambitious program and we will be working against time to complete it during the summer and early fall. Because of the isolation we would set up a camp on Big Deer Creek and with 6 men a cook would be required. We would also set up a geochemical laboratory so that the samples could be analysed in the field and the results utilized as the work progressed.

To complete the job outlined by Full 6 men will be required in the field during the summer and 3 men in the fall, not counting the time I would put in with them. One of the men would have to be

trained in geochemical work. After the field work was completed three of the men-Full, Bauer and Snyder-would have the compilation work to do, just as they have with the current job. There would be a big drafting job, as there is this year. We figure on making 10% on the men who work for us, which is not very much when you figure the time we put in training them. So, with social security, paid vacations, sick leave, travel time, etc. we would have to get $25,000 to come out on the job. We would, as last year, pay the salaries of our men. The following is an estimate of QMI expenses, in addition to the $25,000 it would pay us. The cost of diamond drilling is uncertain because, if the first holes are successful you would want to extend the drilling.A tentative $10,000 is set up for the drilling although, as you know,this amount will not drill many holes. However, for the early work we are thinking of short holes.

ESTIMATE OF EXPENSES OF PROJECT TO BE ASSUMED BY Q.M.I.

1 Bulldozer for 4 months at $14/hr.(25 days/mo.)	$11,200
2 Jeeps(rental and insurance) at $160/mo. each	1,600
Camp cook for 5 months at $350/mo.	1,750
Camp expenses-$2.50/man day	
3 months(6 field men and cook)	1,575
2 months(4 field men and cook)	750
Miscellaneous expenses in setting up camp	300
Travel expenses in connection with project	750
Analytical supplies and equipment for geochemical analyses	250
Preparation of maps and report	700
	$18,875
Diamond drilling	10,000
	25,000
	53,875

Note: Two jeeps will be required this year because of large party. Some of estimates may be high , for example cost of setting up camp or analytical supplies.

One thought has occured to me again. I have forgotten what amount Northfield has left in its DMEA loan but it would seem logical, and practical , to transfer it to a new project, the Big Deer Creek project, if it is still the objective of DMEA to find new cobalt deposits. A sufficient fund should be set up to cover bulldozing and diamond drilling and it would not seem illogical to me for DMEA to put up part of the cost for the geological, geophysical and geochemical work. There is no place in North America where the chances are so good for finding a major cobalt deposit. At this stage of the work, however, the risk is very great,with high stakes, and my feeling is that the proposed project is the kind the Government is most justified in supporting. The mining companies can handle the sure kind themselves.

I return to Salt Lake on March 20 so any correspondence should be directed there.

With kinde st regards,

Sincerely,

Phil Shenon

P.J. Shenon

PHILIP J. SHENON
1339 THIRD AVENUE
PHONE 5-5627

RECEIVED
MAR 2 1 1955
NEW YORK

SHENON AND FULL

MINING GEOLOGISTS
SALT LAKE CITY, UTAH

March 17, 1955

ROY P. FULL
3945 SOUTH 11TH EAST
PHONE 87-1840

PRELIMINARY REPORT

BIG DEER CREEK AREA

LEMHI COUNTY, IDAHO

A preliminary report on the Big Deer Creek area is submitted at this time prior to completion of the final report to permit consideration and planning of exploration for the coming field season. A large group of claims have been acquired by Quebec Metallurgical Industries, Ltd. in the area adjoining and to the north of the property of the Calera Mining Company. The group, which includes 81 lode claims and one millsite, is shown on the accompanying map.* Thirty-one claims and the millsite were acquired through purchase agreements and fifty claims by location. The dates of location and the book and page where the locations are recorded is shown in Exhibit "A" attached to this report. * not rec'd

Field work during the past summer indicated a large shear zone trending north to northwest through the Big Deer Creek area. Porphyritic acid dikes mark the zone over much of its length, although shearing in some places extends several hundred feet from the dike rock. The dikes are quite fresh and indicate post-mineral origin. The amount of displacement along the zone is not apparent, but similar rocks on opposite sides of the shear zone north of Big Deer Creek suggest that it is not large in that area.

Cobalt and copper mineralization have been observed in four places along the zone, extending from Big Deer Creek to near the head of Indian Creek, a distance of 6000 feet. Soil cover is thick over most of the zone, with good exposures only in the Tinkers Pride area to the north of Big Deer Creek. In this area several short tunnels have been driven into the structure, only two of which are now open. The lower of the two tunnels shows only very weak mineralization along a silicified zone, but the upper tunnel exposes cobalt and copper mineralization for a width of 100 feet. Values in general are quite low, less than 0.10 per cent cobalt, but two 3.5 foot samples along the more intensely mineralized zone assayed 0.91 and 1.31 per cent cobalt and 2.3 and 5.5 per cent copper. No minable sections were exposed in the tunnel.

To the west of the Tinkers Pride tunnels along the west edge of the shear zone another mineralized zone is exposed in steep outcrops. Silicification is intense, and cobalt bloom and copper stain can be seen over a wide area. One silicified zone, varying in width from two to ten feet, is exposed in the bluffs for over 50 feet. A heavy coating of cobalt bloom can be seen along this zone and extending irregularly into the schists. Mineralization is widespread within the zone of shearing in the Tinkers Pride area.

North of the Tinkers Pride property, where the sheared zone crosses the ridge top, several shallow prospect cuts expose heavy iron stained gossan. No sulphide mineralization was exposed in the cuts, but the gossan indicates mineralization along that part of the structure.

The structure is poorly exposed to the north of the Tinkers Pride property but the Bonanza Copper tunnels and cuts on Indian Creek intersect a strong zone of shearing and silicification for a distance of over 100 feet. A two to twelve inch sulphide vein containing chalcopyrite, pyrrhotite and pyrite was followed in the lower tunnel. Cobalt can also be seen in the adjoining silicified schists. A surface cut just north of the tunnels exposes a zone of siliceous schist in which cobaltite can readily be seen. This zone is at least 5 feet wide, but surface samples across the cut were low in cobalt.

Four self-potential lines were run across the Bonanza showings to see if an anomaly could be detected. A potential change of over 100 millivolts was recorded over the tunnel area; however, a stronger anomaly was picked up about 400 feet to the west. An extreme potential variation of over 200 millivolts was recorded on one line, and a very definite potential drop is apparent to the west on all of the lines. Surface exposures are poor and only iron stained and silicified schist could be seen in the float. Some cobalt bloom was observed.

To the north of the Bonanza Copper tunnels about 800 feet another old prospect tunnel has cut mineralized siliceous schist. The tunnel is now caved, but the dump shows cobalt mineralization similar to that exposed in other places along the major shear zone.

Soil and timber cover is very heavy on the slopes to the south of Big Deer Creek, but some weak copper mineralization has been exposed in shallow cuts. The projection of structures into this area can only be inferred.

Acquisition of the properties in Big Deer Creek and Indian Creek area was recommended during the past field season on the strength of wide-spread cobalt mineralization along a strong, well defined shear zone which could be traced for over a mile in length. Compilation of field data indicates the continuity of the zone and its correlation with a major zone of adjustment to the south. Surface exposures of cobalt mineralization are by far the most encouraging seen in the district, but considerable field work will be required to evaluate the economic possibilities of the area. Such a program is strongly recommended if serious consideration is given to cobalt exploration. The following proposal is made for the coming field season.

Early season access to the Big Deer Creek area is difficult over existing roads, the nearest of which is a primitive access road extending to South Fork, a mile south of Big Deer Creek. This road crosses into the Big Deer Creek drainage at an elevation of 7800 feet near the Calera mine. The first of June is the earliest date that an attempt should be made to get into the area, unless exceptional conditions exist. Snow will undoubtedly block the road in some places even as late as June.

Dozer work during June should be confined to access roads, which also will give additional geologic data. A mile of road will be required to extend the existing road to Big Deer Creek. Some work will be required on the present road, as several sections are now passable only in a four-wheel-drive vehicle. Two to three days should meet these requirements. Over four miles of road will be required along Indian and Big Deer Creeks to gain access to the claims in those areas. Sufficient dozing should be done on the property to expose a number of known mineralized showings and to permit more detailed geologic mapping than is possible from the very limited exposures. A total of four months with one dozer is recommended.

A road to the mouth of Big Deer Creek should be completed during the coming field season if sufficient encouragement for the area is indicated by late summer. The road can best be built from the upstream end, as some rock work and filling will be required in the lower mile which is all in granite. Fill material is available along the upper part of the road. Three crossings on Big Deer Creek and one on Panther Creek will be required to connect to the main road. The crossings on Big Deer Creek would be eliminated on a permanent road, but the rock work required is not justified at this period of exploration. Sufficient large timber is available along the stream to construct the bridges. A loader, dump truck, portable compressor, and jackhammer will be needed with the dozer for work on the lower mile of road. An estimated cost of $8,000 should complete a preliminary road, with crossings to connect with the Panther Creek road at the mouth of Big Deer Creek. This work should be contingent upon encouraging exploration results, and not considered until late September.

Self-potential surveys, which have given quite encouraging results in the area, should be considered for an early part of the exploration program, especially along the structural zone which trends through the Tinkers Pride and Bonanza Copper groups. Cross lines at 400-foot intervals should be run from near the granite contact north of Indian Creek to the property boundary south of Big Deer Creek. Any encouraging anomalies should be covered by 200-foot cross lines. Lines should be extended at least 1,000 feet each way from the base line or to the granite on the east and 1,000 or more feet to the west. An area 12,000 feet long and 2,000 feet or more in width should be covered. Approximately six weeks would be required to complete the field work on an area this size, and should be started by July 1. Other areas on which self-potential surveys should be used might develop during exploration of the property.

Geochemical work, based on soil samples, appears to be a good indicator for areas of mineralization, although to date it has not given too satisfactory results for exact location of ore structures in the Blackbird area. It is felt that soil samples should be collected at the same time that the self-potential survey is made and at each pot location. Analysis probably should be made for cobalt, copper and arsenic. There has been some thought that the arsenic may be far more indicative than the cobalt, as the cobalt appears to go into solution and migrate with surface waters, especially in areas where iron sulphides are oxidizing to form weak sulphuric acid solutions.

More detailed geologic mapping in the area is dependent on dozer cuts and trenches, as much of the area has a heavy soil mantel with a dense timber growth on the north slopes. This work should be extended over the property that is now held by Q.M.I.

No accurate survey control has been established in the Big Deer Creek area. All work to date has been based on the U.S.G.S. topographic sheet and on aerial photo locations. These have been adequate for preliminary small-scale geologic work, but more accurate control will be necessary for detailed mapping, geophysical and geochemical work. Several closed transit surveys should be established within the area as control for the detailed work.

Mineral showings in the Tinkers Pride area are sufficient to give consideration to diamond drilling at an early date. Field work should be advanced sufficiently by early August to permit drilling to start. More specific recommendations would be contingent upon field data.

No underground work is recommended for the area until a more thorough knowledge of the deposits is gained by the afore-described methods.

A summary of the proposed program for exploration of the Big Deer Creek area follows:

1. A bulldozer should be moved into the area by June 1, 1955 to complete access roads and start trenching.

2. Access roads and trenches should be extensive enough to make accessible and expose all known mineral showings and to aid in the more detailed geologic mapping.

3. Completion of a road to the mouth of Big Deer Creek should be contingent upon exploration results, but should be undertaken by late summer if late season work is anticipated in the area.

4. Geophysical and geochemical work should be started by July 1 on the Tinkers Pride-Bonanza Copper structural zone. Additional work should be contingent upon field data.

5. Detailed geologic mapping of trenches on a scale of 1" = 50', with a compilation and broader mapping of the Q.M.I. property on a scale of 1" = 200' should be completed during the coming field season.

6. Transit control should be established over the area to permit accurate location of geologic, geophysical and geochemical data.

7. Diamond drilling should be considered for the area starting late in the summer. Specific recommendations would be contingent upon early summer field investigations.

Respectfully submitted,

Roy P. Full

Roy P. Full

EXHIBIT "A"

MINING CLAIMS

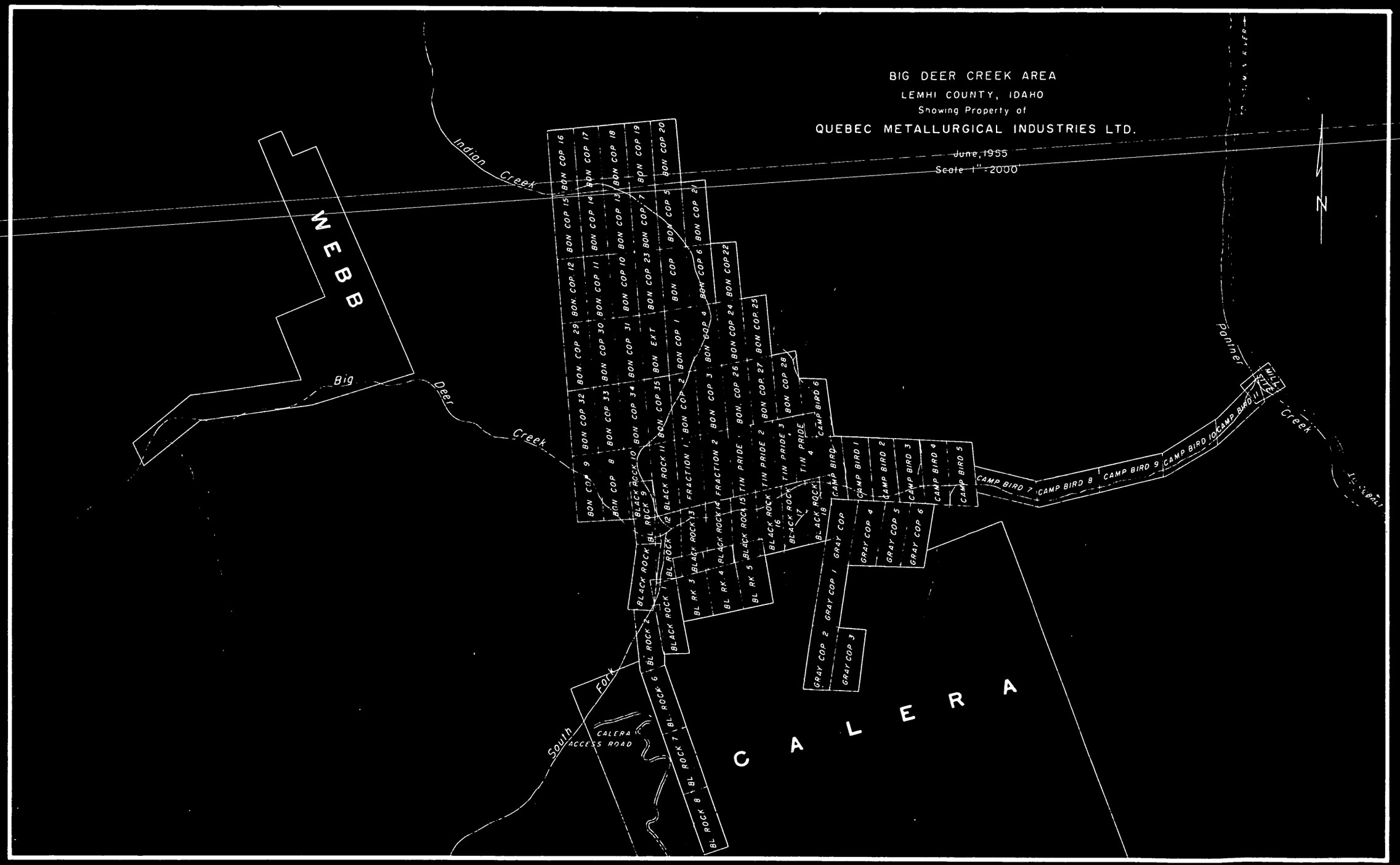
QUEBEC METALLURGICAL INDUSTRIES, INC.

BIG DEER CREEK AREA

LEMHI COUNTY, IDAHO

Name of Claim		Book of Mining Claims	Page	Date of Location
Black Rock		2	60	Mar. 15, 1943
"	No. 1	3	279	Nov. 6, 1947
"	No. 2	3	279	Nov. 6, 1947
"	No. 3	3	280	Nov. 6, 1947
	No. 4	3	280	Nov. 6, 1947
"	No. 5	3	281	Nov. 6, 1947
"	No. 6	3	281	Nov. 7, 1947
"	No. 7	3	282	Nov. 7, 1947
"	No. 8	3	282	Nov. 7, 1947
"	No. 9	3	159	Oct. 14, 1954
"	No. 10	3	159	Oct. 16, 1954
"	No. 11	3	160	Oct. 16, 1954
"	No. 12	3	160	Oct. 21, 1954
"	No. 13	3	161	Oct. 21, 1954
"	No. 14	3	161	Oct. 21, 1954
"	No. 15	3	162	Oct. 15, 1954
"	No. 16	3	162	Oct. 15, 1954
"	No. 17	3	163	Oct. 15, 1954
"	No. 18	3	163	Oct. 15, 1954
Bonanza Copper		2	56	
"	No. 1	2	57	
"	No. 2	3	277	Nov. 6, 1947
"	No. 3	3	277-278	Nov. 6, 1947
"	No. 4	3	278	Nov. 6, 1947
"	No. 5	3	278	Nov. 6, 1947
"	No. 6	4	212	Sept. 1, 1951
"	No. 7	4	213	Sept. 1, 1951
Fraction	No. 1	4	210	Aug. 29, 1951
"	No. 2	4	211	Aug. 29, 1951
Bonanza Extension	No. 1	4	214	Sept. 1, 1951
Bonanza Copper Millsite		3	600	Apr. 10, 1951
Bonanza Copper	No. 8	6	164	Nov. 12, 1954
"	No. 9	6	164	Nov. 12, 1954
"	No. 10	6	165	Nov. 29, 1954
"	No. 11	6	165	Nov. 29, 1954
"	No. 12	6	166	Nov. 29, 1954
"	No. 13	6	166	Nov. 17, 1954
"	No. 14	6	167	Nov. 17, 1954
"	No. 15	6	167	Nov. 17, 1954
"	No. 16	6	168	Nov. 16, 1954
"	No. 17	6	168	Nov. 16, 1954
"	No. 18	6	169	Nov. 16, 1954
"	No. 19	6	169	Nov. 16, 1954
"	No. 20	6	170	Nov. 16, 1954

Name of Claim		Book of Mining Claims	Page	Date of Location
Bonanza Copper	No. 21	6	170	Nov. 15, 1954
"	No. 22	6	171	Nov. 15, 1954
"	No. 23	6	171	Nov. 15, 1954
"	No. 24	6	172	Nov.13, 1954
"	No. 25	6	172	Nov. 13, 1954
"	No. 26	6	173	Nov. 13, 1954
"	No. 27	6	173	Nov. 13, 1954
"	No. 28	6	174	Nov. 13, 1954
"	No. 29	6	174	Nov. 29, 1954
"	No. 30	6	175	Nov. 29, 1954
"	No. 31	6	175	Nov. 29, 1954
"	No. 32	6	176	Nov. 30, 1954
"	No. 33	6	176	Nov. 30, 1954
"	No. 34	6	177	Nov. 30, 1954
"	No. 35	6	177	Nov. 27, 1954
Camp Bird		6	178	Oct. 12, 1954
Camp Bird	No. 1	6	178	Oct. 12, 1954
"	No. 2	6	179	Oct. 12, 1954
"	No. 3	6	179	Oct. 12, 1954
"	No. 4	6	180	Oct. 12, 1954
"	No. 5	6	180	Oct. 12, 1954
"	No. 6	6	181	Oct. 20, 1954
"	No. 7	6	181	Dec. 2, 1954
"	No. 8	6	182	Dec. 2, 1954
"	No. 9	6	182	Dec. 2, 1954
"	No. 10	6	183	Dec. 2, 1954
"	No. 11	6	183	Dec. 2, 1954
Tinkers Pride	No. 1	1	151	May 1, 1939
"	No. 2	1	152	May 2, 1939
"	No. 3	1	153	May 3, 1939
"	No. 4	1	154	May 3, 1939
Grey Copper		3	541	Oct. 1, 1950
"	No. 1	3	542	Oct. 1, 1950
"	No. 2	3	574	Jan. 5, 1951
"	No. 3	3	575	Jan. 5, 1951
"	No. 4	3	634	May 23, 1951
"	No. 5	3	635	May 23, 1951
"	No. 6	3	636	May 24, 1951


BIG DEER CREEK AREA
LEMHI COUNTY, IDAHO
Showing Property of
QUEBEC METALLURGICAL INDUSTRIES LTD.
June, 1955
Scale 1" = 2000'
N
WEBB
CALERA
Big Deer Creek
Indian Creek
South Fork
Poniner Creek
CALERA ACCESS ROAD
BON COP 9
BON COP 8
BON COP 32
BON COP 33
BON COP 34
BON COP 35
BON EXT
BON COP 1
BON COP 2
BON COP 3
BON COP 4
BON COP 6
BON COP 20
BON COP 21
BON COP 22
BON COP 24
BON COP 25
BON COP 26
BON COP 27
BON COP 28
BON COP 29
BON COP 30
BON COP 31
BON COP 12
BON COP 11
BON COP 10
BON COP 7
BON COP 5
BON COP 15
BON COP 14
BON COP 13
BON COP 16
BON COP 17
BON COP 18
BON COP 19
BON COP 20
BLACK ROCK 9
BLACK ROCK 10
BLACK ROCK 11
BLACK ROCK 12
BLACK ROCK 13
BLACK ROCK 14
BLACK ROCK 15
BLACK ROCK 16
BLACK ROCK 17
BLACK ROCK 18
BLACK ROCK 1
BLACK ROCK 2
BL ROCK 3
BL RK 4
BL RK 5
BL ROCK 6
BL ROCK 7
BL ROCK 8
FRACTION 1
FRACTION 2
TIN PRIDE 1
TIN PRIDE 2
TIN PRIDE 3
TIN PRIDE 4
CAMP BIRD
CAMP BIRD 1
CAMP BIRD 2
CAMP BIRD 3
CAMP BIRD 4
CAMP BIRD 5
CAMP BIRD 6
CAMP BIRD 7
CAMP BIRD 8
CAMP BIRD 9
CAMP BIRD 10
CAMP BIRD 11
GRAY COP
GRAY COP 1
GRAY COP 2
GRAY COP 3
GRAY COP 4
GRAY COP 5
GRAY COP 6

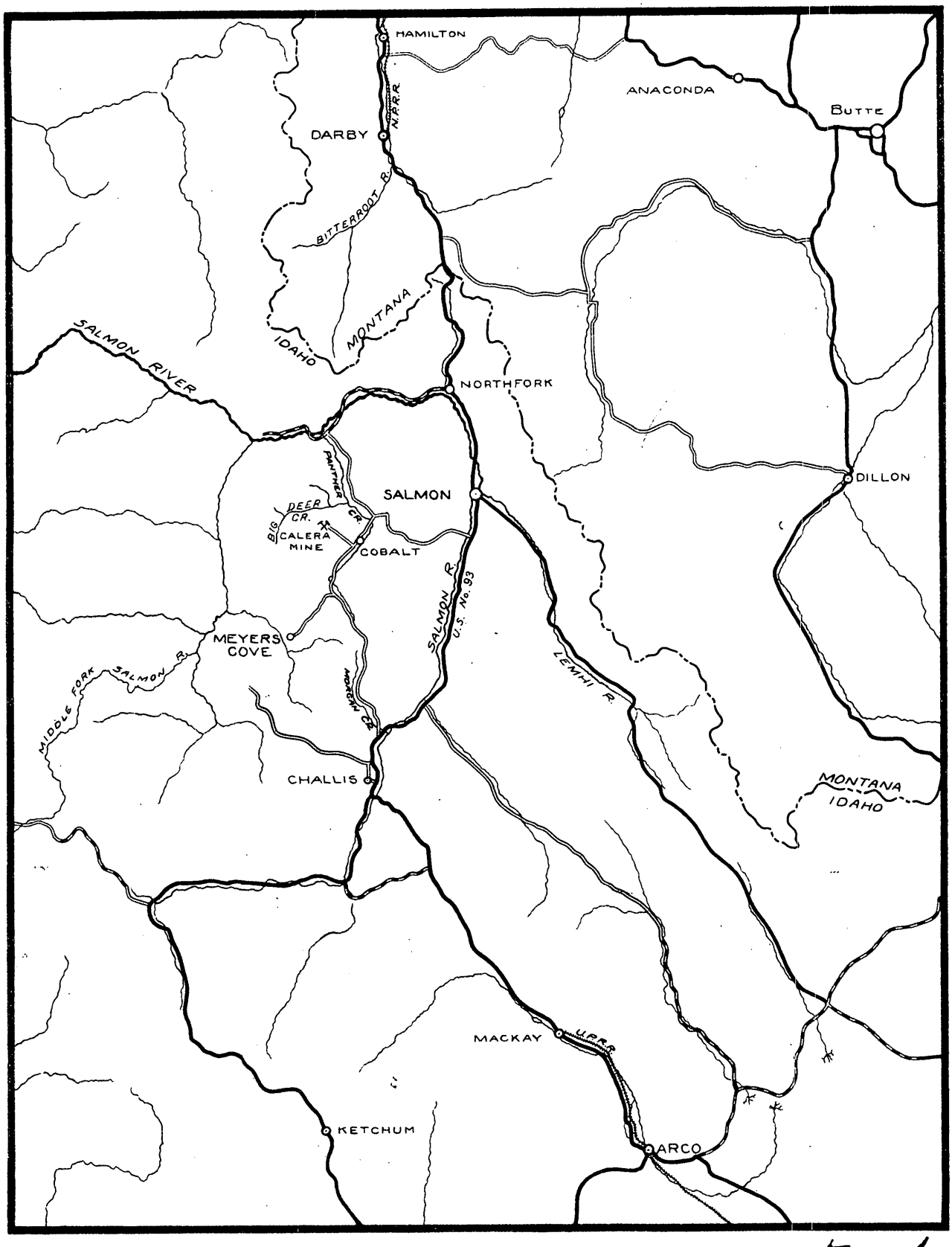


FIG. 1

INDEX MAP

Showing Location and Access to Cobalt Area

ket

PROJECT SUMMARY REPORT

By: Stephen P. Holt May 23, 1960

1. Docket No. DMEA-3739 (Cobalt-Copper)
   Contract Idm-E884

   Property: Tinkers Pride, et al., Claims
   Lemhi County, Idaho

   Operator: Idaho Metallurgical Industries, Inc.
   88 Metcalfe Street
   Ottawa, Canada

   Operator's Property Rights:

   The operator owns 50 unpatented lode mining claims, and controls 31 other unpatented lode mining claims and one millsite, under the terms of option agreements signed October 25, 1954, and supplemental agreements signed June 17, 20, and 21, 1955, by the owners, Charles W. Harmon, Hugh A. Simi, Elmer and Elsie Hagel, Robert Franklin and Leah Hagel, William Henry and Emma Infanger, and Oscar and Edna Westfall. Owner's Consents to Lien, signed by the owners of the 31 claims and millsite, are attached to the contract.

2. Contract dated August 26, 1955, on Long Form MF-200 (Rev. June 1954).

   Work Authorized:

   Stage I

Work Item	Actual Costs
1.	Bulldoze access roads, trenches and drill sites.
2.	Purchase four 14' x 14' tents, camp equipment and furnishings, construct temporary camp.
3.	Self-potential surveys, 80,000 lineal feet.
4.	Collect soil samples for geochemical analysis.
5.	Geochemical analysis of soil samples for cobalt, copper, and arsenic.
6.	Geological study of 640 acres.
7.	Analyze samples from Item 6 study for cobalt, copper, and arsenic.
8.	Diamond drill 5,000 feet of AX hole. Ream and case, or cement and ream, 1,000 feet.
9.	Analyze sludge and core samples for cobalt, copper, and arsenic.

Stage II

Work Item (Contd.)

10. Diamond core drilling, 20,000 feet of AX hole. Ream and case, or cement and ream, 4,000 feet.
11. Analyze sludge and core samples for cobalt, copper, and arsenic.
12. Bulldoze access roads and drill sites.
13. Construct three miles of access roads.
14. Construct cookhouse, bunkhouse, staff and office building, electric plant, and warehouse, with furnishings.

Stage III

Fixed Unit Costs

15. Drifting and/or crosscutting 1,500 feet.
Standard drift timbering, 1,000 feet.
Heavy drift timbering, 300 feet.
Spiling, 150 feet.
16. Analyze 200 samples for cobalt and copper.

Estimated Total Cost Stage I	$81,300.00	
Estimated Total Cost Stage II	165,740.00	
Estimated Total Cost of the Project	81,250.00	
Estimated Total Cost of the Project		$328,290.00
Government Participation @ 62½% (rounded to)		$205,180.00

Amendments:

No. 1, dated March 20, 1956, changes the cost of analyzing samples from $3.00 each to $6.00 each, but only if samples are sent to outside laboratories, also changes the estimated total cost of the project to $347,290.00, and the Government participation to $217,181.25.

No. 2, dated June 25, 1956, authorized drilling a reduced total footage of NX or BX diamond core drill holes, instead of AX size holes, at correspondingly increased costs per foot for the larger sized holes. The estimated total cost of the project was changed to $345,558.00, Government participation to $215,973.00. A suspension, or recess period in

project work, was granted to begin December 1, 1955, and to end not later than June 30, 1957, the period for completion of the work was extended from June 30, 1957 to June 30, 1958, and the royalty payment period was extended from 10 years to 11 years. A "pseudo-certification" clause was added to the contract, to become effective December 1, 1955, if work were not resumed on or before June 30, 1957, or effective June 30, 1957, if resumed and not completed before June 30, 1958.

Work Completed:

Stage I

Work Item

1.	Bulldozing, 409 hours @ $13.98/hr.	$ 5,719.00
3.	Self-potential survey, 101,664 lineal feet @ $0.0875/ft.	7,000.00
4.	Collection of soil samples, 2,253 samples	1,560.00
5.	Analysis of soil samples	2,700.00
6.	Geological study, 689 acres	16,000.00
7.	Analysis of samples from Item 6, 68 @ $6.00/ea.	408.00
8.	Diamond drilling, size NX, 2,969.3 ft. @ $8.12/ft.	24,110.71
	Diamond drilling, size BX, 852 ft. @ $7.58/ft.	6,458.16
	Cementing and reaming, 320 feet @ $2.50/ft.	800.00
9.	Analysis of sludge and core samples, 331 samples @ $6.00/ea.	1,986.00

Total Accepted Cost, Stage I, and the Contract $66,741.87

Government Participation $41,713.67

Work under the contract started August 26, 1955, and was stopped, with work of Stage I substantially completed, on May 1, 1956. The Operator was not adequately financed to continue Stages II and III work within the period stipulated and, therefore, the contract was terminated as of December 1, 1955.

3. Reports:

The Operator's Final Report, dated May 1956, was received in the office of the Field Team April 27, 1956, and in this office May 7, 1956. The Final Report of the Field Team, dated February 1959, was received February 27, 1959.

4. Audits:

Report of Review, in lieu of final audit, dated September 16, 1957, showed:

Total cost as billed by Operator	$87,026.56
Exceptions	20,284.69
Total accepted cost	$66,741.87
Government participation @ 62½%	$41,713.67

5. Certification:

A "pseudo-certification" clause was included in Amendment No. 2, and became effective as of December 1, 1955, when work was not resumed after the recess ending June 30, 1957.

6. Comments:

Work completed under the contract was performed competently and progress was good considering the adverse weather conditions, especially during the latter part of the working season.

The purpose of the project was to explore for cobalt-copper ores in veins and disseminations along well-defined shear zones in the Bonanza Copper, Tinkers Pride, and Gray Copper areas, where the ores occur chiefly as cobaltite and chalcopyrite, with pyrite and pyrrhotite in granitic rocks correlated with the Idaho batholith of Cretaceous age.

Stage I work was the only part of the contract completed. The Operator was not adequately financed to continue with work under Stages II and III within the period of the contract, as amended, and, therefore, the contract was terminated as of December 1, 1955.

Work performed under the contract indicates that mineralization is extensive, but no significant amount of ore grade material was discovered by contract work. Geologic and geochemical mapping indicate that low-grade cobalt-copper mineralization is widespread, and suggest that higher grade material is confined to lenses of undetermined size, grade, and abundance. The location of deposits that might contain significant amounts of cobalt-copper mineralization of ore grade would require additional exploration.

A "pseudo-certification" was included in Amendment No. 2, dated June 25, 1956. The amount of work completed is insufficient to have explored adequately the relatively large area of the project. Further diamond drilling to determine whether or not any significant cobalt-copper deposits of ore grade are on this property is warranted.

Stephen P. Holt

Stephen P. Holt

SPHolt:kb - June 23, 1960
Copy to: Director's reading file
Mr. Johnson
Mr. Holt
Chron.

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

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

Operator: Idaho Metallurgical Industries, Inc.		Actual Cost	X
State		Agreed Unit Cost	X
Final Report of Audit		Commodity	Docket No. DMEA 3739
Final Report of Review	X		Contract No. Idm-E884

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
	Feet	$	Feet	$	$
Drifting & Crosscutting	1,500	67,500.00			
Drift timbering, standard	1,000	7,000.00			
~~XXXXXX~~ Drift " heavy, additional	300	2,100.00			
~~XXXXXX~~ Spiling	150	4,050.00			
Reaming & casing, or ~~XXXXXX~~cementing & re-drilling	4,200	10,500.00	320	800.00	800.00
Drilling (Specify) DD, size BX	9,102	64,208.16	852	6,458.16	6,458.16
DD, size NX	11,269.3	86,310.71	2,969.3	24,110.71	24,110.71
Surface Excavation	14	14,140.00		5,719.00	5,719.00
Underground Excavation					
Roads and Trails		12,000.00			
Operating Equipment Purchased		2,000.00			
Self-potential Surveys ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~		7,000.00		7,000.00	7,000.00
Soil Sampling Underground Rehabilitation		1,600.00		1,560.00	1,560.00
New Building, Improvements, etc.		10,000.00			
Geophysical & Geologic Studies		16,000.00		16,000.00	16,000.00
Other (Specify)					
Assays		41,000.00		5,094.00	* 5,094.00
Totals		345,558.00 **		66,741.87	66,741.87

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

Prepared by Stephen P. Holt Date 6.14.60
Stephen P. Holt

31398

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/4/66	Kirkham	120 K
		110
		120

Mr. Roger V. Pierce
2302 University Club Tower
Salt Lake City, Utah 84111

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Ida-2044

Dear Mr. Pierce:

In accordance with Article 8 and Amendment No. 2 of the contract, all minerals mined or produced from August 26, 1955, to August 26, 1966, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Mr. Robert F. Hagel, Gibbonsville, Idaho 83463
Mr. and Mrs. Oscar Westfall, Salmon, Idaho
Director's Reading File — Budget and Finance, Rm. 5417
Division File — OME Reading File
Region I w/cy of inc. 63 and ltr dated 9/6
120M
Economic Geol.

MMerrithew/mm (9/30/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/4/66	Kirkham	

OCT 4 1966

Mr. and Mrs. Robert F. Hagel

Gibbonsville, Idaho 83463

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-8844

Dear Mr. and Mrs. Hagel:

Enclosed is a copy of a self-explanatory letter of today to Mr. Roger V. Pierce.

This correspondence relates to the Owner's Consent to Lien dated June 17, 1955, executed by you under the Defense Minerals Exploration Administration program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
DMEA Docket
OME Reading File
Region I
120M

MMerrithew/mm (10/4/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/4/66	Kobamo	

OCT 4 1966

Mr. and Mrs. Oscar Westfall

Salmon, Idaho

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-E844

Dear Mr. and Mrs. Westfall:

Enclosed is a copy of a self-explanatory letter of today to Mr. Roger V. Pierce.

This correspondence relates to the Owner's Consent to Lien dated June 21, 1955, executed by you under the Defense Minerals Exploration Administration program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
DMEA Docket
Region I
120M

MMerrithew/mm (10/4/66)

23263

Aug. 26, 1955 to Aug. 26, 1966

Mr. Johnson:

Royalty period expired Aug. 26, 1966. Should MacLaren visit the property before we close? If not, please review and tell me if the original Operator should get the closing letter. Note page 2 of Report of Royalty Review dated Sept. 7, 1962....."the Operator's charter had been allowed to lapse."

Also, which owners should get copies of closing letter? Some claims have been restaked, leased, etc.

Marion

[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
September 28, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 30 1966

INITIALS	CODE
9/30 M	~~120~~ 27
	110
HK	~~120~~ K
	220

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Royalty Inspection
DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-E884

On September 21, 1966, I was unable to locate Mr. and Mrs. Oscar Westfall, but it seemed reasonable to suppose that if there had been any production from the Gray Copper Claims it would have been milled at Calera. Accordingly, the mill was visited September 22 and the Superintendent, Mr. Marion Casper, was interviewed.

According to Casper, there has never been any production from the Gray Copper Claims. Indeed, he expressed considerable doubt that there was any copper to speak of on these claims.

As a matter of interest, the Calera mill is making a copper concentrate mostly from Calera ore sometimes augmented by ore from 1 or 2 small producers in the near vicinity, none of them on ground formerly subject to DMEA contracts.

D R MacLaren

D. R. MacLaren

Distribution:
OME(Orig.&1)
Docket
CPF

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

August 26, 1966

Mr. Roger V. Pierce
President, Machinery Center, Inc.
P. O. Box 964
Salt Lake City, Utah

Re: **DMEA-3739 (Cobalt-Copper)**
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-E884

Dear Mr. Pierce:

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

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

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

P.S. This inquiry relates to the Blackrock and Bonanza groups of claims.

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

From January 1966, to August 26, 1966,

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

From January 1966, to August 26, 1966

2. ~~Since~~ , has there been any production from the land subject to the contract? Yes ☐ No ☑

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Roger V Prince Title Pres

Address 2302 University Club Towers Date 9/2/66
Salt Lake City Utah

ROGER V. PIERCE
CONSULTING ENGINEER
23RD FLOOR-UNIVERSITY BUILDING
~~XXXXXXXXXXXX~~ 2302 University Club Tower
SALT LAKE CITY, UTAH 84111

September 6, 1966

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 9 1966
INITIALS CODE
9/9 120 M
116
120 M

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D.C. 20242

Dear Mr. Johnson:

In answer to your letter of August 26, this is to advise that in the case of the Blackrock and Bonanza groups of claims, we have done no work as yet in this area.

It is contemplated that we will cut a road into the Tinker's Pride this fall if all goes well.

Thanking you for your interest, and with kind regards.

Yours very truly,

Roger V. Pierce

RVP:sld

Enc.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

AUG 22 1966

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-E884

and

OME-6132 (Copper-Cobalt)
Idaho Copper Mines, Inc.
East Fork, et al., Claims
Lemhi County, Idaho
Contract 2131

Reference is made to our memorandum of May 25, 1966, on the subject contracts.

As the royalty expiration date under Contract Idm-E884 is August 26, 1966, will you please make an inspection of the property the next time you are in the area. Also, please advise if you have been able to learn if any of the claims under Contract 2131 have been restaked.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology
✓DMEA-3739
OME-6132
OME Reading File
~~XXXX~~ 130
120M

MMerrithew/mm (8/17/66)

23263

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

(Additional charges required for these services)

RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Mrs Harry Webb

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED	SHOW WHERE DELIVERED *(only if requested)*
5/12/60	

C55—16—71548-5—F GPO

OFFICIAL BUSINESS

POSTMARK OF DELIVERING OFFICE

DILLON MONT. MAY 1 1966

INSTRUCTIONS: Fill in items below and complete instructions on other side, if applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO. 500221	NAME OF SENDER U. S. Geological Survey Office of Minerals Exploration
CERTIFIED NO.	STREET AND NO. OR P. O. BOX Dept. of the Interior
INSURED NO.	CITY, STATE, AND ZIP CODE Washington, D. C. 20242

POD Form 3811 Sep. 1965

3739

3739

BMM Form 7
(63)

OFFICIAL FILE COPY

Date	Surname	Code
	FEJ	110
5/25/66	Kirkemo	120
		220

Memorandum

To: Field Officer, BMM Region I

From: Chief, Office of Minerals Exploration

Subject: BMMA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Timber's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-E884

BMM-6132 (Copper-Cobalt)
Idaho Copper Mines, Inc.
East Fork, et al., Claims
Lemhi County, Idaho
Contract 2131

Reference is made to your memorandum of January 24, 1966, concerning the properties under the subject contracts.

Mr. Roger V. Pierce informed us on January 18, 1966, that no production had been made since January 1965, from the Black Rock and Bonanza groups of claims under Contract E-884. With respect to the Gray Copper Claims Nos. 1 through 6, however, we have received no reply to our BMM Form 63 letters of January 13 and April 29, 1966, to Mr. and Mrs. Oscar Westfall, Salmon, Idaho.

As suggested in your memorandum of January 24 a check on the County Court House records may help determine the status of the claims under Contract E-884. Also, a visit to the claims might show whether or not any production has been made from the property since December 10, 1964, the date of the last report from the Westfalls, or is likely to be made before August 26, 1966, the expiration date of the Government's lien on production from the property.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's reading file
Division file
Economic Geology file
OME file 3739
OME reading file
130
120
FEJohnson/bih 5/25/66

23263

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 24, 1966

Official Copy
D. M. T.
JAN 28

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-2584

and

OME-6132 (Copper-Cobalt)
Idaho Copper Mines, Inc.
East Fork, et al., Claims
Lemhi County, Idaho
Contract 2151

We have not received a reply to our letter of May 26, 1965, to Paul Adams, Lemhi County Clerk and Recorder, Salmon, Idaho.

During a stop in Salmon last August I ran across Earl Waite, mentioned in my memorandum of May 26, 1965, on this subject. According to Waite, he has relocated claims formerly located by one or another of the Gramliches which had been allowed to lapse by lack of assessment work. As Idaho Copper Mines (OME-6132) stated in their application that they owned most of the claims formerly controlled by Gramlich (see DMEA-3023), presumably they too "relocated" them, later letting the locations lapse. I guess the only way that this can be straightened out and to check the status of Idaho Metallurgical claims (DMEA-3739) I will have to plan on spending a day or two in the County Court House the next time I am in Salmon. I believe that will be sufficient time to run down these various locators.

D. R. MacLaren

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 24, 1966

Official Copy
O. M. E.
JAN 26
EXPL. ...

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-2589

and

OME-6132 (Copper-Cobalt)
Idaho Copper Mines, Inc.
East Fork, et al., Claims
Lemhi County, Idaho
Contract 2151

We have not received a reply to our letter of May 26, 1965, to Paul Adams, Lemhi County Clerk and Recorder, Salmon, Idaho.

During a stop in Salmon last August I ran across Earl Waite, mentioned in my memorandum of May 26, 1965, on this subject. According to Waite, he has relocated claims formerly located by one or another of the Gramliches which had been allowed to lapse by lack of assessment work. As Idaho Copper Mines (OME-6132) stated in their application that they owned most of the claims formerly controlled by Gramlich (see DMEA-3023), presumably they too "relocated" them, later letting the locations lapse. I guess the only way that this can be straightened out and to check the status of Idaho Metallurgical claims (DMEA-3739) I will have to plan on spending a day or two in the County Court House the next time I am in Salmon. I believe that will be sufficient time to run down these various locators.

D. R. MacLaren

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

January 13, 1966

Mr. Roger V. Pierce
President, Machinery Center, Inc.
P. O. Box 964
Salt Lake City 11, Utah

Re: IMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Pride, et al.,
Claims
Lemhi County, Idaho
Contract Idm-E884

Dear Mr. Pierce:

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

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

This inquiry relates to the Blackrock and Bonanza groups of claims.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

P.S. Was there any activity other than yours in the area this past season? Thanks.

MME Form 63
Revised 7-65

DMEA-3739
Idm-E884

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **January 1965**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [X]

2. Since **January 1965**, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name **MACHINERY CENTER, INC.** Title Roger V. Pierce

Address **Box 964, Salt Lake City, Utah** Date **Roger V. Pierce, President January 18, 1966**

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
1/13	Johnson	110
		230

JAN 13 1966

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-8884

Did you ever receive a reply to your letter of May 26, 1965, to Mr. Paul Adams, Lemhi County Clerk and Recorder, Salmon, Idaho?

(signed) FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Selfridge (2)
120M
GCSelfridge/mm (1/13/66)

23263

3739

Ome

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 27 1965

INITIALS	CODE
	120
	120
	320

So. 157 Howard Street
Spokane, Washington 99204
May 26, 1965

Mr. Paul Adams
Lemhi County Clerk and
Recorder
Salmon, Idaho

Dear Mr. Adams:

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
and
OME-6132 (Copper-Cobalt)
Idaho Copper Mines, Inc.

The Office of Minerals Exploration is the successor agency to the Defense Minerals Exploration Administration. As such, it is responsible for the collection of any royalty that may be due the Government as a result of various DMEA projects.

We have been advised by Charles W. Harmon of Salt, Idaho, that in 1960 or 1961 he stopped doing assessment work on his Timbers Pride Claims 1 through 4 and that he has heard that, about 1962, another person or persons had relocated these claims. The original locations were made May 1, 2, and 3, 1959, and are recorded in book 1, pages 151-154. They are also the subject of an Option Agreement recorded in book "D" of Agreements, pages 474-475, and as supplemented by Agreement dated June 22, 1955. Can you furnish us with the name and address of the present owner of these claims?

We have also been advised that the claims on which Idaho Copper Mines, Inc., operated in the Mineral Hill (Indian Creek) Mining District have lapsed and some have been relocated, I believe within the past year by Earl Waite. Can you advise us as to the name and location of any claims in this area that have been recorded by Mr. Waite or others since October 1962? The claims and the book and page of their recording as we know them are shown on the accompanying list.

I realize that this may be quite a chore, but if you can dig up any of the information, we would be most appreciative. However, before I can obligate any funds, I must receive authorization. To this end, kindly advise me as to the amount of your fee and do not proceed until I have the authorization and so notify you.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosure

DRMacLaren/mls
cc: OME
Director's Reading File
Resources Research Branch Chief

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/11	GCS	130
5/11	Johnson	110
"	Finkenbine	100
		220

MAY 12 1965

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

Subject: EMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-E884

Please refer to my memorandum of December 24, 1964, relating to the Tinker's Pride claims. As these claims are not included with those held by Mr. Pierce, will you please write to the person mentioned in Mr. Harmon's letter to see if we can learn who re-staked the claims.

George C. Selfridge (gla)

Enclosure (Cy Hugo A. Simi's MME Form 63, dtd 4/27/65)

GCSelfridge/gla (5-11-65)
cc to: Director's Reading File
Docket
Review Committee
Mr. Selfridge
120M

23263

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

December 10, 1964

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Pride, et al Claims
Lemhi County, Idaho
Contract Idm-E884

Mr. Hugo Simi

Cobalt, Idaho

Dear Sir:

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

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

This request relates to the Tinker's Pride Nos. 1 through 4 claims for which you executed an Owner's Consent to Lien dated June 22, 1955, as an inducement to the Government to enter into the subject contract.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

no one
working for Simi
any longer

OFFICIAL
COPY
O. M. E.
RECEIVED
MAY 3 1965

INITIALS	CODE
	800
	100
	110
	120
	120

MME Form 63
Revised 3-62

DMEA-3739
Idm-E884

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since April 1964, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

   Has assessment work been done to date on all the claims? Yes ☐ No ☑

2. Since April 1964, has there been any production from the land subject to the contract? Yes ☐ No ☑

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name HUGO. A. SUMI Title PARTNER OF CHARLES W. HARMON

Address COBALT IDAHO Date April 27, 1965 FELT IDAHO

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

December 10, 1964

Mr. and Mrs. Oscar Westfall
Box 188
Salmon, Idaho

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Pride, et al Claims
Lemhi County, Idaho
Contract Idm-E884

Dear Mr. and Mrs. Westfall:

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

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

This request relates to the Gray Copper Nos. 1 through 6 claims for which you executed an Owner's Consent to Lien dated June 21, 1955, as an inducement to the Government to enter into the subject contract.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

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

INITIALS	CODE
	~~600~~
	100
	~~110~~
2/3	120
	~~200~~

MME Form 63
Revised 3-62

DMEA-3739
Idm-E884

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since February 1964, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

   Has assessment work been done to date on all the claims? Yes ☒ No ☐

   [illegible]

2. Since February 1964, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Oscar J. Westhall Title

Address Box 188 Salmon Ida Date Jan 17 - 1965

MINING AND MILLING MACHINERY PLANT LIQUIDATIONS

machinery center, inc.

1201 SOUTH 6TH WEST
P. O. BOX 964

PHONE HUNTER 4-7601
SALT LAKE CITY, UTAH

CABLE ADDRESS
"ROGER"

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 12 1965

INITIALS	CODE
ana	800
[illegible]	120
	120

January 9, 1965

Mr. Frank E. Johnson, Acting Director
United States Dept. of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-E884

Dear Mr. Johnson:

In answer to your letter of December 24th, this is to advise Machinery Center, Inc., has leased from Mr. Hagel the following claims:

Blackrock	Bonanza Copper No. 4
Blackrock No. 1	Bonanza Copper No. 5
Blackrock No. 2	Bonanza Copper No. 6
Bonanza Copper	Bonanza Copper No. 7
Bonanza Copper No. 1	Bonanza Extension No. 1
Bonanza Copper No. 2	Bonanza Copper Millsite
Bonanza Copper No. 3	~~Blackrock Millsite~~ Not in contract

We have not produced any ore or rock from these claims to date.

Prior to winter setting in, we were able to only reopen the tunnel portal.

Trusting this gives you the information needed, I am

Yours very truly,

MACHINERY CENTER, INC.

R. V. Pierce, President

RVP/mlo

special handling for 1965

PRICES QUOTED ARE FOR IMMEDIATE ACCEPTANCE ONLY.
ALL QUOTATIONS SUBJECT TO PRIOR SALE.

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

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Pride, et al.,
Claims
Lemhi County, Idaho
Contract Idm-E884

Mr. Roger V. Pierce
President, Machinery Center, Inc.
P. O. Box 964
Salt Lake City 11, Utah

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

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

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

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

Gentlemen:

There has not been any production at all from this property. This last fall, before snow set in, we reopened the tunnel portal; and that is all the work that has been done.

2. Since June 1964, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	_____ Tons		
Concentrates	_____ Tons		
Other	_____ Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name _____ Title President

Address P. O. Box 964, Salt Lake City, U. Date January 4, 1965

4511

EXHIBIT " "

MINING CLAIMS

QUEBEC METALLURGICAL INDUSTRIES, LTD.

IN DEFAULT

LASHBURN, [illegible]

Name of Claim		Book of Mining Claims	Page	Date of Location	Location
Black Rock		2	[illegible]	Mar. 15, 19[illegible]	[illegible]
"	No. 1	3	279	Nov. 6, 1947	"
"	No. 2	3	279	Nov. 6, 1947	"
"	No. 3	3	[illegible]	Nov. 6, 1947	"
"	No. 4	3	[illegible]	Nov. 6, 1947	"
"	No. 5	3	[illegible]	Nov. 6, 1947	"
"	No. 6	3	[illegible]	Nov. 7, 1947	"
"	No. 7	3	[illegible]	Nov. 7, 1947	"
"	No. [illegible]	3	[illegible]	Nov. 7, 1947	"
"	[illegible]	6	1	[illegible] 1, 1[illegible]	[illegible]
	No. 10	6	1	Oct. 1, 1[illegible]	"
	No. 11	6	1	Oct. 1, 1[illegible]	"
	No. 12	6	1[illegible]	Oct. 1, 1[illegible]	"
"	No. 13	6	1[illegible]	Oct. 1, 1[illegible]	"
"	No. 14	6	1[illegible]	Oct. 1, 1[illegible]	"
"	No. 15	6	1[illegible]	Oct. 15, 1954	"
"	No. 16	6	162	Oct. 15, 1954	"
"	No. 17	6	163	Oct. 15, 1954	"
"	No. 18	6	163	Oct. 15, 1954	"
Granza Copper		2	[illegible]		[illegible]
"	No. 1	2	[illegible]7		"
"	No. 2	3	277	Nov. 6, 1947	"
"	No. 3	3	277-[illegible]	Nov. 6, 1947	"
"	No. 4	3	[illegible]	Nov. 6, 1947	"
[illegible]	No. 5	3	[illegible]	Nov. 6, 1947	"
"	No. 6	4	[illegible]	[illegible] 1, 1[illegible]	"
	No. [illegible]	4	1[illegible]	[illegible] 1, 1951	"
Fraction	No. 1	[illegible]	[illegible]	[illegible] 1, 1951	"
	No. [illegible]	[illegible]	1[illegible]	[illegible] 1, 1[illegible]	"
[illegible]	No. [illegible]	[illegible]	1[illegible]	[illegible] 1, 1[illegible]	
[illegible] Copper					
Millie		2	[illegible]	Mar. 1[illegible], 19[illegible]	
[illegible] Copper	No. [illegible]	[illegible]	1[illegible]	Nov. 1[illegible], 19[illegible]	[illegible]
"	No. [illegible]	[illegible]	1[illegible]	Nov. 1[illegible], 19[illegible]	
"	No. 1[illegible]	[illegible]	[illegible]	Nov. [illegible], 19[illegible]	
"	No. 11	[illegible]	1[illegible]	Nov. [illegible], 19[illegible]	
"	No. 1[illegible]	[illegible]	1[illegible]	Nov. [illegible], 19[illegible]	
"	No. 1[illegible]	[illegible]	1[illegible]	Nov. 17, 19[illegible]	
"	No. 1[illegible]	6	1[illegible]7	Nov. 17, 19[illegible]	"
	No. 15	6	1[illegible]7	Nov. 17, 1954	"

Name of Claim		Book of Mining Claims	Page	Date of Location	Location
Bonanza Copper	No. 16	6	16[illegible]	Nov. 16, 1954	[illegible]
"	No. 17	6	16[illegible]	Nov. 16, 1954	"
"	No. 18	6	169	Nov. 16, 1954	"
"	No. 19	6	169	Nov. 16, 1954	"
"	No. 20	6	170	Nov. 16, 1954	"
"	No. 21	6	170	Nov. 15, 1954	"
"	No. 22	6	171	Nov. 15, 1954	
"	No. 23	6	171	Nov. 15, 1954	
"	No. 24	6	172	Nov. 13, 1954	
"	No. 25	6	172	Nov. 13, 1954	
"	No. 26	6	173	Nov. 13, 1954	
"	No. 27	6	173	Nov. 13, 1954	
"	No. 28	6	174	Nov. 13, 1954	
"	No. 29	6	174	Nov. 29, 1954	
"	No. 30	6	175	Nov. 29, 1954	
"	No. 31	6	175	Nov. 29, 1954	
"	No. 32	6	176	Nov. 30, 1954	
"	No. 33	6	176	Nov. 30, 1954	
"	No. 34	6	177	Nov. 30, 1954	
"	No. 35	6	177	Nov. 27, 1954	
Camp Bird		6	178	Oct. 12, 1954	
"	No. 1	6	178	Oct. 12, 1954	
"	No. 2	6	179	Oct. 12, 1954	
"	No. 3	6	179	Oct. 12, 1954	
"	No. 4	6	180	Oct. 12, 1954	
"	No. 5	6	180	Oct. 12, 1954	
"	No. 6	6	181	Oct. 2[illegible], 1954	
"	No. 7	6	181	Oct. 2, 1954	
"	No. 8	6	182	Oct. 2, 1954	
"	No. 9	6	182	Oct. 2, 1954	
"	No. 10	6	183	Oct. 2, 1954	
"	No. 11	6	183	Oct. 2, 1954	
Tinkers Blue	No. 1	1	1[illegible]	[illegible] 1, 1954	
"	No. 2	1	1[illegible]	[illegible] 1, 1954	
"	No. 3	1	[illegible]	[illegible] 1, 1954	
"	No. 4	1	[illegible]	[illegible] 1, 1954	
Energy Copper		3	[illegible]	[illegible] 1, 1954	
	No. 1	3	[illegible]	[illegible] 1, 1954	
"	No. 2	3	[illegible]	[illegible] 1, 1954	
"	No. 3	3	[illegible]	[illegible] 1, 1954	
"	No. 4	3	[illegible]	[illegible] 13, 1954	
"	No. 5	3	[illegible]	[illegible] 23, 1954	
"	No. 6	3	[illegible]	[illegible] 24, 1954	

Name of Claim		Book of Mining Claims	Page	Date of Location	Location
Onkanza Copper	No. 16	[illegible]	1[illegible]	Nov. 1[illegible], 1954	[illegible]
"	No. 17	[illegible]	1[illegible]	Nov. 1[illegible], 1954	
"	No. 1	[illegible]	1[illegible]	Nov. 1[illegible], 1954	
"	No. 19	[illegible]	1[illegible]	Nov. 1[illegible], 1954	
"	No. 20	[illegible]	1[illegible]	Nov. 1[illegible], 1954	"
"	No. 21	[illegible]	170	Nov. 15, 1954	"
"	No. 22	[illegible]	171	Nov. 15, 1954	"
"	No. 23	6	171	Nov. 15, 1954	"
"	No. 24	6	172	Nov. 13, 1954	"
"	No. 25	[illegible]	17[illegible]	Nov. 1[illegible], 1[illegible]	
"	No. 26	[illegible]	1[illegible]	Nov. 1[illegible], 1[illegible]	
"	No. 27	[illegible]	173	Nov. 1[illegible], 19[illegible]	
"	No. 28	[illegible]	[illegible]	Nov. 1[illegible], 1[illegible]	
"	No. [illegible]	[illegible]	17[illegible]	Nov. [illegible], 1[illegible]	
"	No. [illegible]	[illegible]	17[illegible]	Nov. [illegible], 1[illegible]	
"	No. 31	[illegible]	[illegible]	Nov. [illegible], [illegible]	
"	No. 32	[illegible]	[illegible]	Nov. [illegible], [illegible]	
"	No. 33	[illegible]	[illegible]	[illegible], 1[illegible]	
"	No. 34		1[illegible]	[illegible], [illegible]	
"	No. 35		1[illegible]	[illegible], 1[illegible]	
Copper			[illegible]	Nov. 1[illegible], 1[illegible]	
"	No. 1		[illegible]	Nov. 1[illegible], 1[illegible]	
"	No. 2			[illegible], 1[illegible]	
"	No. 3		[illegible]	[illegible], 1[illegible]	
"	No. 4		[illegible]	[illegible], [illegible]	
"	No. 5		[illegible]	[illegible], [illegible]	
"	No. 6	[illegible]	1[illegible]	[illegible], 1[illegible]	
"	No. 7	[illegible]	1[illegible]	[illegible], [illegible]	
"	No. 8	3	[illegible]	[illegible], [illegible]	
"	No. [illegible]	9	[illegible]	[illegible], [illegible]	
"	No. 1	[illegible]	[illegible]	[illegible], [illegible]	
"	No. 11	[illegible]	1[illegible]	[illegible], [illegible]	
[illegible] Side	No. 1	1	[illegible]	[illegible], 19[illegible]	
"	No. 2	[illegible]	1	[illegible], [illegible]	
"	No. 3	[illegible]	[illegible]	[illegible], [illegible]	
"	No. 4	1	1[illegible]	[illegible], 19[illegible]	
[illegible]		[illegible]	[illegible]	Nov. 1[illegible], 1[illegible]	
	No. 1	3	[illegible]	[illegible], [illegible]	
	No. [illegible]	3	[illegible]	[illegible], [illegible]	
	No. [illegible]	3	[illegible]	[illegible], [illegible]	
	No. [illegible]	[illegible]	[illegible]	[illegible], [illegible]	
	No. [illegible]	[illegible]	[illegible]	[illegible], 1[illegible]	
	No. [illegible]	[illegible]	[illegible]	[illegible], 1[illegible]	

ME Form 7
2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/24	Selfridge	130
	On leave	120M
	Fisher	800
12/24	Johnson	110
"	On leave	100
		220

DEC 24 1964

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

Subject: MMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-8884

Enclosed are copies of MMX Form 63 and correspondence relating thereto. Mr. Harmon's letter mentions to whom one should write regarding the Tinker's Pride claims. This may not be necessary depending upon the information Mr. Pierce can give us.

George C. Selfridge (gla)

Enclosures: Copy letter to Roger V. Pierce
MMX Form 63, signed by Robert F. Magal, 12/17/64 w/letter
MMX Form 63, signed by Charles W. Harmon, 12/18/64 w/letter

GCSelfridge/gla (12/24/64)
cc to: Director's Reading File
Docket
Review Committee
Mr. Selfridge
120M

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/24	Selfridge	130
	On leave	120M
	Parker	800
12/29	Johnson	110
"	On leave	100
		220

DEC 2 4 1964

Mr. Roger V. Pierce
President, Machinery Center, Inc.
P. O. Box 964
Salt Lake City 11, Utah

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-8884

Dear Mr. Pierce:

In reference to your recent conversation with Mr. Selfridge regarding property in the Calera area, enclosed are two copies of a list of the claims with a map showing their location which are subject to royalty payments on production until August 26, 1966.

We were recently informed that some of these claims were leased to you by the Hagels as of June 7, 1964. We would appreciate it if you would complete the enclosed MME Form 63 and return two copies to us with a copy of the list of claims we are sending you with the names of the claims that you hold checked off, or, better yet, a copy of the lease and option.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosures

GCSelfridge/gla (12-24-64)
cc to: Director's Reading File
Docket
Region I
Mr. Selfridge
120M

23263

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

December 10, 1964

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Price, et al Claims
Lemhi County, Idaho
Contract Idm-E884

Mr. Robert F. Hagel

Gibbonsville, Idaho, 83463

Dear Sir:

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

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

Wrote to Prance in 1969

This request relates to the Bonanza Copper Lode, Bonanza Copper Nos. 1 through 7, Bonanza Extension No. 1, Bonanza Copper Millsite, Black Rock Lode, and Black Rock Nos. 1 and 2 claims, for which among others an Owner's Consent to Lien was executed by Mr. and Mrs. Elmer R. Hagel on June 17, 1955, as an inducement to the Government to enter into the subject contract.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 22 1964

DATE	INITIALS	CODE
12/22	GEF	800
		100
12/23	RJ	110
		120 M
		120

MME Form 63
Revised 3-62

DMEA-3739
Idm-E884

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 1964, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [X] No [ ]

(See attached sheet)

Has assessment work been done to date on all the claims? Yes [X] No [ ]

2. Since May 1964, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Robert H. Hagel Title Owner

Address Gibbonsville, Idaho Date 12/17/64

This property was leased (Lease & Option) to Machinery Center, Inc. P. O. Box 964, Salt Lake City, Utah, June 7, 1964.

I do not have an extra copy of this contract, but feel certain that one may be obtained from Roger V. Pierce (President of Machinery Center, Inc.) 808 Newhouse Building, Salt Lake City 11, Utah.

To my knowlede there has been no production of ore, either for processing or stockpiling, up to the present time, and the only work done has been of an exploratory nature. I would suggest that you contact Mr. Pierce in regard to this matter also.

Robert H. Hoag

Felt, Idaho.

Mr. George C. Selfridge Chief. Dec. 18, 1964

Division of Exploration Operations.

Dear Sir:

In regards to the forms to fill out, on the Tinkers Pride Claims No. 1 to #4. I'll try an answer your Questions & Sign then you can fill the rest as you see fit. to bring your records up to date.

I live about 300 miles from the Claims so all I know for sure about this present status is hearsay.

I quit doing the assessment work about 3 or 4 years ago. But heard the Claims where located again by another party about 2 years ago an have been doing the Assessment work since. I haven't heard of any ore being shipped or being stocked pilled to date.

I suggest you write to,

Paul Adams Clerk of Records of,
Lemhi County
Salmon, Idaho.

As to who has the Tinker Pride Chains #1 to 4 recorded & who has the assessment work recorded to date. Then send the present owners the forms you want filled out.

Yours Truly
Charles W Harmon
Felt, Idaho.

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

December 10, 1964

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Pride, et al Claim
Lemhi County, Idaho
Contract Idm-E084

Mr. Charles W. Harmon

Felt, Idaho

Dear Sir:

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

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

This request relates to the Tinker's Pride Nos. 1 through 4 claims for which you executed an Owner's Consent to Lien dated June 22, 1955, as an inducement to the Government to enter into the subject contract.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 23 1964

DATE	INITIALS	CODE
12/23	GEF	800
		100
12/23		110
		120
		120

MME Form 63
Revised 3-62

DMEA-3739
Idm-E884

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since February 1964, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

   Has assessment work been done to date on all the claims? Yes ☐ No ☐

2. Since February 1964, has there been any production from the land subject to the contract? Yes ☐ No ☐

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Charles W Herman Title Former Co-owner

Address Felt Idaho. Date Dec 18 - 1964

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

May 19, 1964

Re: IDMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Pride, et al Claim
Lemhi County, Idaho
Contract Idm-E884

Mr. Bob Hagel

Gibbonsville, Idaho

Why sent?

Dear Sir:

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

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

This request covers the Bonanza Copper Lode, Bonanza Copper Nos. 1 through 7, Fraction Nos. 1 and 2, Bonanza Extension No. 1, Bonanza Copper Millsite, Black Rock Lode, and Black Rock Nos. 1 through 8 claims, for which Mr. and Mrs. Elmer R. Hagel executed an Owner's Consent to Lien dated June 17, 1955. On May 13, 1964, Mr. Elmer Hagel advised us that you have a quitclaim deed to the properties; therefore, will you please furnish the information requested regarding production.

Sincerely yours,

W. R. Griswold

typed signature

W. R. Griswold, Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 1 1964

DATE	INITIALS	CODE
		~~600~~
6/		100
4		~~110~~
		500
		520

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **August 24, 1962**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [X] No [ ]

   This information was filed with your office 2/20/64.

2. Since **August 24, 1962**, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Robert E. Hagel Title Owner

Address Gibbonsville, Idaho 83463 Date 5/25/64

4511

#1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☒ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Mrs + Mrs Elmer R Hagel

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

Elmer R Hagel

DATE DELIVERED	ADDRESS WHERE DELIVERED *(only if requested in item #1)*
MAY 12 1964	P.O.Box 484 Ronan, Montana 59864

C55—16—71548-4 GPO

3739

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

RONAN MONT. MAY 12 AM 1964

POSTMARK OF DELIVERING OFFICE

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO. 298274	NAME OF SENDER OFFICE OF MINERALS EXPLORATION
CERTIFIED NO.	STREET AND NO. OR P. O. BOX DEPT. OF THE INTERIOR
INSURED NO.	CITY, ZONE AND STATE WASHINGTON, D. C., 20240

POD Form 3811 Jan. 1958

C55—16—71548-4

Grawood
Z20

JMEA 3739

Ronan Montana
May / 13 / 1964

Dear Sir. Received your letter of May 7th asking me questions about these Properties - I gave my son Bob quit claim deeds to all Properties 2 years ago. as far as I know there has been no Production my son has been keeping up all Representing work.

Sincerely yours,
Elmer Hagel

write / over / -

Bob Hagel
Gibbonsville
Idaho

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

May 7, 1964

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Pride, et al. Claim
Lemhi County, Idaho
Contract Idm-E884

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. and Mrs. Elmer R. Hagel
Box 484
Ronan, Montana - 59864

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 13 1964

DATE	INITIALS	CODE
5/18		800
		~~120~~
		1 C C
5/18		~~110~~
		500

Dear Mr. and Mrs. Hagel:

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

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.
The Office of Minerals Exploration, as the successor agency to the Defense Minerals Exploration Administration, assumed the administrative responsibility relating to the subject contract.

These forms were sent to the Operator under the contract. In reply, we were advised that all the officials of the corporation have resigned and its charter allowed to lapse.

In view of this, we must now look to the owners of the claims subordinated under the terms of the contract. Therefore, will you please fill out these forms in accordance with the instructions, and return them to this office.

This request covers the Bonanza Copper Lode, Bonanza Copper Nos. 1 through 7, Fraction Nos. 1 and 2, Bonanza Extension No. 1, Bonanza Copper Millsite, Black Rock Lode, and Black Rock Nos. 1 through 8 claims, for which you executed an Owner's Consent to Lien dated June 17, 1955, as an inducement to the Government to enter into the subject contract.

Sincerely yours,

W. R. Griswold

W. R. Griswold
Chief, Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since August 24, 1962 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since August 24, 1962 , has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

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

February 7, 1964

Mr. and Mrs. Elmer H. Hagel

Conan, Montana

Re DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-E884

Dear Mr. and Mrs. Hagel:

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

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

The Office of Minerals Exploration, as the successor agency to the Defense Minerals Exploration Administration, assumed the administrative responsibility relating to the subject contract.

These forms were sent to the Operator under the contract. In reply, we were advised that all the officials of the corporation have resigned and its charter allowed to lapse.

In view of this, we must now look to the owners of the claims subordinated under the terms of the contract. Therefore, will you please fill out these forms in accordance with the instructions, and return them to this office.

This request covers the Bonanza Copper Lode, Bonanza Copper Nos. 1 through 7, Fraction Nos. 1 and 2, Bonanza Extension No. 1, Bonanza Copper Millsite, Black Rock Lode, and Black Rock Nos. 1 through 8 claims, for which you executed an Owner's Consent to Lien dated June 17, 1955, as an inducement to the Government to enter into the subject contract.

Sincerely yours,

s/F. M. Murphy
F. M. Murphy, Acting Chief
Division of Minerals

No reply to this.
Mr. Frank Hagel
63

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since August 24, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since August 24, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☐

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

	Quantity	Value
_____		
_____	_____	_____

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

Type	Quantity		Estimated Grade	Location
Ore	_____	Tons	_____	_____
Concentrates	_____	Tons	_____	_____
Other	_____	Tons	_____	_____

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

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

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

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

February 7, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 6 1964

DATE	INITIALS	CODE
4/6		800
		100
4/6		110
4/7	Murphy	500
		220

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Pride, et al., Clai
Lemhi County, Idaho
Contract No. Idm-E884

Mr. Hugo A. Simi
Yellow Jacket Mine
Via Cobalt, Idaho

Dear Mr. Simi:

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

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

The Office of Minerals Exploration, as the successor agency to the Defense Minerals Exploration Administration, assumed the administrative responsibility relating to the subject contract.

These forms were sent to the Operator under the contract. In reply, we were advised that all the officials of the corporation have resigned and its charter allowed to lapse.

In view of this, we must now look to the owners of the claims subordinated under the terms of the contract. Therefore, will you please fill out these forms in accordance with the instructions, and return them to this office.

This request covers the Tinker's Pride Nos. 1 through 4 claims, for which you executed an Owner's Consent to Lien dated June 22, 1955, as an inducement to the Government to enter into the subject contract.

Sincerely yours,

s/F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since August 24, 1962 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since August 24, 1962 , has there been any production from the land subject to the contract? Yes ☐ No ☑

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other.		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Harvell Sager Title CO-PARTNER; CHARLES W. HARMON FELT IDAHO

Address Cobalt Idaho. Date April 1, 1964

4511

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

February 7, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED Mar 6 1964

DATE	INIT.	
3/6		800
		100
3/6		110
	Received	500
		220

Re DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-E884

Mr. and Mrs. William H. Infanger
Star Route
Salmon, Idaho
P.O. Box 329
Kremmling, Colo.

Dear Mr. and Mrs. Infanger:

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

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

The Office of Minerals Exploration, as the successor agency to the Defense Minerals Exploration Administration, assumed the administrative responsibility relating to the subject contract.

These forms were sent to the Operator under the contract. In reply, we were advised that all the officials of the corporation have resigned and its charter allowed to lapse.

In view of this, we must now look to the owners of the claims subordinated under the terms of the contract. Therefore, will you please fill out these forms in accordance with the instructions, and return them to this office.

This request covers theGray Copper Nos. 1 through 6 claims, for which you executed an Owner's Consent to Lien dated June 21, 1955, as an inducement to the Government to enter into the subject contract.

Sincerely yours,

F M Murphy

F. M. Murphy, Acting Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since August 24, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since August 24, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name William H. Infanger Title Co-owner.

Address P.O. Box 327, Kremmling Colo. Date 2-29-64

4511

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

February 7, 1964

Mr. and Mrs. Oscar Westfall

North Fork, Idaho

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Pride, et al., Claim
Lemhi County, Idaho
Contract Idm-E884

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 2 1964

DATE	INITIALS	CODE
3/3		800
		100
3/3		110
	Murphy	500
		220

Dear Mr. and Mrs. Westfall:

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

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

The Office of Minerals Exploration, as the successor agency to the Defense Minerals Exploration Administration, assumed the administrative responsibility relating to the subject contract.

These forms were sent to the Operator under the contract. In reply, we were advised that all the officials of the corporation have resigned and its charter allowed to lapse.

In view of this, we must now look to the owners of the claims subordinated under the terms of the contract. Therefore, will you please fill out these forms in accordance with the instructions, and return them to this office.

This request covers the Gray Copper Nos. 1 through 6 claims, for which you executed an Owner's Consent to Lien dated June 21, 1955, as an inducement to the Government to enter into the subject contract.

Sincerely yours,

s/F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since August 24, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since August 24, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Oscar Westfall Title Owner in Part

Address Salmon Idaho Date Feb 25 1964

4511

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

February 7, 1964

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 25 1964

DATE	INITIALS	CODE
2/25	[illegible]	800
		120
		100
2/25	[illegible]	140
2/26	Murphy	500
		220

Mr. and Mrs. Robert F. Hagel

Gibbonsville, Idaho

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Pride, et al., Claim
Lemhi County, Idaho
Contract Idm-E884

21 claims

Dear Mr. and Mrs. Hagel:

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

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

The Office of Minerals Exploration, as the successor agency to the Defense Minerals Exploration Administration, assumed the administrative responsibility relating to the subject contract.

These forms were sent to the Operator under the contract. In reply, we were advised that all the officials of the corporation have resigned and its charter allowed to lapse.

In view of this, we must now look to the owners of the claims subordinated under the terms of the contract. Therefore, will you please fill out these forms in accordance with the instructions, and return them to this office.

This request covers the Bonanza Copper Lode, Bonanza Copper Nos. 1 through 7, Fraction Nos. 1 and 2, Bonanza Extension No. 1, Bonanza Copper Millsite, Black Rock Lode, and Black Rock Nos. 1 through 8 claims, for which you executed an Owner's Consent to Lien dated June 17, 1955, as an inducement to the Government to enter into the subject contract.

Sincerely yours,

s/F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since August 24, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [X] No [ ]

See attached sheet.

2. Since August 24, 1962, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Robert F. Hagel Title Owner

Address Gibbonsville, Idaho Date 2/20/64

4511

Elmer R. Hagel and Elsie Hagel, husband and wife, of Ronan, Montana, deeded by DEED TO MINING CLAIM, their one-half ($\frac{1}{2}$) interest in the lode claims listed below to Robert F. Hagel. Deed signed October 16, 1962 and recorded in the county of Lemhi, state of Idaho October 19, 1962, in book of Deeds # 48, pages 535-36.

Lode claims are:	Location notice recorded in Book	Page
Black Rock	2	60
Black rock No. 1	3	279
Black Rock No. 2	3	279
Bonanza Copper	2	56
Bonanza Copper No. 1	2	57
Bonanza Copper " 2	3	277
Bonanza Copper " 3	3	277-278
Bonanza Copper " 4	3	278
Bonanza Copper " 5	3	278
Bonanza Copper " 6	4	212
Bonanza Copper " 7	4	213
Bonanza Copper Extension No. 1	4	214
Bonanza Copper Millsite		

Bonanza Copper Fraction No.1 and 2, Black Rock No. 3 through 8 claims have been relinquished and are no longer valid.

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

February 7, 1964

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Pride, et al., Claim
Lemhi County, Idaho
Contract Idm-E884

Mr. Charles W. Harmon

Felt, Idaho

OFFICIAL FILE COPY O. M. E RECEIVED FEB 24 1964		
DATE	INITIALS	CODE
2/24	[illegible]	800
		~~120~~
		100
2/24	[illegible]	~~110~~
~~2/24~~	~~Murphy~~	~~500~~
		220

Dear Mr. Harmon:

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

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

The Office of Minerals Exploration, as the successor agency to the Defense Minerals Exploration Administration, assumed the administrative responsibility relating to the subject contract.

These forms were sent to the Operator under the contract. In reply, we were advised that all the officials of the corporation have resigned and its charter allowed to lapse.

In view of this, we must now look to the owners of the claims subordinated under the terms of the contract. Therefore, will you please fill out these forms in accordance with the instructions, and return them to this office.

This request covers the Tinker's Pride Nos. 1 through 4 claims, for which you executed an Owner's Consent to Lien dated June 22, 1955, as an inducement to the Government to enter into the subject contract.

Sincerely yours,

F M Murphy

F. M. Murphy, Acting Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since August 24, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since August 24, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☑

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Charles W Harmon Title Half Owner

Address Felt Idaho Date Feb. 19, 1964

I haven't seen the claims for 3 or 4 years, But have not heard of any ore being mined or shipped since the leases were dropped!

4511

21ST FLOOR
7 KING STREET EAST
TORONTO, CANADA

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 1 1963

DATE	INITIALS	CODE
12/2		800
"		100
"		140
12/3		540
		120

TELEPHONE
362-7292

November 27, 1963

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

Attention: Mr. F. M. Murphy, Acting Chief,
Division of Minerals

Re: IMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries
Tinker's Price, et.al, Claims
Lemhi County, Idaho
Contract Idm-E884

Dear Sir:

The information you have requested in your letter of November 13, 1963 has been obtained from the records of the above company available at this office and your letter is returned in duplicate.

It should be noted that the charter of Idaho Metallurgical Industries Inc. has been allowed to lapse and all directors resigned.

Yours very truly,

Q.M.I. MINERALS LIMITED

A. C. Callow
Secretary

ACC:IB
Enc.

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

November 13, 1963

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical
Industries, Inc.
Tinker's Pride, et al., Clai
Lemhi County, Idaho
Contract Idm-E084

Quebec Metallurgical Industries, Ltd.
2200-25 King Street West
Toronto 1, Canada

Gentlemen:

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

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

Sincerely yours,

s/F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since August 24, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [X] No [ ]
All unpatented claims allowed to lapse. Patented claims in Mineral Survey #2128 sold to Idaho Mining Company, 808 Newhouse Building, Salt Lake City, Utah, February 27, 1961

Proof of sale form? Yes.

2. Since August 24, 1962, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

See letter dated Dec. 19, 1968 by Roger V. Pierce, in Folder #2

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name _____ Title _____

Address _____ Date _____

Charter of Idaho Metallurgical Industries Inc. allowed to lapse - all directors resigned.

4511

These patents, claims & one lease are now in Idaho Metallurgical Industries Co. Inc.

So. 157 Howard Street
Spokane 4, Washington
September 13, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 17 1962

DATE		CODE
9/17		800
9/18		500
		270

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary, Washington 25, D. C.

From: Acting Field Officer, Region I

Subject: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-E884

There is enclosed a Report of Royalty Review dated September 7, 1962, covering the subject contract for the period September 9, 1959, through August 24, 1962.

One copy of the Report has been retained in the Regional Office files. Since the Report is for record purposes only, no copy for the Operator has been provided.

D. R. MacLaren

Enclosure

DRMacLaren:my
cc: CAAA Div., OME
OME,CPF
Reading copies to:
Nolan
McKelvey

QUEBEC METALLURGICAL INDUSTRIES LTD.
2200-25 KING STREET WEST
TORONTO 1, CANADA

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 27 1962

DATE	INITIALS	
8/28		800
8-29		~~120~~ 100
8/29		110
9/11		~~500~~
	S.F.H	220

August 24, 1962

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

Attention: Mr. W. R. Griswold, Chief,
Division of Minerals

Re: Idaho Metallurgical Industries Inc.
IMEA - 3739 (Cobalt-Copper)
Tinker's Pride, et al., Claims Lemhi
County, Idaho - Contract Idm-E884

Dear Sir:

The information you have requested in your letter of July 26, 1962 has been obtained from the records of the above company available at this office and your letter is returned, herewith, in duplicate.

It should be noted that the charter of Idaho Metallurgical Industries Inc. has been allowed to lapse and all directors resigned.

Yours very truly,

QUEBEC METALLURGICAL INDUSTRIES LTD.

A. C. Callow
Secretary

ACC:IB
Enc.

Copy to Region I w/cy Form 63 dated July 26, 1962

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

July 26, 1962

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-E884

Idaho Metallurgical Industries, Inc.
Room 602, 88 Metcalfe Street
Ottawa, Canada

Gentlemen:

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

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

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since February 11, 1960 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [x] No [ ]

   All claims allowed to revert to the original owners as option not exercised

2. Since February 11, 1960 , has there been any production from the land subject to the contract? Yes [ ] No [x]

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name _____ Title _____

Address _____ Date _____

Charter of Idaho Metallurgical Industries Inc. allowed to lapse.
All directors resigned.

4511

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/7	eyl	220

SEP 7 1962

Memorandum

To: Acting Field Officer, Region I

From: E. D. Talbert, Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-5739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-8884

The original and one copy of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 9-7-62

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

43683

OFFICIAL FILE COPY O. M. E. RECEIVED AUG 15 1960		
DATE	INITIALS	CODE
8-15	gad	VVO
8/15	[illegible]	800
"	Holt	500
		225

No. 157 Howard Street
Spokane 4, Washington
August 11, 1960

Mr. Robert P. Hagel

Gibbonsville, Idaho

Re: DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-1284

Dear Mr. Hagel:

I regret to advise you that this office is not authorized to give out any information concerning the results of DMEA or OME projects. We must consider the information in our files as confidential between this office and the Operator.

The only suggestion I can make is that you request copies of the maps, drill logs, and assay reports from Idaho Metallurgical Industries, Inc., 88 Metcalfe Street, Ottawa, Canada.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: [illegible] w/cys incoming

Gibbonsville, Idaho
August 7, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 15 1960
DATE | CODE

Field Officer
Office Mineral Exploration, Reg. 1,
South 157 Howard St.,
Spokane 4, Wash.

Dear Sir:

This is in reference to an O.M.E. loan contracted by Idaho Metallurgical Industries on what was known as the Miners Pride operation, Blackbird mining district, Lemhi county, Idaho.

We have several claims, Bonanza Copper & Blackrock groups, that were optioned to I.M.I. which came under this loan.

Inasmuch as we contemplate either working these claim or leasing them, and that in either case the claims will assume the loan, it has occured to me that your office might have certain information that would be of great help in the successful operation of the claims.

We failed to have it specified in our contract with I.M.I. that we receive maps and a copy of the drill logs and assay reports.

It is quite possibe that the O.M.E. has a copy of these report that would be quite vital in future development and operation of this property. It would seem that if this is the case, it would be to the advantage of both the O.M.E. and ourselves if we had a copy of these maps and report to further the successful operation of the property.

We will greatly appreciate any information you can give us concerning this matter.

Thanks very much.

Sincerely yours,

Robert F. Hagel

RECEIVED
AUG 9 1960

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/22	Holt	500
	Linsmeier	600
6/24	J. Lynch	140
	Seller	140
	App'd. Sol. Off.	
6/26	Talbut	100
6/27	Selfridge	130
		130
		220

225

JUN 28 1960

Mr. Oscar Westfall
Mrs. Edna Westfall
North Fork
Idaho

SOLICITOR

JUN 23 1960

INTERIOR DEPT.

Re: DMEA 3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-8884

Dear Mr. and Mrs. Westfall:

Enclosed is a copy of a letter of today to the Operator setting forth its obligations under the terms of the above-cited contract.

This correspondence relates to the Owner's Consent to Lien signed by you on June 21, 1955, under the Defense Minerals Exploration Administration program, which has been succeeded by the Office of Minerals Exploration program. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or any production therefrom.

RECEIVED

JUN 24 1960

ASSOC. SOLICITOR
MINERAL RESOURCES

Enclosure

Sincerely yours,

Frank E. Johnson (for)

Acting Director

(Identical letter to Mr. William Henry Infanger and Mrs. Emma Infanger
Star Route, Salmon, Idaho)

SPHolt:kb - June 21, 1960

cc to: Director's reading file
Review Committee
OME Region I (2)
Docket
500
Chron.

FROM SOLICITOR
JUN 24 1960
FOR SIGNATURE

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/22	Holt	500
	Grimes	500
6/24	Lynch	140
	Allen	140
	App'd. Sol. Off.	
6/26	Tallant	800
6/27	Selfridge	130
		110
6/28	cc	220
		225

JUN 28 1960

Idaho Metallurgical Industries, Inc.
88 Metcalf Street
Toronto, Canada

R SOLICITOR

JUN 23 1960

INTERIOR DEPT.

Re: DMEA 3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-E884

Gentlemen:

In further reference to your letter of February 11, 1960, and our reply of February 29, 1960, under the terms of the cited Exploration Project Contract, executed August 26, 1955, and its Amendment No. 2, dated June 25, 1956, all minerals mined or produced from August 26, 1955, to August 26, 1966, are subject to the Government's percentage royalty as set forth in the contract until the sum of $41,713.67 is repaid to the Government.

Royalty payments should be made to the Field Officer, OME Region I, South 157 Howard Street, Spokane 4, Washington, by the purchaser, with checks drawn payable to the Office of Minerals Exploration. The purchaser should be advised to deduct royalties from the amount due on each shipment and send the check directly to the Field Officer. Each check should be accompanied by suitable sales evidence, such as copies of settlement sheets, showing the name of the purchaser, the quantity and grade of the products sold, and the price and charges certified to be correct by the purchaser.

You are requested to notify the Field Officer of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Your attention is called particularly to Article 2(d) of the contract relating to the preservation of the Government's right to a percentage royalty on production. Also when production starts, please notify the Field Officer. Thereafter, if production ceases for any extended period, please notify him accordingly at six month intervals.

SPHolt;kb - 6/21/60
cc: Docket
Dir. reading file
Mr. Johnson
Review Committee
CA&A Div.
Region I (2)
500
Chron.
Mr. Kirkemo, USGS

Sincerely yours,

Frank E. Johnson (fw)

Acting Director

FROM SOLICITOR
JUN 24 1960
FOR SIGNATURE

RECEIVED
JUN 24 1960
ASSOC. SOLICITOR
MINERAL RESOURCES

cc to: Oscar Westfall and Edna Westfall
North Fork, Idaho
William H. and Emma Infanger
Star Route, Salmon, Idaho

cc to: Charles W. Harmon, Felt, Idaho
Hugo A. Simi, Yellow Jacket Mine, Via Cobalt, Idaho
Elmer R. and Elsie Hagel, Ronan, Montana
Robert and Leah Hagel, Gibbonsville, Idaho

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/22	Holt	500
	Miami	500
6/24	Talbert	140
	Sutler	140
	App'd. Sol. Off.	
6/26	Talbert	300
6/27	Selfridge	130
		~~110~~
		220

225

JUN 28 1960

Mr. Elmer R. Hagel
Mrs. Elsie Hagel
Ronan,
Montana

R
SOLICITOR

JUN 23 1960

INTERIOR DEPT

Re: DMEA 3739 (Cobelt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-E884

Dear Mr. and Mrs. Hagel:

Enclosed is a copy of a letter of today to the Operator setting forth its obligations under the terms of the above-cited contract.

This correspondence relates to the Owner's Consent to Lien signed by you on June 17, 1955, under the Defense Minerals Exploration Administration program, which has been succeeded by the Office of Minerals Exploration program. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or any production therefrom.

Sincerely yours,

Frank E. Johnson (for)

Acting Director

Enclosure

(Identical letter to Mr. Robert Franklin Hagel and Mrs. Leah Hagel
Gibbonsville, Idaho)

SPHolt:kb - 6/21/60

cc to: Director's reading file
Review Committee
OME Region I (2)
Docket
Chron.
500

FROM SOLICITOR
JUN 24 1960
FOR SIGNATURE

RECEIVED
JUN 24 1960
ASSOC. SOLICITOR
MINERAL RESOURCES

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/22	Holt	500
	Zumwalt	500
6/24	Schwab	140
	Seller	140
	App'd. Sol. Off.	
6/26	Felbert	800
6/27	Selfridge	130
		~~110~~
		220
		225

JUN 28 1960

Mr. Hugo A. Simi
Yellow Jacket Mine
Via Cobalt, Idaho

R
SOLICITOR

JUN 23 1960

INTERIOR DEPT

Re: DMEA 3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride, et al., Claims
Lemhi County, Idaho
Contract Idm-E884

Dear Mr. Simi:

Enclosed is a copy of a letter of today to the Operator setting forth its obligations under the terms of the above-cited contract.

This correspondence relates to the Owner's Consent to Lien signed by you on June 22, 1955, under the Defense Minerals Exploration Administration program, which has been succeeded by the Office of Minerals Exploration program. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or any production therefrom.

Sincerely yours,

Frank E. Johnson (for)

Acting Director

Enclosure

(Identical letter to - Mr. Charles W. Harmon, Felt, Idaho.)
SPHolt:kb - 6/21/60
cc to: Director's reading file
Review Committee
~~Harold Kirkemo, USGS~~
~~CA&A Div.~~
~~Mr. Johnson~~
OME Region I (2)
Code 500
Docket
Chron.

RECEIVED
JUN 24 1960
ASSOC. SOLICITOR
MINERAL RESOURCES

43683

DMEA 3739

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

FEB 29 1960

J. Lynch
Hofflund
Appr. Sol. Off.
Selfridge
Holt
Prusoff
r/v 9 gad vvo

Mr. Norman B. Davis
President
Idaho Metallurgical Industries, Inc.
88 Metcalfe Street
Ottawa, Canada

Re: Docket No. DMEA-2436 (Cobalt-Copper)
Northfield Mines, Inc.
Stevenson Property
Lemhi County, Idaho
Contract No. Idm-2334
and
Docket No. DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al, Claims
Lemhi County, Idaho
Contract No. Idm-3084

Dear Mr. Davis:

Your letter of February 11 requests the Government to relieve your company from any contingent liability for royalty arising out of the subject contracts. In the absence of some consideration running to the Government, no administrative officer thereof could take such action.

However, we may point out that the liability you speak of is entirely contingent on production from the property.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director
Office of Minerals Exploration

JLHofflund:GMcC/jfg:2/25/60
CC: Director's Reading File
Mr. Kirkeme, Room 5224
Mr. Lamb, Room 3608
GMK Docket, Room 3739 DMEA
Mr. Seller
Mr. Hofflund
GMK Docket, DMEA-2436
Mr. Frymoyer, Region I (2) w/2 cys incoming letr. from Norman B. Davis
Code 500

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/19	Holt	500
		~~500~~
	J. Wyneh	140
		500

RECEIVED
FEB 19 1960
ASSOC. SOLICITOR
MINERAL RESOURCES

19 FEB 1960

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: W. R. Griswold, Division of Minerals, Office of Minerals Exploration

Subject: Docket No. DMEA-2436 (Cobalt-Copper)
Northfield Mines, Inc.
Stevenson Property
Lemhi County, Idaho
Contract No. Idm-E334
and
Docket No. DMEA-3739 (Cobalt and Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride, et al., Claims
Lemhi County, Idaho
Contract No. Idm-E884

Please prepare a reply for the signature of the Acting Director, to the attached letter of February 11, 1960, from the Operator of the subject contracts.

Attachment

43683

ROOM 602
88 METCALFE STREET
OTTAWA, CANADA

FEB 15 196

February 11, 1960.

Defence Minerals Exploration Administration,
U. S. Department of the Interior,
Washington 25, D. C.

Gentlemen: Re: DMEA Docket No. 2436 - Contract No. IDM-8334
DMEA Docket No. 3739 - Contract No. IDM-8884

Under the terms of the above contracts, Idaho Metallurgical Industries Inc. is liable for royalties from any production from the subject properties in the amount of $67,803.33 to June 2, 1967, and $41,713.67 to August 26, 1966, respectively.

Following a program of geological mapping, surface stripping, diamond drilling and underground exploration, which cost the Company in excess of $400,000.00, nothing of any value was discovered. Consequently, it was decided to allow all options on claims to lapse and to suspend further assessment work and further on groups owned by the Company. At the present time, we hold only 3 patented claims in the Stevenson group, covered by Docket No. 2436. These are retained only because they require no assessment or other costs.

This Company is without assets as the enclosed balance sheet will reveal. In these circumstances, we would request the elimination of this contingent liability. Would you kindly advise us as to procedures to be followed to achieve this result?

Yours very truly,

IDAHO METALLURGICAL INDUSTRIES INC.

[illegible] Davis,

[illegible]
Inc.

STATEMENT 1

IDAHO [illegible]
(Incorporated unde[illegible] Idaho)

[illegible] 1959
(Expressed [illegible]tes currency)

Investment in International Co[illegible] Inc., a wholly-owned subsidiary comp[illegible] less amount written off	$	1[illegible]
Buildings and equipment, at co[illegible] written off		[illegible]
Stevenson claims, at cost less [illegible] off		[illegible]
		[illegible]
L I[illegible]		
Payable to parent company - Que[illegible] Industries Ltd.		[illegible]
Shareholders' equity:		
Capital -		
Authorized:		
3,000,000 shares of 1¢ par value e[illegible]		
Issued:		
1,600,000 shares	$16,000.00	
Deficit (statement 2)	17,[illegible]	([illegible]

Approved on behalf of the Board:

Director

Director

(See accompanying note to financial statements.)

AUDITORS' REPORT

To the Shareholders of
Idaho Metallurgical Industries, Inc.:

We have examined the balance sheet of Idaho Metallurgical Industries, Inc. as at December 31, 1959 and the related statements of contributed surplus and deficit for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of contributed surplus and deficit are properly drawn up so as to exhibit a true and correct view of the state of the affairs of Idaho Metallurgical Industries, Inc. at December 31, 1959 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clarkson, Gordon & Co.
Chartered Accountants.

Toronto, Canada,
February 1, 1960.

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

FEB 20 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 27 1959

DATE		CODE
2/27	C	220
3/3		130
3/3	C	220
3/4	WSM	400

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

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride, et al., Claims
Lemhi County, Idaho
Contract No. Idm-E884
E884

Dear Mr. Selfridge:

Enclosed are three copies of a Field Team final report by Donald R. MacLaren, Geologist, U. S. Geological Survey, and William M. Romischer, Mining Engineer, U. S. Bureau of Mines, on this project.

Completed work comprised 80,000 linear feet of geophysical traverse, assaying 1,600 soil samples, geologic mapping of 640 acres, assaying 68 surface channel and grab samples, 3,821.3 feet of diamond drilling, assaying 331 core and sludge samples, and bulldozing access roads, trenches and drill sites. The total cost was $66,741.87, of which the Government's share was $41,713.67 or 62.5 percent.

A pseudo-certification was included in Amendment No. 2. Only Stage I was completed because the Operator was not financially able to do any more work. Stage I indicated that the area is extensively mineralized, but the limited number of drill holes did not encounter a significant amount of ore-grade material. Further exploratory work is justified and careful consideration should be given to any future proposal that might be offered.

By Field Team, Region I

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

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

Maps filed in red cover file

Enclosures
cc: USBM(2)
USGS(SRO)
MacLaren

Reviewed by
OME OPERATING COMMITTEE
3-3-59
(date)

DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION

FIELD TEAM, REGION I

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 27 1959

DATE	INITIALS	CODE
3/3	2/2	130
		228

FT's FINAL REPORT

FINAL REPORT

Contract Idm-E844

by

William M. Romischer
Mining Engineer
U. S. Bureau of Mines

Donald R. MacLaren
Geologist
U. S. Geological Survey

IDAHO METALLURGICAL INDUSTRIES, INC.
% William C. Schmidt
230 Park Avenue
New York 17, New York

Docket No.:	DMEA-3739
Commodity:	Cobalt-Copper
Contract date:	August 26, 1955
Termination date:	December 1, 1955

Reviewed by
OMM OPERATING COMMITTEE
3-3-59
(date)

Tinkers Pride, et al., Claims
Blackbird Mining District
Lemhi County, Idaho

Spokane, Washington

February 1959

CONTENTS

	Page
INTRODUCTION	1
Summary	1
Recommendations	2
LOCATION AND ACCESSIBILITY	2
PROPERTY	3
History and Production	6
Mine Workings	6
GEOLOGY	6
THE PROJECT	10
Summary of Factual Data	17
Discussion of Conclusions	19

ILLUSTRAT

Plate	1.	Map showing geology [illegible] perty boundary	In pocket
	2.	Geochemical survey (co[illegible] the Tinkers Pride-Gray Co[illegible] rea	In pocket
	3.	Geochemical survey (copper) of the Tinkers Pride-Gray Copper area	In pocket
	4.	Geochemical survey (cobalt) of the Bonanza Copper area	In pocket
	5.	Geochemical survey (copper) of the Bonanza Copper area	In pocket
	6.	Cross section of Diamond Drill Hole No. 2 looking N. 10° E.	In pocket
	7.	Cross section of Diamond Drill Hole No. 6 looking N. 10° E.	In pocket
	8.	Cross section of Diamond Drill Hole No. 4 looking N. 10° E.	In pocket
	9.	Cross section of Diamond Drill Hole No. 7 looking N. 10° E.	In pocket
	10.	Cross section of Diamond Drill Hole No. 1 looking N. 40° W.	In pocket
	11.	Cross section of Diamond Drill Hole No. 5 looking N. 40° W.	In pocket
	12.	Cross section of Diamond Drill Hole No. 3 looking N. 20° W.	In pocket
Figure	1.	Index Map	In pocket

FINAL REPORT

IDAHO METALLURGICAL INDUSTRIES, INC.
Tinkers Pride, et al., Claims
Blackbird Mining District
Lemhi County, Idaho

Contract Idm-E844

* * * *

INTRODUCTION

This report describes a project conducted jointly by the Defense Minerals Exploration Administration and Idaho Metallurgical Industries, Inc., to explore for cobalt and copper at the Tinkers Pride, et al., claims, Lemhi County, Idaho. The Operator submitted an excellent final report prepared by the consulting firm of Shenon and Full. Therefore this report will discuss only the salient features of the program. For a more detailed discussion and a complete set of maps the reader is referred to the Operator's final report.

Summary

The purpose of the project was to search for cobalt-copper ore along well-defined shear zones in the Bonanza Copper, Tinkers Pride, and Gray Copper areas. The exploration work was limited to areas found to be mineralized at the surface during field work completed the summer of 1954 by P. J. Shenon, R. F. Full, D. M. Snyder, and E. L. Bauer, Jr.

The exploration work completed within the terms of the contract included the following:

1. A self-potential survey aggregating 80,000 linear feet of profile.

2. Geochemical analysis of 1,600 soil samples.

3. A geological study of 640 acres, including chemical analysis of 68 samples for cobalt and copper.

4. Seven diamond drill holes aggregating 3,821.3 feet of drilling, including 320 feet of cementing and redrilling or reaming and casing of holes and the chemical analysis of 331 samples for cobalt and copper.

5. Bulldozing for access roads, trenches, and drill sites.

The total cost of the completed work was $66,741.87, of which the Government's participation was 62.5 percent, or $41,713.67.

Stage I work was the only part of the contract completed. The Operator was not adequately financed to continue with the later stages of the work within the time stipulated, and therefore the contract was terminated on December 1, 1955.

An evaluation of the property based on the work performed under the contract indicated that the mineralization was extensive, but no significant amount of ore-grade material was discovered. Geologic and geochemical mapping indicate that low-grade cobalt-copper mineralization is widespread and suggest that higher grade material is confined to lenses of undetermined size, grade, and abundance.

The location of deposits that might contain significant amounts of cobalt-copper mineralization of ore grade would require additional exploration.

Recommendations

A pseudo-certification was made in Article (7e) of Amendment No. 2, dated June 25, 1956. The amount of work completed is insufficient to have explored adequately the relatively large area under consideration. Further diamond drilling to determine whether or not any significant cobalt-copper deposits of ore grade are at this property is warranted.

LOCATION AND ACCESSIBILITY

The Tinkers Pride, et al., claims are in the Big Deer Creek area, Blackbird Mining District, Lemhi County, Idaho, approximately in secs. 2, 3, 4, 9, and 10, T. 21 N., R. 18 E. Boise meridian.

The property is about 20 miles west of Salmon, the important distributing center for the region (fig. 1), and is 34 miles from Salmon via the Williams Creek Summit road. The property is reached by traveling south from Salmon on U. S. Highway 93 for about 5 miles and turning west over a wooden bridge spanning the Salmon River and continuing westerly over the Williams Creek Summit road (an improved

dirt road) for about 21 miles to the junction of Moccasin and Napias Creeks. Here take the road to the left and continue for 2 miles to Leacock's junction; turn right to continue on the Panther Creek-Salmon River road for about 6 miles to the mouth of Big Deer Creek where access to the property is by a trail up Big Deer Creek.

Another route is from North Fork, a small community on the Salmon River about 21 miles north of the town of Salmon on U. S. Highway 93. From here to the property it is about 41 miles via a road down the Salmon River and up Panther Creek to the mouth of Big Deer Creek. The property may also be reached from Challis, Idaho, via U. S. Highway 93 and the Morgan Creek road.

From Salmon the route via the Williams Creek Summit road is the most direct one, but in the winter months during stormy weather this road is blocked by snow at the summit for short periods of time. The Morgan Creek road is usually kept open during the entire year to haul concentrates from the Calera mine. The route from North Fork to the mouth of Big Deer Creek is all on a water grade and snow conditions seldom create a transportation problem.

Mackay, Idaho, and Darby, Montana, both about 103 miles from Cobalt, are the nearest railheads for the district.

The claims are in an area of extremely steep and rough terrain, partly covered with slide rock and scattered vegetation. The altitudes in the district range from 4,500 feet in the valleys to 9,000 feet at mountain peaks.

Access to the property is difficult and for year-round operation snow removal is necessary about 6 months of the year.

PROPERTY

The land subordinated to the contract consists of 81 lode claims and 1 millsite. Thirty-one claims and the millsite were acquired through purchase agreements and 50 claims are held by right of location by the Operator.

The lode claims and the millsite claim are recorded in the County Recorder's office at Salmon, Idaho and their outline is shown on figure 1.

The claims listed in the following tabulation as located by "Hagel," "Simi and Harmon," and "Westfall" are held by the Operator under option agreements. The claims listed as located by "Stranahan" are owned by the Operator.

Name of claim		Book of Mining Claims	Page	Date of location	Location
Black Rock		2	60	Mar. 15, 1943	Hagel
Do.	No. 1	3	279	Nov. 6, 1947	Do.
Do.	No. 2	3	279	Nov. 6, 1947	Do.
Do.	No. 3	3	280	Nov. 6, 1947	Do.
Do.	No. 4	3	280	Nov. 6, 1947	Do.
Do.	No. 5	3	281	Nov. 6, 1947	Do.
Do.	No. 6	3	281	Nov. 7, 1947	Do.
Do.	No. 7	3	282	Nov. 7, 1947	Do.
Do.	No. 8	3	282	Nov. 7, 1947	Do.
Do.	No. 9	6	159	Oct. 14, 1954	Stranahan
Do.	No. 10	6	159	Oct. 16, 1954	Do.
Do.	No. 11	6	160	Oct. 16, 1954	Do.
Do.	No. 12	6	160	Oct. 14, 1954	Do.
Do.	No. 13	6	161	Oct. 14, 1954	Do.
Do.	No. 14	6	161	Oct. 14, 1954	Do.
Do.	No. 15	6	162	Oct. 15, 1954	Do.
Do.	No. 16	6	162	Oct. 15, 1954	Do.
Do.	No. 17	6	163	Oct. 15, 1954	Do.
Do.	No. 18	6	163	Oct. 15, 1954	Do.
Bonanza Copper		2	56		Hagel
Do.	No. 1	2	57		Do.
Do.	No. 2	3	277	Nov. 6, 1947	Do.
Do.	No. 3	3	277-278	Nov. 6, 1947	Do.
Do.	No. 4	3	278	Nov. 6, 1947	Do.
Do.	No. 5	3	278	Nov. 6, 1947	Do.
Do.	No. 6	4	212	Sept. 1, 1951	Do.
Do.	No. 7	4	213	Sept. 1, 1951	Do.
Fraction	No. 1	4	210	Aug. 29, 1951	Do.
Do.	No. 2	4	211	Aug. 29, 1951	Do.
Bonanza Extension	No. 1	4	214	Sept. 1, 1951	Do.
Bonanza Copper Millsite		3	600	Apr. 10, 1951	Do.
Bonanza Copper	No. 8	6	164	Nov. 12, 1954	Stranahan
Do.	No. 9	6	164	Nov. 12, 1954	Do.
Do.	No. 10	6	165	Nov. 29, 1954	Do.
Do.	No. 11	6	165	Nov. 29, 1954	Do.
Do.	No. 12	6	166	Nov. 29, 1954	Do.
Do.	No. 13	6	166	Nov. 17, 1954	Do.
Do.	No. 14	6	167	Nov. 17, 1954	Do.
Do.	No. 15	6	167	Nov. 17, 1954	Do.
Do.	No. 16	6	168	Nov. 16, 1954	Do.
Do.	No. 17	6	168	Nov. 16, 1954	Do.
Do.	No. 18	6	169	Nov. 16, 1954	Do.
Do.	No. 19	6	169	Nov. 16, 1954	Do.
Do.	No. 20	6	170	Nov. 16, 1954	Do.

Name of claim		Book of Mining Claims	Page	Date of location	Location
Bonanza Copper	No. 21	6	170	Nov. 15, 1954	Stranahan
Do.	No. 22	6	171	Nov. 15, 1954	Do.
Do.	No. 23	6	171	Nov. 15, 1954	Do.
Do.	No. 24	6	172	Nov. 13, 1954	Do.
Do.	No. 25	6	172	Nov. 13, 1954	Do.
Do.	No. 26	6	173	Nov. 13, 1954	Do.
Do.	No. 27	6	173	Nov. 13, 1954	Do.
Do.	No. 28	6	174	Nov. 13, 1954	Do.
Do.	No. 29	6	174	Nov. 29, 1954	Do.
Do.	No. 30	6	175	Nov. 29, 1954	Do.
Do.	No. 31	6	175	Nov. 29, 1954	Do.
Do.	No. 32	6	176	Nov. 30, 1954	Do.
Do.	No. 33	6	176	Nov. 30, 1954	Do.
Do.	No. 34	6	177	Nov. 30, 1954	Do.
Do.	No. 35	6	177	Nov. 27, 1954	Do.
Camp Bird		6	178	Oct. 12, 1954	Do.
Do.	No. 1	6	178	Oct. 12, 1954	Do.
Do.	No. 2	6	179	Oct. 12, 1954	Do.
Do.	No. 3	6	179	Oct. 12, 1954	Do.
Do.	No. 4	6	180	Oct. 12, 1954	Do.
Do.	No. 5	6	180	Oct. 12, 1954	Do.
Do.	No. 6	6	181	Oct. 20, 1954	Do.
Do.	No. 7	6	181	Dec. 2, 1954	Do.
Do.	No. 8	6	182	Dec. 2, 1954	Do.
Do.	No. 9	6	182	Dec. 2, 1954	Do.
Do.	No. 10	6	183	Dec. 2, 1954	Do.
Do.	No. 11	6	183	Dec. 2, 1954	Do.
Tinkers Pride	No. 1	1	151	May 1, 1939	Simi & Harmon
Do.	No. 2	1	152	May 2, 1939	Do.
Do.	No. 3	1	153	May 3, 1939	Do.
Do.	No. 4	1	154	May 3, 1939	Do.
Grey Copper		3	541	Oct. 1, 1950	Westfall
Do.	No. 1	3	542	Oct. 1, 1950	Do.
Do.	No. 2	3	574	Jan. 5, 1951	Do.
Do.	No. 3	3	575	Jan. 5, 1951	Do.
Do.	No. 4	3	634	May 23, 1951	Do.
Do.	No. 5	3	635	May 23, 1951	Do.
Do.	No. 6	3	636	May 24, 1951	Do.

History and Production

Prospecting began prior to 1900. Several short adits, which are accessible, have been driven into the more conspicuous zones of mineralization in the Tinkers Pride area. Gold and copper were the main interest of early prospectors, and no attention was given to the cobalt until 1915 when the Haynes-Stellite Company attempted to produce cobalt in the Blackbird area.

Many of the open cuts and short adits on the property were completed during the early years of prospecting and are now inaccessible. Others, including 3 in the Bonanza Copper area and 4 in the Tinkers Pride area, are accessible.

Records indicate that there has been no production of consequence from this property.

The Calera Mining Company's claims, from which a large production of cobalt and copper is being mined at the present time, adjoins the Tinkers Pride claims on the south.

There are other properties in the district that contain cobalt-copper mineralization, but there has been no appreciable production from any of them.

Mine Workings

The accessible adits in the Big Creek area, which were investigated for cobalt and copper, consisted of 3 tunnels in the Bonanza Copper area and 4 in the Tinkers Pride area.

In the Bonanza Copper area there are the upper and lower tunnels at the Bonanza Copper prospect and the Bonanza Copper No. 23 tunnel. These workings are at altitudes between 5,808 and 6,032 feet.

In the Tinkers Pride area there are the upper and lower tunnels at the Tinkers Pride prospect, the Black Rock No. 4 tunnel, and the East Tinkers Pride No. 4 tunnel. These workings are at altitudes between 5,201 and 5,830 feet.

GEOLOGY

The geology of the Blackbird District is briefly described by Joseph B. Umpleby in "Geology and Ore Deposits of Lemhi County, Idaho," U. S. Geological Survey Bulletin 528, 1913.

J. S. Vhay of the U. S. Geological Survey mapped part of the Tinkers Pride area and described the geology in "Cobalt-Copper

Deposits of the Blackbird Mining District, Lemhi County, Idaho," U. S. Geological Survey Strategic Minerals Preliminary Report 3-219, 1948.

P. J. Shenon, R. P. Full, D. M. Snyder, and H. L. Bauer, Jr., spent several seasons in the area as consultants for Northfield Mines, Inc., and Quebec Metallurgical Industries, Inc., which later operated as Idaho Metallurgical Industries, Inc., and have described the geology of the local areas in various reports which they have prepared for their principals.

The regional geology is also described in two Field Team final reports under Docket No. DMEA-2436 (Northfield Mines, Inc.) and Docket No. DMEA-3143 (Calera Mining Co.).

All of these sources have been freely used in preparing this report, and, for a more detailed discussion, the reader is referred particularly to the Shenon, Full, Snyder, and Bauer final report and maps prepared for Idaho Metallurgical Industries, Inc.

The area is one of deeply weathered, flat-topped upland surfaces cut by several steep-walled valleys which are tributary to the canyon of Panther Creek. Heavy vegetation and thick soil mantle covers most of the area and outcrops are relatively scarce except in the walls of the steeper valleys.

The rocks are mostly metasedimentary and metamorphic rocks of the Precambrian Yellowjacket formation belonging to the Belt series. Part of the Idaho batholith of Cretaceous age crosses the northern part of the area. The Yellowjacket rocks are cut by metamorphosed basic rocks and acidic porphyry dikes.

The lack of information on the regional stratigraphy combined with the intense metamorphism make it difficult to establish mappable stratigraphic units within the Yellowjacket formation, but Shenon and Full have recognized and mapped several distinctive rock types (pl. 1). Contacts are gradational and age relations between some of the units are uncertain; in general, the older rocks lie in the southerly and westerly part of the area.

Apparently one of the lower stratigraphic units comprises white to light-gray, medium- to thick-bedded quartzites which occupy a small area just west of the area shown on plate 1.

In the western part of the area shown on plate 1 is a thick sequence of thin- to medium-bedded, light- and dark-gray, and greenish-banded argillaceous quartzites. Some folding of the beds

is apparent, but the detailed structure is obscured by thick overburden. The eastern limit of these rocks is a gradational contact with biotite schist.

A third metasediment unit is a thick sequence of thick-bedded to massive, dark-gray quartzite. A fault marks the west contact of these beds with the argillaceous quartzite south of the area shown in plate 1, but to the north it is gradational into quartz-biotite schist and garnet schist. At the extreme north end these rocks have been intruded by granite of the Idaho batholith.

The central part of the area is underlain by metamorphic rocks, which originally were shale and sandstone. They are closely associated with the intrusive granite which is the probably source of the metamorphism. Along the western edge of the metamorphic zone schistose rocks grade into fine-banded argillite and argillaceous quartzite and along the eastern edge of the zone garnet schist grades into quartzite. Shenon and Full recognize two units of metamorphic rocks, garnet schist and quartz-biotite rocks, but the boundary between them is irregular and indefinite. Apparently the garnet schist represents a more intense degree of metamorphism than the quartz-biotite rocks.

The quartz-biotite rocks include biotite schist, quartz-biotite schist and phyllite, and quartzite containing only small amounts of biotite. The transition from one facies to another is largely gradational. The various facies could not be mapped as separate units because of poor exposures and heavy overburden. Most of the rocks show definite schistosity, especially in the more argillaceous beds. The latter are interbedded with quartzites in which the bedding has rarely been destroyed by metamorphism although in places it is difficult to recognize because of shearing.

Except for the included porphyroblasts of garnet and chloritoid the garnet schist rocks are not greatly unlike the quartz-biotite rocks. Garnet is more widely distributed than the chloritoid, but both minerals show selective distribution in the schist and both are more abundant in the schistose bands and less common in the quartzite beds.

There are three types of igneous rocks in the area: a granitic mass in the northern part, widespread basic dikes, and a number of acidic dikes especially along the western edge of the zone of metamorphic rocks.

The granitic rocks have been correlated with the Idaho batholith of Cretaceous age. Similar rocks to the southwest are reported by Ross to be quartz monzonite (Ross, C. P., U. S. Geol. Survey Bull. 854, p. 35-37, 1934). The contact between the

granitic rocks and the Belt series is sharp at some places and at others it is difficult to establish because of the introduction of feldspars into the metasedimentary rocks. In general the granitic rocks are medium to coarse grained and form prominent outcrops in the northern part of the area.

Fine-grained basic dikes are widespread, but their greatest concentration appears to be along zones of structural disturbance. Most of the dikes are pre-ore in age, and because they are intensely metamorphosed, many of them are believed to be older than the metamorphism in the area. Nearly black diabase dikes have been cut in several drill holes. These rocks are relatively free from alteration and are probably later than the sulfide mineralization.

There are a number of light-colored quartz latite porphyry dikes, especially along the western edge of the zone of metamorphic rocks. They contain about 40 percent quartz, 40 percent alkali feldspar, 10 percent biotite with a minor amount of chlorite, and 10 percent plagioclase. They show only slight evidence of alteration even within intensely mineralized areas and are probably post-mineral in age. They may well be feeders for the Tertiary quartz latite flows of the Challis formation which are found southwest of the area.

A number of small tight folds, some of them overturned, are superimposed on a broad, open, north-south-trending and northerly plunging syncline. The axis of the major fold closely parallels the trend of the zone of metamorphic rocks but is complicated by faulting and minor folding. Exposures are poor and details of much of the folding are difficult to correlate.

Faulting is widespread, but faults with large displacement are generally not obvious. The most continuous fault appears to be the one along the White Ledge shear zone (pl. 1). It can be traced in surface exposures from near the head of Indian Creek southerly to near the head of Bucktail Creek, a distance of more than 3.5 miles, and is marked by a series of quartz latite dikes. Where the fault zone is best exposed, the rocks are intensely sheared over a width of nearly 800 feet. The length and width of the zone suggest that it is one of considerable adjustment, the amount of which has not been determined. A noticeable change in rock type across the zone is not always apparent. Within the sheared rock there is considerable cobalt and copper mineralization, associated with silicification.

The principal ore minerals are cobaltite and chalcopyrite which occur in variable ratios in the different structures; in places one or the other is lacking. Many of the veins contain pyrite

and pyrrhotite. Primary cobalt minerals at the surface are not uncommon in the silicified zones, but in most places the cobaltite has been leached from the outcrops, in places to depths of 100 feet or more. Secondary minerals are cobalt-calcanthite and erythrite. Powdery yellow coatings of jarosite appear to be the most diagnostic mineral associated with weathered outcrops of cobalt mineralization, but the exact relationship between them is not known.

The only deposits of copper-cobalt ore so far discovered in the area are those on the Calera property adjoining the southern part of the Tinkers Pride claims. On the Calera property hydrothermal replacement deposits occur along three principal sets of shear zones which strike respectively northwest, north, and northeast. Important ore bodies have been found thus far in only the northwest- and north-trending zones. The shear zones have been the principal control of ore deposition, and lithology of the sedimentary rocks, crests of folds, and high-angle faults apparently have been a secondary control. The ore bodies tend to rake down the plunges of the folds. The Chicago ore zone is about 2,500 feet long and ranges in width from 3 to 30 feet averaging about 12 feet. The Brown Bear zone is about 500 feet wide, but its length is not known as most of the development on it has been where it intersects the Chicago zone.

THE PROJECT

Geologic work in the Blackbird District during the summer of 1954 indicated widespread cobalt and copper mineralization along a well-defined shear zone in the Big Deer Creek area. A large block of mining claims was therefore acquired during the fall and winter months by Quebec Metallurgical Industries, Ltd. These claims were consolidated in 1955 into the holdings of Idaho Metallurgical Industries, Inc.

Based on information in Full's Preliminary Report on the Big Deer Creek area, dated March 17, 1955, the applicant submitted a two-stage exploration program for cobalt and copper at the Tinkers Pride claims, along with a cost estimate, as follows:

Stage I

1.	Geophysical and Geochemical Exploration	$12,000.00
	(a) Self-potential surveys along the structural zone with a minimum total of 80,000 feet of profiles.	
	(b) Collection of soil samples for geochemical analyses at 50-foot intervals along each cross line and analyzing them for copper and cobalt.	
2.	Mapping and Surveying	20,675.00
	(a) Geologic maps extending over an area of approximately 1,300 acres.	
	(b) Surveying and mapping of all bulldozer trenches and cuts and all geological, geophysical, and geochemical features. Map folio will be accompanied by report covering diamond drill logs, geological, geophysical and geochemical data.	
3.	Bulldozing - 800 hours	11,200.00
4.	Diamond drilling: maximum of 2,000 feet	16,000.00
	Estimated cost of Stage I work	$59,875.00

Stage II

1.	Diamond drilling: 20,000 feet	$140,000.00
2.	Drifting and crosscutting: 2,500 feet	175,000.00
3.	Temporary access road to Panther Creek, 3 miles	12,000.00
4.	Expansion of camp facilities for increased exploration labor and staff	25,000.00
5.	Technical direction (2 years)	50,000.00
	Estimated total cost of Stage II work	$402,000.00
	Estimated total cost of project	$461,875.00

J. S. Vhay had been working in the Blackbird District for several seasons and was familiar with the Big Deer Creek area. Therefore no special on-site examination was made. After several office conferences between company and MMA representatives a modified program was worked out. The contract, dated August 26, 1955, was approved and signed by the Operator. The Operator was to start work on the date of the contract and complete it on or before June 30, 1957.

The purpose of the work was to explore along the Tinkers Pride-Bonanza Copper shear zone for cobalt and copper by trenching, self-potential surveying, soil sampling, diamond drilling, surface and underground mapping, and drifting and crosscutting.

The work was divided into three stages. Work items under Stages I and II of the exploration contract were on an actual cost basis with an allowable maximum as to number of units, unit costs, and total cost. Stage III work was on a fixed unit cost basis.

Stage I consisted of the following work items:

1. Bulldozing access roads, trenches and drill sites, not to exceed 850 hours.

2. Construct a temporary camp and purchase equipment for it.

3. Self-potential surveying aggregating 80,000 linear feet of profile along the Tinkers Pride-Bonanza Copper shear zone.

4. Collect not to exceed 1,600 soil samples for geochemical analysis.

5. Geochemical analysis of soil samples for cobalt, copper, and, where advisable, arsenic.

6. A geologic study, including sampling, surveying, and mapping of all trenches, cuts, roads, and outcrops, covering not to exceed 640 acres of land.

7. Assay not to exceed 500 samples for cobalt, copper, and, where advisable, arsenic.

8. Diamond drill not to exceed an aggregate of 5,000 feet of AX size hole.

9. Not to exceed 1,200 core and sludge samples to be assayed for cobalt and copper and, where advisable, for arsenic in the oxidized zones.

Stage II consisted of the following work items:

10. Not to exceed an aggregate of 20,000 feet of AX size core drilling from 40 surface drill sites.

11. Not to exceed 4,500 samples to be assayed for cobalt and copper and, where advisable, for arsenic in the oxidized zones.

12. Bulldoze access roads and drill sites, not to exceed 160 hours.

13. Construct approximately 3 miles of access road down Big Deer Creek to Panther Creek.

14. Construct and furnish an all-weather camp.

Stage III consisted of the following work items:

15. Drift and crosscut an aggregate of 1,500 feet.

16. Not to exceed 200 samples to be assayed for cobalt and copper.

The estimated total cost of the project was $328,290, and Government participation at 62.5 percent was rounded to $203,180.

Exploration work commenced at the property on June 17, 1955, when a bulldozer was moved into the area and began road building and trenching. Drill site preparation was started later. Weather conditions made trenching impractical after November 9, at which time the large bulldozer was replaced by a smaller one, which was used only for road maintenance while drilling was in progress.

Access to the area was from the south fork of Big Deer Creek, a mile south of its junction with Big Deer Creek. Roads from the head of Bucktail Creek to near the South Fork that had been used by the Calera Mining Company for location work were repaired and extended into the Big Deer Creek area where roads were built to the Tinkers Pride, Bonanza, and Gray Copper areas.

The Tinkers Pride area is east of Indian Creek and adjoins Big Deer Creek on the north. Two important zones of mineralization in this area have been named the Tinkers Pride No. 3 zone and Tinkers Pride No. 4 zone after the claims on which they occur (pls. 2 and 3). The Tinkers Pride No. 3 zone is in an area high on the slope, to the west of the latite dikes, whereas the Tinkers Pride No. 4 zone is east of the dikes.

The Bonanza Copper area adjoins the Tinkers Pride area on the north in the vicinity of Indian Creek. The Gray Copper area is southeast of the Tinkers Pride area, south of Big Deer Creek (pl. 1).

The initial exploration work under Stage I, other than road building and camp work, consisted of a minimum amount of mapping, trenching, self-potential surveying, and soil sampling. This work was done to gain sufficient information to determine where the diamond drilling should be done.

The grid system established on the Calera property to the south was extended to the Tinkers Pride claims by transit surveys. Claim corners and survey control points were then established.

For the geophysical and geochemical surveys 2 base lines were established from the vicinity of Big Deer Creek, 1 for the Tinkers Pride-Bonanza Copper area extending N. 20° W. for a distance of 8,200 feet, the other for the Gray Copper area extending S. 20° E. for a distance of 2,400 feet. Along each base line cross lines were established at 400-foot intervals. In areas where pronounced anomalies were observed the interval was decreased to 200 feet. Readings were taken at 50-foot intervals along the cross lines. Soil samples were taken at each self-potential station, but only those samples taken at 100-foot intervals, that is every other sample, were assayed. Analyses were made for cobalt and copper in all three areas, and for arsenic in the Bonanza Copper area.

Self-potential anomalies are numerous, but there is a pronounced lack of continuity particularly in the Tinkers Pride area. Correlation between some of the anomalies and known mineralized structures can be made and additional exploration may show a similar relationship for some of the other anomalies.

No significant anomalies were found in the Gray Copper area. In the Tinkers Pride area the largest single anomaly is 300 millivolts over the Tinkers Pride No. 4 zone. The largest anomaly in the Bonanza Copper area is 350 millivolts north of the tunnels. This anomaly is very narrow and is over the surface projection of a mineralized zone exposed in the tunnels. Between 600 and 800 feet south of the Bonanza Copper tunnels there are several anomalous variations up to 200 millivolts over a wide area west of Indian Creek. Trenching this zone has been difficult because of the hard silicified outcrops over much of the area, but copper stains may be seen in some of the outcrops and both copper and cobalt minerals have been exposed in one trench.

Interpretation of the results of the geochemical survey in the Tinkers Pride area is difficult because of the variations of surface cover. Outcrops are stained by secondary copper and cobalt minerals which may have enriched the samples of soil taken in their vicinity. Also, migration of soil and talus causes some doubt as to the reliability of the results. With these factors in mind the following interpretations appear valid. In trace amounts copper and cobalt mineralization is widespread on the slopes of the Tinkers Pride claims (pls. 2 and 3). The higher cobalt values are more restricted than those for copper, but otherwise there is some similarity between the patterns developed from the analyses for each metal. The largest anomalous area for both copper and cobalt is over the Tinkers Pride No. 4 area.

Most of the Bonanza Copper area is covered by thick soil mantle, but in one zone west of Indian Creek bold outcrops and slide rock are dominant. Geochemical cobalt anomalies of high intensity are rare and in only a few cases were copper anomalies as much as 1,000 ppm. The general pattern of the anomalies for both metals tends to follow structural trends, and a general correlation between the geophysical and geochemical anomalies can be made.

In the Gray Copper area the anomalies of both copper and cobalt are low, the highest for cobalt being 30 ppm and that for copper being 100 ppm.

Approximately 689 acres were mapped for geology. Geologic features were recorded along lines concurrently with the geophysical and geochemical surveys. Details of roads and trenches were surveyed by Brunton compass and tape. A plane table map was made of the Tinkers Pride area.

Based on the results of the geochemical, geophysical, and geologic mapping, seven drill stations were designated (pls. 2, 3, 4, and 5). All holes were collared with NX bits, but only four were completed without a reduction to EX bits. The depths to which each hole was drilled and the amount of hole drilled with NX and EX are shown in the following table:

Hole No.	Depth (feet)	NX	EX
1	709.0	395.0	314.0
2	552.2	552.2	
3	438.7	438.7	
4	588.0	588.0	
5	546.0	173.0	373.0
6	487.4	487.4	
7	500.0	335.0	165.0
Totals	3,821.3	2,969.3	852.0

In the Tinkers Pride area Holes No. 2 and 4 were drilled to intersect the No. 3 zone below areas where the mineralization was most intense and Holes No. 6 (pl. 7) and 7 (pl. 9) were drilled to intersect the No. 4 zone below similar areas. Holes No. 2 (pl. 6) and 4 (pl. 8) penetrated wide zones of low-grade copper and cobalt but did not indicate the presence of any definite structure or concentration of mineral deposition. Hole No. 6 cut several mineralized

intervals, but the core recovery was poor and sludge assays were low. Hole No. 7 cut a wide zone of low-grade mineralization, but no correlation between it and the structure in the Tinkers Pride No. 4 tunnel could be made.

Hole No. 1 (pl. 10) was drilled on the Bonanza Copper zone to explore below the largest self-potential anomaly. At intervals between 421.0 and 427.3 feet and 452.9 and 469.0 feet, respectively, assays showed an average grade of 0.101 percent copper and 0.486 percent cobalt, and 0.159 percent copper and 0.413 percent cobalt ~~(pl. 7)~~. Holes No. 3 (pl. 12) and 5 (pl. 11) were drilled north of Hole No. 1 at intervals of approximately 300 feet. In Hole No. 3 at intervals between 321.0 and 336.0 feet and between 368.5 and 380.8 feet, respectively, assays showed an average grade of 0.781 percent copper and 0.257 percent cobalt, and 0.026 percent copper and 0.300 percent cobalt. In Hole No. 5 in the interval between 393.0 and 404.0 assays showed an average grade of 0.716 percent copper and 0.055 percent cobalt.

No material of ore grade was disclosed by the diamond drilling. Assay data and logs, respectively, of the seven holes are included in Appendices A and B of the Operator's final report. Drilling of the diamond drill holes completed Stage I work. Considerable work remains to be done to explore the Tinkers Pride and Bonanza Copper areas conclusively.

The contract had two amendments. Amendment No. 1, dated March 20, 1956, increased the allowable charge for analyzing the samples for cobalt and copper in all three stages of the exploration contract from $3 to $6. The amendment became effective on August 26, 1955, the date of the contract. The estimated total allowable cost for the exploration project contract was thus increased from $328,290 to $347,490, and the maximum amount of Government participation from $205,180 to $217,181.25.

Amendment No. 2, dated June 25, 1956, provided the following more important revisions in the project contract:

1. NX and EX core holes were substituted for AX size in the original contract.

2. A recess on the project work was granted for the period beginning December 1, 1955, and ending not later than June 30, 1957.

3. The period for completion of the project work was extended from June 30, 1957, to June 30, 1958.

4. The maximum period for royalty payments was extended to 11 years from the date of the contract.

The estimated total allowable cost for the exploration project was changed from $347,400 to $345,558 and the maximum amount of Government participation from $217,181.25 to $215,973.75.

Stage I work was the only part of the exploration contract completed. The Operator was not adequately financed to continue with Stages II and III of the work at the time specified in the contract, and the contract was terminated on December 1, 1955.

Summary of Factual Data

Work under Stage I was the only part of the contract completed.

Work under Stages I and II was on an actual cost basis with a fixed maximum amount allowed for each work item; work under Stage III was to be on a fixed unit cost basis for all items.

The allowable costs of the project were:

Stage I

	Item	Authorized	Completed	Approved unit cost	Total cost
1.	Bulldozing	850 hr.	409 hr.	$13.98	$ 5,719.00
2.	Camp--Purchase 4 tents, equipment, furnishings	$2,000.00	none	--	none
3.	Self-potential survey	80,000 lin.ft.	101,664 lin. ft.	0.0875	7,000.00
4.	Collection of soil samples	1,600 samples	2,253 samples	0.975	1,560.00
5.	Analysis of soil samples	$2,700.00	$2,700.00	--	2,700.00
6.	Geological study	640 acres	689 acres (approx.)	25.00	16,000.00
7.	Analysis of samples from Item 6	500 samples	68 samples	6.00	408.00
8.	Drilling NX holes	2,969.3 ft.	2,969.3 ft.	8.12	24,110.71
	Drilling EX holes	852.0 ft.	852.0 ft.	7.58	6,458.16
	Cementing and re-drilling and for reaming and casing	1,000.0 ft.	320.0 ft.	2.50	800.00
9.	Analysis sludge and core samples	1,200 samples	331 samples	6.00	1,986.00
	Total cost for Stage I work				$66,741.87

Total amount of contract (rounded)	$345,558.00
Government's share at 62.5 percent	215,973.75
Total amount expended	$ 66,741.87
Government's participation at 62.5 percent	41,713.67
Total amount unexpended	$278,816.13
Government's share unexpended	174,260.08
Royalty payments received	none

The Government has no equity in equipment, supplies, and materials used on the project.

Discussion of Conclusions

The work was performed competently and progress was good considering the adverse weather conditions, especially during the latter part of the working season.

Work completed under the terms of the contract in the Big Deer Creek area has delimited two areas, the Bonanza Copper and Tinkers Pride, in which widespread, low-grade, cobalt and copper mineralization occurs. Even though low-grade mineralization is known to be extensive, evidence from geologic mapping indicates that the higher grade mineralization is extremely lensy. However, seven diamond drill holes drilled in an area as large as the Bonanza Copper and Tinkers Pride areas appear inadequate to determine definitely if deposits containing significant amounts of cobalt-copper mineralization of ore grade are present or not at this property. Actually, to determine this, more exploration work should be completed than was done under the exploration project contract.

An excellently written and comprehensive final report along with the necessary maps and tables for the work (Stage I) completed under the exploration project contract and proposed diamond drill holes under Stage II work was submitted by the Operator.

It is understood the Operator has been doing some additional diamond drilling at the property since the termination of the contract that is applied as assessment work for claims held by location.

Enclosures
Distribution:
OME(3)
USBM(5)
USGS(SRO)
Docket
MacLaren

Kenora 3729

Copied from E & M J - May 1955 - Page 162

Quebec Metallurgical Industries, a subsidiary of the Frobisher and Ventures organization, has arranged $5-million worth of financing.

Quebec Metallurgical is handling the Frobisher-Ventures investigation of a possible power development, electro-chemical and metallurgical project in northern British Columbia and the Yukon territory. Company recently acquired Cobalt Chemicals, which has a refinery at Cobalt, Ontario.

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
MAY 31 1955

May 24, 1955

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

Re: Docket No. DMEA-3739 (cobalt-copper)
Quebec Me~~tallurgical~~ Industries, Ltd.
Tinkers Pride Claims
Lemhi County, Idaho
and
Docket No. DMEA-2436 (cobalt-copper)
Northfield Mines, Inc.
Stevenson Property
Lemhi County, Idaho
Contract No. Idm-E334

Dear Mr. Selfridge:

In reply to your request of May 12, 1955, for our recommendations for certification or non-certification of discovery or development of work done under Contract Idm-E334 by Northfield Mines, Inc., at the Stevenson property in Lemhi County, Idaho, we have reviewed the information on this project.

Two main zones, the Merle 3 and the Merle 5 zones, were explored for cobalt and copper during the course of work under this contract. At the point where the diamond drill holes cut the Merle 3 zone, oxidation was still extreme and the zone had been leached of whatever copper and cobalt minerals it may have had. Thus, although the bulldozing and diamond drilling have shown a strong structure which should be investigated further, they did not show the presence of any ore and therefore there is no basis for stating that we have made a discovery on the Merle 3 zone. The work outlined under the Amended Contract, which would have cut the Merle 3 zone at depth, was never undertaken and therefore the results of the exploration must still be regarded as inconclusive.

The situation with respect to the Merle 5 zone is different, however. According to the statements made in a report by Mr. George Mitchell of Northfield Mines, Inc., dated April 29, 1953, it would certainly appear that sufficient ore has been found to warrant certification of a discovery.

Mr. Mitchell states on the third page of his report:

"The 7000 Adit crosscuts the Merle #5 formation through the structure outlined in the diamond drill holes. The shear of very soft biotite schist, from 188 to 248 from the portal, was 60 feet wide. Average assays were 0.31% cobalt and 0.81% copper from 26 cut samples equally divided between each wall. No oxidation is present in this material.

"In 702 drift, turned south west from a point 88 feet from the portal of the 7000 Adit, a similar zone was cut. Its true width is 30 feet and assays from 80 to 120 feet from the turn out averaged 0.15% cobalt and 0.93% copper. Arsenate stain and other evidences of oxidation are present but the degree of oxidation was not determined. Cobalt values are almost certain to be higher than the assays. A turn in the shear to the east is indicated though the two zones appear connected. . . . "

After the above was written the zone was cut again by ~~four~~ 5 underground diamond drill holes, Nos. 700-1, 701-3, 701a-1, and 701-1, 701-5; these holes confirm the results of the crosscut. The drill holes and their assays are plotted on drawing 7 (scale, 1-inch equals 20 feet) of the final report submitted by Northfield Mines, Inc., in June of 1954. Without attempting detailed analysis of the drill hole assays, some simple averaging will show that in Hole 700-1, 64 feet averaged 0.32 percent cobalt and 0.64 percent copper. Ten feet of this averaged 0.67 percent cobalt and 1.92 percent copper. In Hole 701-3, 30 feet of the presumed ore zone averaged 0.50 percent cobalt and 0.98 percent copper. There is then a gap of 20 feet which is not assayed, and then there is a 3-foot sample which assays a little over 0.8 percent cobalt and 0.3 percent copper. The sludge from this interval, however, runs 1.06 percent cobalt and 1.21 percent copper. In general the sludge assays run much higher than the core. In Hole 701a-1, the presumed mineralized zone has a width of 47½ feet and averages 0.25 percent cobalt and 0.58 percent copper. Eighteen feet of this, however, runs 0.30 percent cobalt and 0.75 percent copper. The remaining two drill holes do not show so much, it is true, but they do indicate that the mineralized zone is there. The only sample taken in Hole 701-5, for instance, assayed 0.64 percent cobalt over a 4-foot width.

Although a good deal of money was spent in attempting to explore the Merle 5 zone only a relatively small stretch of the zone was actually explored, something in the neighborhood of about 350 feet of strike length. Even though the zone where cut in the 7000 adit was in places still partly leached and oxidized, yet the results clearly show that enough cobalt and copper is present to justify

certification of a discovery. Thus, by the company's own figures we cannot agree with their contention that no discovery has been made, although we recognize that much more work will have to be done before the importance of the discovery can be appraised.

We do not agree with the company's contention that the Merle 5 zone is not worth further exploration at this time; we feel that so little work was done that the results are entirely inconclusive and we point to the history of the Calera property where the first drilling was very disappointing. If, because of geophysical and geochemical evidence the company prefers to explore the Big Deer Creek area rather than the Stevenson property, we would have no objections and we believe that very likely a program could be worked out, although, until the company presents a detailed program, we cannot judge whether or not this would fit into a DMEA contract. We believe, however, that the company should be required to repay the usual royalties from any ore produced from the Stevenson area, both because a genuine discovery has been made on the Merle 5 zone and because the exploration of the Merle 3 zone was stopped short of completion. Inasmuch as the ore bodies in the Big Deer Creek area are distinct from those in the Stevenson area, at least as far as we know, perhaps the Big Deer Creek area could be explored under a separate DMEA contract having no direct connection with the Stevenson area contract, but before entering into another contract the Northfield Mines, Inc., or its successors should agree to repayment of the Government's contribution to the exploration of the Stevenson area should any ore be produced from that property.

We had told you previously that Mr. Vhay would prepare a memorandum in which he would comment on Full's report. We think that this is now unnecessary, and he will not prepare this memo until we receive a formal proposal for the Big Deer Creek work.

By Field Team, Region I, NW District

A. E. Weissenborn

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

Wing G. Agnew

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

cc: USBM (2)
USBM(AD)
Nickelson

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/30	Chapman	400
1/30	Martin	400
	Rubin	140
	Sawyer	140
	Chapplin	800
2/3	Selridge	120
1/"	Johnson	110
3	Stockendorf	100
2/3	C	220

400

FEB 3 1958

Idaho Metallurgical Industries, Inc.
Room 602
88 Metcalfe Street
Ottawa, Ontario, Canada

Re: Docket No. DMEA 3739, Cobalt and Copper
Tinker's Pride, et al., claims
Lemhi County, Idaho
Contract No. Idm-E884

Attention: Mr. J. H. Grierson, C.P.A.

Gentlemen:

By letter of January 16, 1958, you requested a supply of our forms MF104 and MF-104A to be used for claiming for expenditures which you believe to be allowable under the captioned contract.

Our files indicate, however, that our books have been closed in this instance, in accordance with the findings of our report of review of September 16, 1957, made in lieu of a final audit of your accounts and records.

For your own records, you may wish to investigate the possibility that the Shenon and Full invoice mentioned in your letter relates to diamond drilling, which we are informed was completed in August, 1957, for company account, in connection with assessment work for the subject claims, and perhaps also to diamond drilling in September, 1957, on the Merle No. 3 claim.

Sincerely yours,

Administrator

WSMartin/foc
1-30-58
cc to: Docket
Code 400
Admr. R. File
Oper. Comm.
FT. REG. I
Messrs. H. W. Davis, USBM
T. H. Kiilsgaard, USGS

8623

DRAFT
1/30/58

Martin

MEMORANDUM

To: Administrator

From: Division of Iron and Ferro-Alloys

Subject: Letter of January 16, 1958, from Operator requesting payment for non-contract work.
Docket No. DMEA 3739, Cobalt and Copper
Tinker's Pride, et al., claims
Lemhi County, Idaho
Contract No. Idm-E884
(Idaho Metallurgical Industries, Inc.)

By the last sentence of the first paragraph of his letter of May 27, 1957, Mr. John H. Baker, president of the subject company, advised Mr. C. O. Mittendorf, Administrator, Defense Minerals Exploration Administration as follows:

"However, it now appears that it would be unwise for us to engage in large scale exploration work, as outlined in Stage II of the Contract, during this summer season." A request was also made for extension of recess from June 30, 1957, to June 30, 1958.

On June 6, 1957, Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, wrote to Mr. Baker, referring to Amendment No. 2, which stipulates that if work is not resumed by June 30, 1957, the project will be terminated as of December 1, 1955. The last sentence of Mr. Weissenborn's letter reads: "We would appreciate hearing from you regarding your plans for resuming contract work."

By letter of June 20, 1957, Mr. C. O. Mittendorf, advised Mr. Baker that the request for extension of the recess for one year could not be granted and that paragraph No. 7 of Amendment No. 2 would become operative unless work was resumed by June 30, 1957.

Paragraph 2, Exhibit "A", of the Contract, states specifically: "The Operator shall perform so much of Stages II and III as the Government approves in writing in advance, based upon the results of the prior stages." No authorization was requested or granted for this work.

According to the Semi-Annual Report received here January 27, 1958, and other Field Team Reports, Shenon and Full, acting for the Operator, did some diamond drilling in the project area in August, 1957, for assessment work only. This work was not authorized by the Government, as can be seen from Mr. Weissenborn's teletype of January 24, 1958, in reply to Mr. W. S. Martin's telephone call of the same day requesting Field Team's comment on the subject letter.

W. S. Martin, Director
Division of Iron and Ferro-Alloys

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting period: July 1 to December 31, 1957

Date of exam: December 6, 1957

Operator: Idaho Metallurgical Industries, Inc.
200 Park Avenue
New York 17, N. Y.

Mine name: Timbers Pride, et al

County and State: Lemhi County, Idaho

Docket number and commodity: IMEX-3739 (cobalt-copper)

Contract number: Ida-[illegible]

Date of contract: August 26, 1955

Date of certification: June 25, 1956 (per Amendment No. 2)

Expiration date of royalty payments: August 26, 1966

Total amount of contract: $345,558.00

Total expenditures under contract: 66,743.47

Amount of Government participation at 62½%: 41,723.47

Royalty payments this period: none

Previous royalty payments: none

Total royalty payments to date: none

Percent Government participation repaid: none

Royalty due on production to date: none

Royalty remarks: none

Semi-annual report
Contract Idw-EBM, page 2

	Tons	Analysis
Original estimate of DMEA reserves (from Field Team final report) Mines___ Survey___ Joint___	Final report in preparation.	
Revised estimate of DMEA reserves (Field Team) Mines ____Survey ___ Joint ___		
Increase of reserves by work performed subsequent to DMEA project work		
Production of DMEA ore (this period)	none	
(previous)	none	
(to date)	none	
Production of Operator's ore found subsequent to DMEA work (this period)	none	
(previous)	none	
(to date)	none	
Percent of revised reserves mined:	____	

Remarks: According to Mr. E. B. Douglas, manager of the Calera Mining Company, Cobalt, Idaho, one diamond drill hole about 900 feet long was drilled in August 1957. The hole was drilled to explore the Tinkers Pride cobalt-copper mineralization at depth. The firm of Shannon and Full directed this work.

Signed: Wm. M. Remischer (Engineer)

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
USBM (2)

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 27 1958
DATE | INIT.
1/27 | C
WSM
220
400

XDXXXXXX-089K

YWA171

WAF SP 29 I-GS-G

SPOKANE WASH 1-24-58 1445U

MR. GEORGE C SELFRIDGE, CHAIRMAN OPERATING COMMITTEE DMEA

DEPT OF INTERIOR, WA

RE MARTINS TELEPHONE CALL, DOCKET NUMBER DMEA 3739 IDAHO METALLURGIC INDUSTRIES OPERATOR NEVER REQUESTED AUTHORIZATION TO START STAGE 2 WORK. FURTHERMORE FIRST PARAGRAPH OF BAKERS LETTER OF MAY 27, 1957 TO MITTENDORF INDICATES HIS INTENTION NOT TO REQUEST SUCH AUTHORIZATION. NO AUTHORIZATION WAS EVER GIVEN AS REQUIRED IN PARAGRAPH TWO, EXHIBIT A, OF CONTRACT. DURING RECESS PERIOD SHENON AND FULL, ACTING FOR OPERATOR, DID SOME DRILLING AS ASSESMENT WORK ONLY. REFER TO MEMORANDUM TO THE FILES BY D. D. WALKER, JULY 17, 1956; FINAL SENTENCE OF FIELD TEAM LETTER TO BAKER JUNE 6, 1957; BAKERS REPLY, JUNE 12, 1957; AND PARTICULARLY TO FINAL PARAGRAPH OF HIS LETTER TO MITTENDORF, MAY 27, 1957.

A. E. WEISSENBORN, EXEC OFFICER DMEA FIELD TEAM REGION 1

3739 27 1957 A 17 1956 6 1957 12 1957 27 1957

SLP 1450U

JAN 27 8 42 AM '58

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT

Date 1/28

Referred to:

1. ~~Mr. Mistendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. Docket Control Mails and Files
5. ~~Division~~
6. Docket Control Mails and Files
7. 400

Note comments in report regarding:

1. Inactive ?
2.
3.
4.

and take appropriate action.

- - - - - - - - -

Action taken by Division:

Robert D. Adams

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 27 1958

DATE	INITIALS	CODE
1/28	C	220
28	Comm	100
	WSM	400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting period: July 1 to December 31, 1957

Date of exam: December 6, 1957

Operator: Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York 17, N. Y.

Mine name: Tinkers Pride, et al

County and State: Lemhi County, Idaho

Docket number and commodity: DMEA-3739 (cobalt-copper)

Contract number: Idm-E884

Date of contract: August 26, 1955 "Pseudo"

Date of certification: June 25, 1956 (per Amendment No. 2)

Expiration date of royalty payments: August 26, 1966

Total amount of contract:	$345,558.00
Total expenditures under contract:	66,741.87
Amount of Government participation at 62½%:	41,713.67
Royalty payments this period:	none
Previous royalty payments:	none
Total royalty payments to date:	none
Percent Government participation repaid:	none
Royalty due on production to date:	none
Royalty remarks:	none

Semi-annual report
Contract Idm-E884, page 2

	Tons	Analysis
Original estimate of DMEA reserves (from Field Team final report) Mines___ Survey___ Joint___	Final report in preparation.	
Revised estimate of DMEA reserves (Field Team) Mines ___Survey ___ Joint ___		
Increase of reserves by work performed subsequent to DMEA project work		
Production of DMEA ore (this period)	none	
(previous)	none	
(to date)	none	
Production of Operator's ore found subsequent to DMEA work (this period)	none	
(previous)	none	
(to date)	none	
Percent of revised reserves mined:	___	

Remarks: According to Mr. E. B. Douglas, manager of the Calera Mining Company, Cobalt, Idaho, one diamond drill hole about 900 feet long was drilled in August 1957. The hole was drilled to explore the Tinkers Pride cobalt-copper mineralization at depth. The firm of Shennon and Full directed this work.

Signed: Wm. M. Romischer (Engineer)

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
USBM (2)

OFFICIAL FILE COPY

Date	Surname	Code
1-22	Chambers	800
		~~220~~
	WSM	400
1/22	C	220

JAN 22 1958

Clarkson, Gordon & Company
15 Wellington Street West
Toronto 1, Canada

Re: Docket No. DMEA-2436
Contract No. Idm-E334
Northfield Mines, Inc.
and
Docket No. DMEA-3739
Contract No. Idm-E884
Idaho Metallurgical Industries, Inc.

Gentlemen:

In reply to the request made in your letter of January 15, 1958, payments to Northfield Mines, Inc., Docket No. DMEA-2436, Contract No. Idm-E334, as of November 1, 1955, were $67,803.83. No payments by the Government have been made since that time. Payments to the Idaho Metallurgical Industries, Inc., Docket No. DMEA-3739, Contract No. Idm-E884, as of November 1, 1957, were $41,713.67. No payments by the Government have been made since that time. Therefore, your letter stated the accounts correctly.

According to our records the Government holds no equity in the buildings and equipment under either of the above contracts as at December 31, 1957.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

JLChambers/wb
January 21, 1958

Copy to: Docket (2)
Admr. Reading File
Mr. Chambers (2)

8623

A FORM 56
. 12-56

REFERENCE SLIP

DEFENSE MINERALS EXPLORATION ADMINISTRATION

	INITIALS	DATE
~~SOLICITOR'S DCK. RM. 6038~~		
~~MR. DWYER - RM. 7343~~ SOLICITOR		
W. S. Martin		
JAN 2[illegible] 1958		
INTERIOR DEPT.		
M: WSMartin/foc 1/21/58		

:: Check items for action desired

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

EMARKS:

Believe reply should state forms will be sent only if we receive copy of Government approval "in writing in advance" as required by contract. Please comment.

WSM
Could determine from file if there was any prior approval, written. If not, would tell Co. we closed over [illegible] last year. [illegible] 1/22/58

FM-DUP. SEC., WASH., D.C. 8278

PHONE 5-4764

ROOM 602
88 METCALFE STREET
OTTAWA, ONTARIO

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 21 1958

DATE	INITIALS	CODE
1/21	gb	220
	WSM	400

January 16, 1958.

Defence Minerals Exploration Administration,
U. S. Department of the Interior,
Washington 25, D. C.

Attention: Mr. C. O. Mittendorf

Dear Sirs:

Re: DMEA Docket No. 3739 - Contract No. IDM-E884
Tinker's Pride Claims et al

On June 20th, 1957, you wrote to our Mr. Baker with reference to the Application for Extension of the above Exploration Contract and stated that unless work was resumed before June 30th, 1957, Paragraph 7 of Amendment No. 2 of the contract would become operative.

Since that time the administration of this company has been transferred to this office in Ottawa. From our examination of the records it would appear that work was begun late in June, 1957, on Stage 2 of the contract and was completed during November, 1957. Messrs. Shenon and Full of Salt Lake City, Utah, have recently rendered their report of the results of this work and indicate total expenditures of $16,800, all of which would appear to be allowable under this DMEA Contract.

Would you kindly supply us with forms MF 104 and MF 104A in order that we may claim for such expenditures.

Yours very truly,

IDAHO METALLURGICAL INDUSTRIES, INC.

J H Grierson

J. H. Grierson, C.P.A.

JHG:MH

RECEIVED
JAN 21 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

OFFICIAL MAIL
DMEA
RECEIVED NOV 12 1957

DATE	INITIALS	CODE
11/12	C	220
11/12	[illegible]	800
11/12	WSM	400

No. 157 Howard Street
Spokane 4, Washington

November 8, 1957

Mr. John H. Baker, President
Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York 17, New York

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Tinker's Pride et al. claims
Lemhi County, Idaho
Contract No. Idm-2884

Dear Mr. Baker:

Enclosed is a copy of Report of Review dated September 16, 1957, for the period of August 26, 1955, to May 1, 1956, inclusive, by C. A. Turner, DMEA Auditor, on this contract.

This is for your information and files.

Sincerely yours,

D. R. Maclaren
For: Wing G. Agnew
Acting Executive Officer, DMEA
Field Team, Region I

Enclosure

cc: DMEA(3)
DM(2)
DM(A)
Turner

Standard Form No. 1034—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. 2064

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

Voucher prepared at Spokane, Washington 11/1/57
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idn-1834

To Idaho Metallurgical Industries, Inc.
(Payee)

230 Park Avenue New York, New York
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	Supplemental Aug. 20-55 to Nov. 30-55	Balance withheld under Voucher #1825, dated July 20, 1956, adjusted to audit				917	50
PAYMENT: Complete ☐ Partial ☐ Final ☐		FINAL PAYMENT					
		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 917 50

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

(Sign original only)

Date ..... *Payee .....
(This certificate not required when a like certificate is made by payee on attached bill or bills)

Per ..... Title .....

(Payee must NOT use this space)

Differences .....

Account verified; correct for 917 50

(Signature or initials) A. R.

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

Pursuant to authority vested in me, I certify that this account is correct and proper for payment.

† Approved for $ .....

By .....

Title .....

SIGN ORIGINAL ONLY

† .....
(Authorized Certifying Officer)

Title .....

Date .....

THE REVERSE OF THIS FORM MUST BE EXECUTED WHEN PURCHASES ARE MADE OR SERVICES SECURED WITHOUT WRITTEN AGREEMENT IN ANY FORM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount

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

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

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign on the line below "Approved for $.....", and over his official title.

Per .....

Title .....

16—22900-3

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

16—22900-2 ☆ U. S. GOVERNMENT PRINTING OFFICE : 1950—O-75806

1201 N. Division St.
Spokane 2, Washington

October 22, 1957

Mrs. Dorothy F. Long, Certifying Officer
DMEA Field Team, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Lemhi County, Idaho
Contract No. Idm-2884

Dear Mrs. Long:

The work completed under the contract was done to the satisfaction of the Government. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

The Government has no equity in equipment, supplies and materials used on the project.

A pseudo-certification is provided for by Article 7(e) of Amendment No. 2, dated June 25, 1956.

A Final Report of Review dated September 16, 1957 by DMEA Auditor C. A. Turner has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely yours,

A. H. Weissenborn, Exec. Officer
DMEA Field Team, Region I

cc: DMEA (2)
USGS (2)
Contract Admin. & Audit Div.

DMEA
RECEIVED OCT 25 1957
DATE | INITIALS | CODE
10/25 | C | 220
10/25 | [illegible] | 800
10/28 | WSM | 400

1201 N. Division St.
Spokane 2, Washington

October 22, 1957

Mrs. Dorothy F. Long, Certifying Officer
DMEA Field Team, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mrs. Long:

The work completed under the contract was done to the satisfaction of the Government. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

The Government has no equity in equipment, supplies and materials used on the project.

A pseudo-certification is provided for by Article 7(e) of Amendment No. 2, dated June 25, 1956.

A final Report of Review dated September 16, 1957 by DMEA Auditor C. A. Turner has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely yours,

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

cc: DMEA (2)
USGS (2)

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/16	Talbert	800
10/17	B	220
	WSM	400

OCT 17 1957

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Report of Review
Idm-8884, DMEA-3739
Idaho Metallurgical
Industries, Inc.

Dear Mr. Turner:

Your revised Report of Review covering the above-cited project is accepted and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

EDTalbert/wb
October 16, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

8623

OFFICIAL FILE COPY DMEA RECEIVED OCT 17 1957		
DATE	INITIALS	CODE
10/17	C	220
"	WSM	400

1201 N. Division St.
Spokane 2, Washington

October 8, 1957

Mr. C. A. Turner
DMEA Auditor, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claim, et al
Lemhi County, Idaho
Contract No. Idm-2584

Dear Mr. Turner:

My final inspection report of August 28, 1957, and the Field Team letter to you of September 16, 1957 state that under Items 7 and 9 of the contract 68 and 331 samples, respectively, were completed (assayed for cobalt and copper). No arsenic assays were submitted under Items 7 and 9. Reference to these two items is also made in Mrs. Purdy's memorandum of May 4, 1956 to the Field Team and in Mr. Chambers' letter of September 25, 1957 to you.

At the time the Operator submitted invoices for 511 assays with his Operator's Monthly Report and Voucher, I was able to count only 331 assays for cobalt and copper. All the submitted assays were from diamond drill holes 1 to 7 inclusive. I brought this to the attention of Mrs. Myrtle Purdy, who was Certifying Officer at the time, and requested her to delete those assays not supported by assay results showing cobalt, copper or arsenic. I have no way of knowing how Mrs. Purdy arrived at 66 assays for Work Item 7 of the contract.

When the Operator's final report and maps for Stage I work were submitted the assays were again checked as follows:

Work Item 7:	Lower Bonanza adit	-	3	assays
	Upper " "	-	1	"
	Tinker's Pride No. 4 adit	-	47	"
	East Tinker's Pride No. 4 adit	-	17	"
	Total		68	"

Work Item 9: Diamond Drill Hole	No. 1	-	59	assays
	No. 2	-	16	"
	No. 3	-	60	"
	No. 4	-	38	"
	No. 5	-	52	"
	No. 6	-	64	"
	No. 7	-	42	"
Total			331	"

The number of assays submitted can be verified by referral to the Operator's final engineering report and maps.

S. W. Zoldok, Mining Engineer

cc: DMEA (3)
USGS (2)
USBM (AD)

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/25	Talbert	800
9/26	C	220
	WSM	400

SEP 25 1957

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Report of Review
Idaho Metallurgical Industries, Inc.
Contract Idm-E884, Docket DMEA-3739

Dear Mr. Turner:

Enclosed for your further consideration and revision, or explanation, are the Washington copies of your Report of Review covering the referenced project.

The first paragraph states that the monthly reports cover "the months of August 1955 to December 1955 inclusive." The copies of forms MF-104 submitted to this office, as well as your Schedule - Summary Forms MF-104, indicate that "the period of August 26, 1955, to May 1, 1956" is covered by this review. It is my understanding that, although the project's field work was terminated December 1955, the geological reporting work (Work Item 6) was subsequently performed and claimed on the later MF-104.

In cases involving contracts, where the Government's contribution is solely on the basis of "actual" costs incurred, the short reason (b), as indicated on page 68 of the audit manual, is preferable to the wording used in this Report of Review. Also, it is my understanding that most, if not all, of the work was performed by Shannon & Full under an independent contract (though not at unit rates). Accordingly, it appears that the addition of a modified form of reason (c), as shown on page 68 of the manual, is appropriate, viz.:

> "a major portion ($) of the costs incurred covered work performed under independent contract" or
>
> "all of the costs covered work performed under independent contract."

In the Schedule - Summary Forms MF-104 the heading of the third column should be changed from "8/26/55 to 11/30/56" to "8/26/55 to 11/30/55 Supl." The latter is the date indicated on our copy of the supplemental form MF-104.

8623

In the Schedule of Exceptions, Item No. 3, the units are improperly shown as "101.664 A" and "80.000 A". According to Exhibit "A" of the contract these items should be "101,664 lin. ft." and 80,000 lin. ft.", respectively.

In the Schedule of Exceptions, Items Nos. 7 and 9, disallowance has been made for excesses over $6.00 indicated as the "Maximum per Contract per sample." Exhibit "A" of the contract, as amended by Amendment No. 1, specifies maximums of $3,000.00 (for not to exceed 500 samples) under Work Item 7 and $7,200.00 (for not to exceed 1200 samples) under Work Item 8. No maximum unit costs are indicated. Therefore, the Operator's claim of $7.849 per unit appears to be allowable, if reasonable and necessary and otherwise acceptable.

In connection with these Items Nos. 7 and 9 it is noted that your review accepts 68 and 331 assays, respectively. However, in a memorandum dated May 4, 1956, from the Certifying Officer to the Field Team, acceptance of 66 assays under Item 7 and 355 assays under Item 9 is indicated. Furthermore, in a letter dated May 9, 1956, addressed to the Operator by the Field Team it is stated that "Payment for the disallowed assays can be made as soon as the assay returns are available." Therefore, the further disallowance rather than a reinstatement of costs appears to require an explanation.

The total amount of the Operator's claim and the nature of the exploration work is such as to ordinarily require an audit. I presume, however, in your decision that a review is sufficient, the adequacy of invoices from Shennon & Full, and other contractors and/or vendors if any, has been given careful consideration. I raise this question only because of our difficulty in obtaining documentation and our complete failure to obtain properly executed forms MF-104 from the Operator even after several conferences both in the region and in Washington.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
September 25, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 30 1957

DATE		CODE
9/30	C	220
9/30	WSM	400

1201 N. Division St.
Spokane 2, Washington

September 16, 1957

Mr. C. A. Turner
DMEA Auditor, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claim, et al
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Turner:

The subject contract was terminated on December 1, 1955 under the provisions of Article 7 of Amendment No. 2. The project work under Stage I was completed to the satisfaction of the Government; Stage II was not authorized.

A final inspection report on the completed work was submitted by S. W. Zoldok on August 28, 1957.

The Operator's final engineering and geological report was received on April 27, 1956. It fulfills the requirements of Article 7(c) of the contract.

The Government has no equity in equipment, supplies and materials used on the project.

A pseudo-certification is provided for by Article 7(e) of Amendment No. 2, dated June 25, 1956.

Work units completed within the terms of the contract are as follows:

Item	Authorized	Completed
1	850 hours	409 hours
2	$2000	none
3	80,000 linear feet	101,664 linear feet
4	1600 samples - $1600	2253 samples
5	$2700.00	$2700.00
6	640 acres	689 (approx.)
7	500 samples - $3000	68 samples
8	2969.3' - NX size	2969.3'
	852.0' - BX "	852.0'
	1000.0' - cement-ream	320.0'
9	1200 samples	331 samples

It is now in order for you to issue your Report of Review.

By Field Team, Region I

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

Thomas E. Howard, Acting Member
U. S. Bureau of Mines

cc: DMRA (3)
USGS (2)
USBM (AD)

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT

Date 10/7/57

Referred to:

1. ~~Mr. Matthewson~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. Docket Control Mails and File
5. Division
6. Docket Control Mails and File
7. 400

Note comments in report regarding:

1. Note that engineer has
2. based his verification of
3. survey, sampling, and drilling
4. on contractors invoices rather than inspection.

Talbut
10/11/57

and take appropriate action.

- - - - - - - -

Action taken by Division:

Please see Report of Review of _____

USDY

Robert E. Adams

gb

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 7 1957

DATE		CODE
10/7	B	
7	Com	220
10/14	WSM	100
		400

August 28, 1957

MEMORANDUM

To: DMEA Field Team, Region I

From: S. W. Zoldok, Mining Engineer, Bureau of Mines

Subject: Final inspection report, Docket No. DMEA-3739 (cobalt-copper), Idaho Metallurgical Industries, Inc., Tinkers Pride Claim, et al, Lemhi County, Idaho, Contract No. Idm-E884

No on-site inspection of the property was made. This report is written from data obtained from suppliers' invoices and from the Operator's final report and maps.

The contract was effective August 26, 1955. Actual exploration work started on June 17, 1955 but work under the contract (dozing) started August 26. The contract was terminated on December 1, 1955 under Article 7(a)(i) of Amendment No. 2 upon the completion of Stage I.

The following work items were completed:

(1) Size of tractor - D-8 w/dozer

August	1955	30.0	hours
September	1955	174.5	"
October	1955	145.5	"
November	1955	59.0	"
Total		409.0	"

(2) none

(3) Completed 101,664 linear feet (from Shenon & Full invoice)

(4) Completed 2,253 samples

(5) Completed geochemical analyses of soil samples - $2,700.00 (from Shenon & Full invoice)

(6) Completed approximately 689 acres.

(7) Completed 68 samples (from Operator's map on Item 6 work)

(8) Completed NX hole 2969.3' (from statement on drilling
" BX " 852.0' by Nichols & Thompson)
Cementing and reaming 320.0'

(9) Completed 331 core and sludge samples (from Item 8 work)

SUMMARY - STAGE I

Work Item	Authorized	Completed
1	850 hours	409 hours
2	$2000.00	none
3	80,000 linear feet	101,664 linear feet
4	1600 samples - $1600	2253 samples
5	$2700.00	$2700.00
6	640 acres	689 acres (approx.)
7	500 samples - $3000	68 samples
8	2969.3' - NX size	2969.3'
	852.0' - BX "	852.0'
	1000.0' - cement-ream	320.0'
9	1200 samples	331 samples

No Stage II work done.

S. W. Zoldok

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Docket
Turner

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 24 1957

DATE	INITIALS	CODE
6/24	C	220
6/24	RLC.	400

June 20, 1957

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

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinker's Pride et al. claims
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Selfridge:

Enclosed are two copies of a letter dated June 12, 1957, received from John H. Baker of Idaho Metallurgical Industries, Inc., which is self-explanatory.

Sincerely yours,

A. E. Weissenborn

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

Enclosures

cc: USBM (2)
USBM (AD)
Nickelson

230 PARK AVENUE
NEW YORK 17 N. Y.

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 24 1957

DATE	INITIALS	CODE

June 12, 1957

Mr. A. E. Weissenborn
Defense Minerals - Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3139 (Cobalt-Copper)
Tinker's Pride et al. claims
Lemhi County, Idaho
Contract No. 11m-E884

Dear Mr. Weissenborn:

This is to acknowledge your letter of June 6, 1957, in which you reminded us of the fact that the period of recess under the subject contract will end on June 30, 1957. We appreciate your calling this to our attention, but we had already written to DMEA in Washington, D.C., following a discussion with Mr. Mittendorf, to request an extension of the recess period. A copy of our letter, dated May 27, 1957, is enclosed herewith. I hope you will agree that the requested extension is justifiable under the circumstances.

Yours very truly,

/s/

John H. Baker
Idaho Metallurgical Industries, Inc.

JHB:b
cc: Mr. W. M. Zilbersher

air mail

DMEA

Rec'd 18 4

(OF)

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 24

DATE	INITIALS	CODE

May 27, 1957

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D.C.

Dear Mr. Mittendorf:

Amendment No. 2 to DMEA Contract No. [illegible]-884 provides for a recess in the work under this contract until June 30, [illegible]. At the time we requested this recess we fully expected to be in a position to resume work [illegible]. However, it now appears that [illegible] funds for [illegible] large [illegible] exploration work, as [illegible] Stage [illegible] [illegible] this [illegible].

[illegible] exploration [illegible]. Several more months will [illegible] before we can complete any such arrangements. Since any company willing to [illegible] would be entitled to participate in the determination of our future exploration plans, we feel that a further delay in the resumption of work on our claims is unavoidable. We therefore wish to request that the recess now in effect be extended to June 30, 1958.

Though operating on a minimum budget, we plan to do annual assessment work and make option payments this year on the claims covered by our DMEA contract. For the $8,800 we must spend on assessment work, we intend to do about 850 feet of diamond drilling under the supervision of Sharon and Full, our consulting geologists.

Yours very truly,

/s/
John H. Baker, President
Idaho Metallurgical Industries, Inc.

JHB:b
cc: Mr. W. M. Zilbersher

Air mail

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6-17	Chapman	400
6-19	[illegible]	400
"	[illegible]	140
6/19	[illegible]	120
"	[illegible]	110
7-[illegible]	[illegible]	100
6/20	[illegible]	220
/		400
6-19	Chambers	800

JUN 20 1957

Mr. John H. Baker, President
Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York 17, N. Y.

Re: Docket No. DMEA 3739 - Cobalt and Copper
Tinker's Pride, et al. claims
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Baker:

Consideration has been given to the request in your letter of May 27, 1957, confirming the oral request made here on May 21, 1957, by Mr. W. M. Zilbersher, that the suspension of work, authorized by Amendment No. 2 of the subject contract, be continued for one more year.

We regret that the request cannot be granted. Paragraph numbered 7 of Amendment No. 2 will become operative if work is not resumed by June 30, 1957. We note from a carbon copy of a letter to you of June 6, 1957, that this matter has already been brought to your attention.

Please note that paragraph 7(e) governs payment of royalty on any production made within the period named in the contract.

Your reasons for delaying resumption of work can easily be appreciated, and whatever subsequent application you may wish to make for another exploration program on the land of this same contract will have our attention.

Sincerely yours,

C. O. Mittendorf

Administrator

WSMartin:foc
6-17-57
cc to: Docket
Code 400
Admr. R. File
FT. REG. I NW Dist.
Messrs. H. W. Davis, USBM
T. H. Kiilsgaard, USGS

8623

WSMartin:foc
6-12-57

Martin

Mr. John H. Baker, President
Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York 17, N. Y.

Re: Docket No. DMEA 3739 - Cobalt and Copper
Tinker's Pride, et al. claims
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Baker:

Consideration has been given to the request in your letter of May 27, 1957, ~~which~~ confirming the oral request made here on May 21, 1957, by Mr. W. M. Zilbersher, that the suspension of work, authorized by Amendment No. 2 of the subject contract, be continued for one more year.

We regret that the ~~above~~ request cannot be granted ~~approved~~, ~~inasmuch~~ though ~~as the conditions applying~~ numbered 7 of Amendment No. 2 will become operative if work is not resumed by June 30, 1957, ~~are also stipulated in Amendment No. 2,~~ we note from a carbon copy of a ~~sent to us of that~~ the ~~DMEA Field Team, Region I, NW District,~~ letter to you of June 6, ~~1957, it appears~~ that this matter has ~~those conditions have~~ already been brought ~~called~~ to your attention. Please note that paragraph 7(e) governs payment of royalty on any production made within the period named in the contract.

Your reasons for delaying resumption of work can easily be appreciated, and whatever subsequent application you may wish to make for another exploration program on the land of this same contract will have our ~~immediate~~ attention.

Sincerely yours,

Administrator

Have Legal
Surname

FILE COPY
DMEA

RECEIVED		CODE
6/10	C	220
6/10	"	800
6/11	WSM	400

So. 157 Howard Street
Spokane 4, Washington

June 6, 1957

Mr. John H. Baker, President
Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York 17, N. Y.

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Tinker's Pride et al. claims
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Baker:

This is to call your attention to paragraphs 4(a) and 7(a) of Amendment No. 2 to DMEA Contract Idm-E884. The former stipulates that the present period of recess shall end "not later than June 30, 1957," and the latter provides for automatic termination of the contract effective December 1, 1955 if the work has not been resumed on or before June 30, 1957, or June 30, 1958 if the work is resumed on or before June 30, 1957 but is not completed on or before June 30, 1958.

We would appreciate hearing from you regarding your plans for resuming contract work.

By Field Team, Region I, NW Dist.

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

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

cc: DMEA (2)
USBM (2)
USBM (AD)
Nickelson

orm 7
6)

OFFICIAL FILE COPY

Date	Surname	Code
6-4	Martin	400
		100
		140

June 4, 1957

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Administrator, Defense Minerals Exploration Administration

Subject: Docket No. DMEA 3739 - Cobalt and Copper
Idaho Metallurgical Industries, Inc.
Lemhi County, Idaho
Contract No. Idm-E884

NOT USED

It will be appreciated if you will review the subject Docket and the attached letter of May 27, 1957, from Mr. John H. Baker, President of Idaho Metallurgical Industries, Inc., and advise whether we could accept the alternative offered, under the conditions stated therein.

applying such assessment work against DMEA project not allowable

Administrator, DMEA

Attachment

WSMartin:foc
6-4-57
cc: Docket
Adm. R. File
Code 400

8623

230 PARK AVENUE
NEW YORK 17, N. Y.

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 28 1957
DATE | INITIALS | CODE
5/28 | C | 220
5/28 | WSM | 400

May 27, 1957

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D.C.

Dear Mr. Mittendorf:

Amendment No. 2 to DMEA Contract No. Idm-E-884 provides for a recess in the work under this contract until June 30, 1957. At the time we requested this recess we fully expected to be in a position to resume work by that date. However, it now appears that it would be unwise for us to engage in large scale exploration work, as outlined in Stage II of the contract, during this summer season.

For the past several months we have been carrying on discussions with other mining companies with a view to obtaining additional capital for exploration and development. Several more months will probably elapse before we can complete any such arrangements. Since any company willing to provide additional capital would be entitled to participate in the determination of our future exploration plans, we feel that a further delay in the resumption of work on our claims is unavoidable. We therefor wish to request that the recess now in effect be extended to June 30, 1958.

Though operating on a minimum budget, we plan to do annual assessment work and make option payments this year on the claims covered by our DMEA contract. For the $8,800 we must spend on assessment work, we intend to do about 850 feet of diamond drilling under the supervision of Shenon and Full, our consulting geologists.

Yours very truly,

John H. Baker

John H. Baker, President
Idaho Metallurgical Industries, Inc.

JHB:b

cc: Mr. W. M. Zilbersher

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/3	C	220
4/3	WSM	400

APR 2 - 1957

Clarkson, Gordon & Co.
Chartered Accountants
15 Wellington Street West
Toronto 1, Canada

Re: DMEA-2436, Idm-E334
Northfield Mines, Inc.
and
DMEA-3739, Idm-E884
Idaho Metallurgical Industries, Inc.

Gentlemen:

In connection with your audit of the Idaho Metallurgical Industries, Inc., by letter dated March 22, 1957, you have requested confirmation of payments by the Government to December 31, 1956, under the referenced exploration project contracts.

According to our records advances by the Government under the Northfield Mines, Inc., contract aggregated $67,910.14, but $106.31 was refunded by company check No. C-1970 dated October 17, 1955, to bring the net payments by the Government to $67,803.83, the amount determined by our auditors to be allowable under the terms of the contract.

Under the Idaho Metallurgical Industries, Inc., contract our records disclose that the Government has advanced an aggregate of $40,796.17, and that payment of a balance due of $1,000.00 has been withheld pending resumption of work under the contract after a recess which started December 1, 1955. Both the payment and balance due are subject to adjustment after audit by the Government.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
April 2, 1957

Copy to: Docket (2)
Admr. Reading File
Mr. Chambers

8623

Clarkson, Gordon & Co.
Chartered Accountants
15 WELLINGTON STREET WEST
Toronto 1
CANADA

OFFICIAL FILE COPY
DMEA
RECEIVED APR 1 1957

DATE	INITIALS	CODE
4/1	C	220
		800
4/3	WSM	400

MONTREAL, TORONTO, HAMILTON
LONDON, WINNIPEG, REGINA
CALGARY, EDMONTON, VANCOUVER

PRINCIPAL CITIES OF U.S.A.
ARTHUR YOUNG, CLARKSON, GORDON & CO.

TELEPHONE EM. 8-2751

March 22, 1957.

United States Department of the Interior,
Defence Minerals Exploration Administration,
Washington 25,
District of Columbia.
U.S.A.

Dear Sir: Re: Idaho Metallurgical Industries, Inc.

In connection with our audit of the accounts of the above company, we should appreciate receiving from you confirmation of your advances. The company's records show amounts received from you totalling $108,706.31 to December 31, 1956. as follows:

E334	Received by Northfield Mines Inc. on docket D.M.E.A. 2436 and transferred to the above company	$ 67,910.14
E884	Received by Idaho Metallurgical Industries, Inc. on docket D.M.E.A. 3739	40,796.17
		$ 108,706.31

They also show a net amount receivable from you of $4,673.20 at December 31, 1956 on docket D.M.E.A 2436.

If this is correct, would you please sign this letter in the space below. If it is not correct, would you please note at the foot of this letter or on the reverse side the details of any differences. We shall appreciate it if you will return the letter directly to us in the enclosed envelope.

Yours faithfully,
Clarkson, Gordon & Co.

JAM:MB

Please supply Messrs. Clarkson, Gordon & Co. with this information
Idaho Metallurgical Industries Inc.
Secretary Treasurer

The above information is correct. _____

3724

Excerpt from Mr. Mittendorf's diary:

Monday, March 25, 1957

The first thing this morning, Mr. John Baker, of Idaho Met., phoned for an appointment. He said he wanted to discuss the Northfield Mines contract, DMEA-861, and he thought some member of our legal staff should be present. I set up the appointment for 10:30 and meanwhile contacted Dwyer, who arranged for Rubin to be at my office for the meeting.

Baker advised us that the top management of Ventures Mining has decided to get Northfield Mines out of the actual operation of the Adamson Tungsten Mine (DMEA-861). Accordingly, Northfield on February 27 gave the Panaminas Mining Co. (lessor) a 30-day notice that it was surrendering its lease on the Adamson Mine.

Decker? OK

During the past couple years Northfield subleased the mine to Palmer and Dexter, diamond drilling contractors. Their lease expires April 1 and they are asking for a renewal. Baker said Panaminas would protect the Government's right to royalty on production and that they would directly grant a renewal of the lease to Palmer and Decker. Baker then told us that he has recently been made president of Panaminas.

The company owns equipment, office supplies, and one airplane. In years past it used to be engaged in mining operations, but it is not at the present time. Apparently the top management does not like to see Panaminas re-engaging in actual mining operations, and it is thinking about having Panaminas assign all its rights to the property to the Lalus Mining Co. of Canada, which appears to have the real title to the Adamson Mine.

All of these companies are subsidiaries of Ventures. At one time another subsidiary, the Eureka Mining Co., was also mixed up in the Northfield Mine and had stock in it.

This is typical of the various deals that Thayer Lindsley has made by creating subsidiary companies and transferring stock interests from one to the other based on whatever company had a good cash balance and was able to furnish operating capital. We were all amused by Baker's explanation of the corporate structures of the various companies. Mr. Anderson, who was formerly with the Defense Department and who succeeded Thayer Lindsley, is now attempting to clean up all the confusion that was caused by Lindsley's dealings.

Baker repeatedly promised that whatever company wound up with the property would protect DMEA's rights to royalty.

For the first step, Rubin suggested that Northfield write us a letter stating its intent to surrender its lease to Panaminas and that Panaminas would protect the Government's rights.

At the same time, he suggested that Panaminas write us a letter stating that it was accepting Northfield's request for termination of the lease (Northfield has a 10-year lease which still has 5 years to run), and that Panaminas would protect the Government's rights.

Later on, Baker's associates might decide whether or not to get Panaminas out of the picture and let Lalus be the lessor. In such an event, Lalus will also protect the Government's rights.

Baker was under the impression that Lalus must have formed a California wholly owned subsidiary because he thought DMEA would not deal directly with any Canadian company. We told him this was not the case.

We then discussed the Idaho Metallurgical contract which has been in recess about a year. Baker said the company had not yet decided whether it would continue work under the contract (which it must do by June 1, 1957) or to request another recess for a period of one year. He said their development and exploration funds are limited and that if they spend any money in this area in Idaho they might spend it on the Stevenson claims, which were certified under a different contract, rather than on the Deer Creek claims which are involved in the contract now recessed.

I gave him the impression that I would be reluctant to enter into another year's recess for the Deer Creek project unless there were some good reasons for it and also some consideration in favor of the Government. I pointed out that we have about $300,000 earmarked for that project and we can ill afford to leave such a substantial commitment in dormant state.

He couldn't give us any idea as to what the company would decide to do, but he promised to get in touch with us by letter before the present recess period expires.

RECEIVED
AUG - 3 1956

xxxxxxxxxxxxxxxxxx
1201 N. Division St.
Spokane 2, Washington

July 23, 1956

Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York, N. Y.

Re: Docket No. DMEA 3739 (Co-Cu)
Contract No. Idm-E884
Supplemental operating report
for the period Aug. 26, 1955
to Nov. 30, 1955.

Gentlemen:

This is to inform you that a portion of the payment due under the subject monthly operating report is being withheld pending resumption of work. The amount being withheld is $1,000.00. This is standard procedure for all recessed contracts. We are obliged to withhold a portion of the Government's contribution to the contract costs until the project is again active.

By Field Team, Region I, NW District

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

cc: DMEA (2)
USGS (2)

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

RECEIVED
AUG - 3 1956

DMEA Field Team, Region I, NW

July 23, 1956

Certifying Officer, Region I

Docket No. DMEA 3733, Contract No. Idm-2884, Idaho Metallurgical Industries, Inc. Supplemental operating report for the period Aug. 26, 1955 to Nov. 30, 1955.

The subject operating report has been received and processed for payment.

As the project has been recessed an amount of $1,000.00 is being withheld until work is resumed.

Myrtle Purdy

cc: DMEA (2)
USGS (2)

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

RECEIVED
AUG - 6 1956

1201 N. Division St.
Spokane 2, Washington
July 17, 1956

MEMORANDUM

To: The Files

From: D. D. Walker, Mining Engineer, Bureau of Mines

Subject: Docket No. DMEA-3739 (cobalt-copper), Idaho Metallurgical Industries, Inc., Tinker's Pride Claim et al, Lemhi County, Idaho, Contract No. Idm-E884

The above property was visited July 10 by A. L. Service, Bureau of Mines engineer, and myself. Mr. Dave Snider, the engineer, was present.

A deep hole is being drilled under the DMEA adit to cover assessment requirements. At the time of the visit the hole was down about 240 feet. Some mineralization was apparent in the core but no commercial ore had been intersected.

The hole is located near coordinates 102,000 N and 100,000 E on the Blackbird mine (Calera Mining Co.) coordinate system.

D. D. Walker
D. D. Walker

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Docket
Walker
M/D

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
JUL 20 1956

July 16, 1956

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

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride, et al. Claims
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Selfridge:

Enclosed are the Government, Docket, and Division copies of Amendment No. 2 to the contract.

By copy of this letter other copies of the amendment have been distributed.

Sincerely yours,

D.R. MacLaren

D. R. MacLaren
for: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW District

Attachments

cc: Finance Office w/encl.
USBM (2)
Nickelson

400

C O P Y

WICKES, RIDDELL, BLOOMER, JACOBI & McGUIRE
60 BROADWAY, NEW YORK 4, N. Y.

July 12, 1956

Amen 3739

Northfield Mines, Inc.
Docket No. DMEA 2436

Dear Sir:

We are counsel for Northfield Mines, Inc., which on June 2, 1952, entered into Exploration Project Contract Idm E334, Docket No. DMEA 2436, Commodity Cobalt Copper. That contract as amended from time to time was terminated by an Agreement dated as of July 13, 1955.

It is planned that Northfield's interest in the properties referred to in Article 2 of the contract be transferred to Idaho Metallurgical Industries, Inc. (hereinafter called "I.M.I."), an Idaho corporation which, we are advised, has entered into Exploration Project Contract Idm-E884, Docket No. DMEA 3739, Commodity Cobalt-Copper.

Under the terms of Article 9 of the contract of June 2, 1952, Idm-E334, as amended by Annex II and amendment 7, Northfield (therein referred to as "Operator") or its successor in interest shall pay to the United States Government a royalty on all minerals mined or produced from the land which was the subject of the contract until the total amounts contributed by the Government is fully repaid or the period specified in Article 9 as so amended shall have elapsed.

Pursuant to Article 10 of said contract, the Operator (i.e., Northfield) "shall not make any voluntary * * * transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; * * *". Article 10 further provides

> "* * * Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production."

Upon transfer of the mining claims referred to in Article 2 of Contract Idm-E334 I.M.I. will assume all obligations relating to said claims, including the royalties and lien provided in Article 9.

It is our interpretation of Article 10 of Contract Idm-E334 that the consent of the Government (Defense Minerals Exploration Administration) will not be required for the transfer of the rights which Northfield may have in and to the properties referred to in Article 2 and that upon assumption by I.M.I. of the obligations referred to in Article 9, Northfield will not be further liable to the Government under said contract.

We believe that our interpretation is further supported by the first sentence of Article 10 which provides that the Operator shall not assign or otherwise transfer "this contract or any rights thereunder" without the written consent of the Government. Since the contract has been terminated by Agreement dated July 13, 1955, we believe that Northfield has no further rights thereunder which it could or will transfer.

We would appreciate being advised whether you agree with our interpretation of Article 10. If you should not agree, will you kindly advise us of the instruments to be submitted for obtaining the consent of the Government.

Very truly yours,

Signed: Marcel W. Singer (?)

C. O. Mittendorf, Esq., Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

230 PARK AVENUE
NEW YORK 17, N. Y.

RECEIVED
JUL 20 1956

July 11, 1956

Mr. A. E. Weissenborn, Executive Officer
Defense Minerals Exploration Administration
Field Team, Region I, N.W. District
Rm. 15[illegible] Howard Street
Spokane 4, Washington

Re: Docket DMEA 3[illegible] (Co-Cu)
Tinkers Bride et al. Claims
Lemhi County, Idaho
Contract No. Idm-[illegible]

Dear Mr. Weissenborn:

Thank you very much for your letter of July 5, 1956, which enclosed copies of Amendment No. 2 to the subject contract. We take no exception to the terms of the amendment and six signed copies are attached.

During our March 27, 1956 meeting in your office, Mr. Turner suggested that we submit supplemental MF-10A and MF-10.A forms to indicate any additional allowances that might result from amendments we planned to request. Since Amendment No. 2 increases the allowable costs under Work Item 8 by $5,730.42, MF forms reflecting this fact are attached.

Yours very truly,

John H. Baker, President
IDAHO METALLURGICAL INDUSTRIES, INC.

JHB:b
Encls.

DMEA

xxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

July 5, 1956

RECEIVED
JUL 9 - 1956

Air Mail

Mr. John H. Baker, President
Idaho Metallurgical Industries, Inc.
230 Park Avenue, Room 1841
New York 17, New York

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Tinkers Pride, et al. claims
Lemhi County, Idaho
Contract No. Idm-1884

Dear Mr. Baker:

In accordance with your request of April 10, 1956, our Washington office has prepared the enclosed original and six copies of Amendment No. 2. Among other things, this amendment provides for a recess of project work from December 1, 1955 to June 30, 1957. You will note that the amendment includes a termination clause, i.e., if work is not resumed on or before June 30, 1957 the contract will be considered terminated as of December 1, 1955, or even though contract work is resumed it is terminated if work is resumed June 30, 1957 but not completed by June 30, 1958.

If this amendment meets with your approval, please sign all copies, retain the one marked for the Operator, and return the rest to this office. If it does not meet with your approval please return all copies with your comments.

Sincerely yours,

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

Enclosure

cc: DMEA (2)
USBM (2)
USBM (AD)
Nickelson

cw

DOCKET
SURNAME
400
Chapman
Martin
Chambers
Hoffman

JUN 25 1956

Mr. A. E. Weissenborn, Executive Officer
IMSA Field Team, Region I - NW District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. IMSA 3739 - Cobalt and Copper
Idaho Metallurgical Industries, Inc.
Lemhi County, Idaho
Contract No. Ida-[illegible]

Dear Mr. Weissenborn:

Enclosed are the original and five copies of proposed Amendment No. 2, for the above referenced project, signed by the Administrator for the Government. Two extra copies are enclosed for the use of the Field Team.

If the terms of the proposed amendment are satisfactory to you and the Operator, all six copies should be signed by the Operator and the usual distribution made.

If any part of the proposed amendment does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office, together with the proposed changes for consideration.

Sincerely yours,

APPROVED:

P. F. Yopes
Member, Bureau of Mines (WB)

Thor H. Kiilsgaard
Member, Geological Survey (WB)

W. S. Martin
ACTING Chairman, Operating Committee (WB)

TLCHAPMAN/foc 6/20/56
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT. REG. I - NWDist.
H. W. Davis, USBM
T. H. Kiilsgaard, USGS

Enclosures

R.C.S.

230 PARK AVENUE
NEW YORK 17, N. Y.

June 11, 1956

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D.C.

RECEIVED
JUN 12 1956

Re: Docket DMEA 3739 (Co-Cu)
Tinkers Pride et al Claims
Lemhi County, Idaho
Contract No. Idm.E884

Dear Mr. Mittendorf:

On May 17, 1956 Mr. W. M. Zilbersher and I discussed with you and your staff the Stage II work under the subject contract which we hoped we could carry out this summer. Since that time, however, it has been decided that we will be unable to resume exploration work under the contract until June 1957. Because of greater than anticipated expenditures under Stage I and because of other commitments for this year, funds will not be available for the program we had hoped to carry out during the 1956 drilling season. We shall, of course, continue to hold the mining claims involved.

Since we expect to be able to undertake Stage II next summer, we trust that you will be willing to grant us a Recess Agreement so as to keep our DMEA contract in effect during the interim.

We appreciate very much the courtesies shown us by you and your staff during the past year. It is with regret that we must interrupt our work on this DMEA project for the reasons mentioned above.

Yours very truly,

IDAHO METALLURGICAL INDUSTRIES, INC.

John H. Baker

John H. Baker, President

JHB:b

RECEIVED
JUN - 8 1956

XXXXXXXXXXXXXXXXXX
1201 N. Division Street
Spokane 2, Washington
June 4, 1956

Mr. John H. Baker, President
Idaho Metallurgical Industries, Inc.
230 Park Avenue, Room 1841
New York 17, New York

Re: Docket No. DMEA 3739
Contract Idm-E884
Idaho Metallurgical Industries, Inc.
Operating report for the period Aug. 26, 1955 to May 1, 1956.

Dear Mr. Baker:

The subject operating report has been processed and forwarded for payment.

This is to inform you that payment could not be made in the full amount claimed. The deletion is explained in the attached copy of a memorandum to the Field Team from the certifying officer, Region I.

By DMEA Field Team, Region I, NW District

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

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

cc: DMEA (2)
USGS (2)

RECEIVED
JUN - 3 1956

DMEA Field Team, Region I, NW

June 4, 1956

DMEA Certifying Officer, Region I, NW

Docket No. DMEA 3739, Contract No. Idm-E884, Idaho Metallurgical Industries, Inc. Operating report for the period August 26, 1955 to May 1, 1956.

The subject operating report has been processed and forwarded to the Disbursing Officer for payment.

Under Work Item 6 the Operator has claimed costs covering 689.5 acres at an actual cost of $29.526 per acre, or $20,358.18. The contract allows a maximum of 640 acres at $25.00 per acre, or a total of $16,000.00 for this work item. A disallowance of $4,358.18 has been made to bring the cost for this work item into conformance with the contract.

Myrtle Purdy

cc: Operator
DMEA (2)
USGS (2)

DOCKET
SURNAME
Martin

400

MAY 21 1956

Mr. John H. Dabney, President
Idaho Metallurgical Industries, Inc.
230 Park Avenue, Room 1843
New York 17, New York

Re: Docket No. DMSA 3730, Cobalt-Copper
Timmers Pride Claims, et al
Lemhi County, Idaho
Contract No. Ida-[illegible]

Dear Mr. Dabney:

Reference is made to your letter of April 25, 1956, enclosing our five initialed copies and your Operator's copy of Amendment No. 1 to the subject contract.

We are returning, herewith, your Operator's copy initialed by the Administrator which by inadvertence was not delivered to you at our conference on May 17.

Sincerely yours,

G. O. Mittendorf

Administrator

Enclosure

TLChapman:kbc
5-21-56
cc to: Docket
Code 400
Adm. Read. File
Operating Cons.
FT. REG. REG. I - MDist.
H. W. Davis, USGS
T. M. Ehlingsard, USGS

also
w/c Amend. 1/(Finance Office copy.)

R.C.S.

[redacted]
So. 157 Howard Street
Spokane 4, Washington

May 9, 1956

Mr. John H. Baker, President
Idaho Metallurgical Industries, Inc.
230 Park Avenue, Room 1841
New York 17, New York

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Tinkers Pride Claims, et al.
Lemhi County, Idaho
Contract No. Idm-1884

Dear Mr. Baker:

Certain disallowances were made in the payment of your voucher for the period August 26, 1955 to November 30, 1955. These disallowances are explained in the enclosed memorandum.

We are sorry that Mr. Full did not submit a formal request to substitute a D-4 bulldozer for the D-8 bulldozer when the change was contemplated as he was urged to do at a conference in Spokane on March 23, 1956. We could then have requested a suitable amendment before the work was done.

Payment for the disallowed assays can be made as soon as the assay returns are made available.

By Field Team, Region I, Mn Dist.

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

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

Enclosures

cc: DMEA (2)
USBM (2)
USBM (AD)
Nickelson

DMEA Field Team, Region I, NW

May 4, 1956

DMEA Certifying Officer, Region I

Contract E804, Docket No. DMEA 3739, Idaho Metallurgical Industries, Inc.
Monthly operating report for the period August 26, 1955 to Nov. 30, 1955.

The subject voucher has been received and processed for payment. Costs approved total $43,143.45. The differences in the amounts claimed and those approved for payment on the various items are shown below.

	Claimed	Disallowed	Approved
Drilling (approved 3821.3 ft. @ $6.50)	$36,497.98	$10,859.53	$24,838.45
Reaming & Casing- 257 ft. @ $2.50			642.50
Cementing & Reaming- 63 ft. @ $2.50			157.50
An amendment allowing an increased cost for the larger size drilling done by the operator will be requested from Washington. If this amendment is made the operator may reclaim all or part of this deletion in accordance with the amendment.			
Bulldozing	6,459.00	740.00	5,719.00
An invoice from Nichols & Thompson, claimed by the operator under bulldozing, showed a cost of $200.00 for moving a D-4 Caterpillar to and from the Big Bear Creek property, and $540.00 rental on the Cat. This was disallowed. The Cat rented was smaller than that specified in the contract and no provision was made in the contract for the moving costs.			
Work Item 3- Self-potential Survey	9,115.02	2,115.02	7,000.00
The $7,000.00 allowed by the contract for this item is a maximum. Therefore, the amount claimed in excess of this figure has been disallowed.			
Work Item 4- Soil Samples	2,197.74	637.74	1,560.00
The operator collected 2253 samples at an actual cost of $0.975 each. The amount approved is for 1600 samples at $0.975 each.			

	Claimed	Disallowed	Approved
Work Item 5- Geochemical Analysis	$3,536.22	$836.22	$2,700.00
The approved amount under this item is a maximum. The disallowance covers costs claimed in excess of this amount.			
Work Item 7 and 9- Assaying	3,132.00	606.00	2,526.00
			$ 69,163.49

We have invoices from Quebec Metallurgical Industries, Inc. and Union Assay Co. covering 511 assays. However, from the date submitted, we were able to count only 355 from diamond drill holes Nos. 1 through 7, and 66 from the underground workings, totaling 421 assays. Should other assays be submitted they can be paid for up to 511, the number covered by the invoices we now have. If other assays have been made they may be claimed up to the amount allowed by the contract, is properly supported. The amount approved covers:

Work Item 7 - 66 assays at $6.00 $ 396.00

Work Item 9 -

Hole No.			
1	58		
2	15		
3	60		
4	45		
5	74		
6	63		
7	40		
	355	@ $6.00	2,130.00
			$2,526.00

Myrtle Purdy

cc: Operator
DMEA (2)
USGS (2)
Wash. 2
Engineer
AD

Believe we should
Keep the dollars the
same and allow
AX @ $6.50 maximum
BX @ 7.00 "
NX @ 7.50 "
The size to be at
the operator's option
and the footage to
be reduced proportionately

WSM
5/29/56

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
MAY 7 - 1956

May 4, 1956

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

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claim, et al.
Lemhi County, Idaho
Contract Idm-E884

Dear Mr. Selfridge:

Enclosed are two copies of a letter dated April 10, 1956 from Mr. J. B. Baker, President, Idaho Metallurgical Industries, Inc. We discussed the points raised by Mr. Baker in a conference in Spokane on March 23, 1956. Our recommendations with respect to Mr. Baker's requests follow.

Work Item 3. Undoubtedly the additional units of self-potential survey are of value to the contract work. At the beginning of the contract, however, the Operator planned to exceed the contract footage (conversations between Roy P. Full, Verne C. Fryklund, and Thor Kiilsgaard on September 14, 1955) and there was no request for additional footage. In this case we see no reason why either the unit maximum or the total number of units should be changed.

Work Item 4. We see no reason why this work item should be changed from the original contract provision. It should be noted that although the contract authorizes a maximum of 1,600 samples, the Operator collected 2,253 samples and analyzed 1,117.

Work Item 5. It is unfortunate that the cost estimate for geochemical analyses was low but the company accepted the original figure. We see no justification for increasing the costs for the geochemical analyses that have been made.

Work Item 8. By letter dated September 20, 1955, the Operating Committee asked for recommendations about increasing the size of the diamond drill holes. A recommendation, dated October 21, 1955, was made to permit at least BX size core for one-half of the diamond drill footage. Amendment No. 1 authorized 2,500 feet of AX core hole at $6.50/ft. and 2,500 feet of BX core hole at $7.00/ft. This amendment was not acceptable to the Operator, who at that time was trying to drill as much NX core hole as possible. The matter has been under discussion since that time.

We asked Mr. Baker to submit evidence that would substantiate his need for using as much NX core hole as possible, and we have also given the matter some consideration. We believe the best justification is current district practice, the results of past drilling, and what we expect from core drilling.

In the past, core drilling in the Blackbird area has been difficult and unsatisfactory. The ground on either side of the mineralized zones varies greatly in lithology and is extensively sheared. Core drilling (surface holes) at the Northfield Mines, Inc. project (Docket DMEA-2436) was quite unsatisfactory. According to the Operator's final report on this project, core recovery in holes D1 to D8 averaged 40 to 50 percent; in holes D9 to D14, recovery averaged 55 to 65 percent. There is nowhere a definite statement as to core size but J. S. Vhay states that it was largely AX core. As you know, there is still controversy as to the significance of the mineralized zones cut by these holes. With even complete core recovery there still might be controversy but at least there would be no missing evidence. It appears that larger core sizes and much more careful drilling would have been desirable.

Core drilling practice at the Calera mine has been in the process of evolution for some time. The best records available to us are the DMEA project drill logs. From the beginning it has been standard to collar surface holes with NX bits and then change to BX bits within about 50 feet, or sooner. Changes to AX bits were made when necessary. Core recovery was not good and the interpretation of results was difficult; the mineralized zone was recognizable in the drill holes but there was little indication of the importance of the ore body that was subsequently found. It is reasonable to say that much of the redrilling of areas by the company could have been eliminated by better core recovery, although certainly the closer spacing of the redrilled holes was an important factor in the recognition of these ore bodies.

Current practice, entirely underground at the moment, shows a considerable change in the attitude of the Calera Mining Company. The drill logs submitted with recent narratives should be consulted; data on some recent holes is as follows:

U-74-75	NX to 77', 56% recovery; AX to 148', 52% recovery.
U-74-77	BX to 10', 75% recovery; AX to 196', 85% recovery.
U-74-78	BX to 9', 42% recovery; AX to 130', 74% recovery.
U-74-79	NX to 166' (bottom), 70.4% recovery
U-74-80	NX to 143', 84.1% recovery BX to 273', 65% recovery AX to 502', 74.8% recovery
U-74-81	NX to 114', 70.6% recovery; BX to 226', 84.4% recovery

These are all short holes and the core changes were frequent. Most footage was NX and BX and all but two were collared with NX bits.

Data on core recovery on two surface holes at the Calera mine, chosen at random, is as follows:

Hole	NX ft. - % recovery	BX ft. - % recovery	AX ft. - % recovery
S-42	43 - 21.4	472 - 59.1	---
S-48	123 - 68.2	110 - 52.9	196 - 41.9

Data on core recovery by Idaho Metallurgical Industries, Inc., in their current contract is as follows:

Hole	NX ft. - % recovery	BX ft. - % recovery
1	336 - 73.8	261 - 91.0
2	70.3 93.9	---
3	254 - 90	---
4	180 - 84.7	---
5	71 - 89.4	315 70.0
6	349 - 47.4	---
7	---	155 - 74.5

It is apparent that there has been a marked improvement over the results obtained in similar ground in the Northfield contract where recovery in the best holes only averaged between 55 and 65 percent, and in the majority of the holes averaged less than 50 percent (see Operator's final report). The advantages of the better recovery

are obvious and the Field Team has no hesitation in recommending an amendment to the contract to permit drilling with larger size bits.

We have not been able to agree entirely on the need for drilling with NX bits. Bureau of Mines engineers maintain that recovery would have been as good had BX drilling been substituted for NX drilling; Survey geologists are convinced that the results sustain Full's contention that the holes should be started with NX bits and continued at that size as long as possible. Since all agree on the desirability of drilling with at least BX size bits, it is recommended that the contract be amended to authorize in both Stage I and II 30 feet of NX drilling in all holes (for rock seal) and continuing the holes with BX bits as far as possible. The suggested prices based on actual costs submitted by the Operator (see attachments) are $7.50/ft. for NX drilling, $7.00/ft. for BX drilling and $6.50/ft for AX drilling. The Operator's figures actually show a cost of about $9.15/ft. for NX drilling and $9.00/ft. would not seem unreasonable if much NX drilling were to be done. However, since the NX drilling will be restricted to merely collaring the holes, Bureau engineers estimate that $7.50/ft. should be sufficient.

By Field Team, Region I, NW Dist.

A. E. Weissenborn for

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

Thomas E Howard
for Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)
USBM (AD)
Nickelson

230 PARK AVENUE
NEW YORK 17, N. Y.

April 10, 1956

Mr. A. E. Weissenborn, Executive Officer
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington.

RECEIVED
MAY 7 - 1956

Re: Docket No. DMEA-3739 (Co-Cu)
Tinkers Pride et al Claims
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Weissenborn:

An analysis of the cost data covering the Stage I field work under the subject contract shows that our expenditures have, in some instances, exceeded the contract limits. We wish to explain the circumstances that resulted in these expenditures and to request that the contract be amended to provide for the allowance of such costs. We suggest that it might be convenient to issue separate amendments to cover each of the two related groups of costs as set forth below. Five copies of Forms MF104 and MF104A for the Stage I work are attached.

Work Items 3, 4 and 5

In regard to Work Item 3, the contract specifies a maximum of 80,000 units at a maximum cost of $.0875 per unit. During the period August 26, 1955 to November 30, 1955 inclusive, a total of 101,664 units were completed at a total cost of $9,115.02, giving a unit cost of $0.0897. A photostat of a letter on this subject from Mr. Roy P. Full, dated February 14, 1956, is attached. We believe that this letter fully explains and justifies the extent of the work done, which, though in excess of the contract maximums, was necessary to accomplish the aims of the contract.

In view of the above, you will understand the necessity for enlarging the scope of Work Item 4 which calls for a maximum of 1600 soil samples at a maximum cost of $1,600. We actually collected 2,253 samples at a cost of $2,197.74, in support of the work under Item 3.

In Item 5, the contract provides for a maximum of 1,600 geochemical analyses at a maximum cost of $2,700. While it was found necessary to analyze only 1,117 samples, our actual cost amounted to $3,536.22.

We feel that these additional expenditures were essential to our evaluation of the possibilities of this area and especially necessary for making sound decisions in regard to Stage II of this project. We therefore request that an Amendment to Work Items 3, 4 and 5 of the subject contract be granted to cover work done in excess of the contract maximums and the corresponding additional costs shown on the attached Forms MF104 and MF104A. A cost breakdown of these Work Items is given on Shenon and Full's statement, also attached.

In connection with Work Item 4, it should be explained that soil samples were taken at intervals of 50 feet on the slope. Hence the samples were taken at an average horizontal spacing of 45.1 feet.

Work Item 8

The contract specifies a maximum of 5,000 feet of diamond drill AX core hole at $6.50 per foot with certain allowances for cementing and reaming. Actually 2,969.3 feet of NX core hole and 852 feet of BX core hole, totaling 3,821.3 feet, were drilled in seven holes. The attached tabulation, which provides a complete breakdown of our drilling operations, shows our costs per foot to be $9.15 for NX drilling, $7.00 for BX drilling and $10.54 for casing and cementing.

The reason for using NX and BX sizes is clearly explained in the attached photostats of letters from Mr. Roy P. Full, dated February 8, 1956, and from Nichols and Thompson, dated February 24, 1956.

The core recovery obtained through the use of BX and NX drill sizes is shown on the enclosed data sheets. You will note that in some instances low core recovery resulted with both NX and BX sizes. It is difficult to evaluate such results solely from the statistical data when the data represents a relatively small footage drilled under variable conditions.

While there is no doubt that the drilling contractor could have done much cheaper work if he had been limited to AX core hole and if he had been drilling on a fixed price per foot basis, we became convinced that such an arrangement would not result in the high core recovery necessary to attain the objectives of this contract. Also, we were sure that no drilling contractor would continue work

under severe November weather conditions, with the consequent increased costs to the drilling contractor, if he were working on a strictly footage basis. If drilling had not been continued through November, 1955, it could not have been completed until July, 1956 and the report on Stage I work would have been delayed until October. By the time the report could have been evaluated, the drilling season would have passed with no opportunity to carry on Stage II work.

Thus we felt that the necessity for accurate geological and mineralogical information and the desirability of obtaining this information before the close of the 1955 drilling season would justify the increased costs. Therefore, it is requested that an amendment to Work Item 8 of the subject contract be granted to cover the increased unit costs and the increase in total cost as shown on the attached Forms MF104 and MF104A.

We trust that we have presented adequate justification for the extent and the cost of the work that has been carried on under this contract and we hope that the amendments we have proposed will receive your early and favorable consideration. Please let us know if we can provide any additional information on these matters.

Yours very truly,

John H. Baker

John H. Baker, President
IDAHO METALLURGICAL INDUSTRIES, INC.

JHB/eos.
Encls.

RECEIVED
MAY 7 - 1956

DRILLING OPERATIONS FOR IDAHO METALLURGICAL INDUSTRIES, INC.
BIG DEER CREEK AREA, LEMHI COUNTY, IDAHO
August 26, 1955 to December 1, 1955

HOLE NUMBER		1	2	3	4	5	6	7	TOTAL
Depth	(feet)	709.0	552.2	438.7	588.0	546.0	487.4	500.0	3821.3
NX Hole	"	395.0	552.2	438.7	588.0	173.0	487.4	335.0	2969.3
BX Hole	"	314.0	-	-	-	373.0	-	165.0	852.0
Reaming & Casing	"	35.0	50.0	57.0	55.0	15.0	25.0	20.0	257.0
Cementing & Reaming	"	-	15.	-	-	48	-	-	63
Moving & Set-Up	(Shifts)	7	8	3	5	4	3	3	33
Drilling	"	41-3/8	31	19-1/2	39-5/8	30	24-3/4	23	209-1/4
Casing	"	2	2	2	1	1-1/2	-	1-1/2	10
Pulling Casing	"	2-1/2	1	-	-	-	-	2-1/2	9
Cementing & Drilling Cement	"	-	2	-	-	1-1/2	-	-	3-1/2
Surveying	"	1	1/2	1/2	1	1	1/2	1	5-1/2
Frozen Water Lines	"	-	-	-	5	-	2-3/4	3-1/2	11-1/4
Dropped Rods	"	-	2	-	-	-	-	-	2
Total Shifts		56-7/8	46-1/2	25	51-5/8	38	31	34-1/2	283-1/2

UNIT COST ANALYSIS

CASING AND CEMENTING

Shifts Devoted to Casing and Cementing: 22.5

Cost of 22.5 Shifts @ $125.00 per shift	$ 2,812.50
Plus Casing and Reamer unavoidably lost	560.49
Total Cost of 320 ft. Casing and Cementing	$ 3,372.99
Cost per ft.	10.54

DRILLING

Total Shifts Invoiced: 283.5

Cost of 283.5 Shifts @ $125, plus {$560.49 (lost equipment) $500 (mobilization)}	$36,497.98
Less Cost of Casing and Cementing (as above)	3,372.99
Total Drilling Cost	$33,124.99
Less cost of 852 ft. BX @ $7.00 (assumed)	5,964.00
Cost of 2,969.3 ft. NX	$27,160.99
Cost per ft. NX	9.15

This is to certify that work described above has been done by Nichols & Thompson Core Drilling Co., Inc. and that payment in full has been made by Idaho Metallurgical Industries, Inc.

NICHOLS & THOMPSON CORE DRILLING CO., INC.

By [illegible] Date April 5, 56

DIAMOND DRILL HOLE NO. 1

SIZE	FOOTAGE		WIDTH	% CORE	CORE ASSAY		SLUDGE ASSAY	
	FROM	TO	FEET	RECOV.	% CU	% CO	% CU	% CO
NX	55.6	60.4	4.8	95	NIL	0.014		
	60.4	64.4	4.0	100	NIL	0014		
	64.4	67.3	2.9	100	TR	0.022		
	67.3	70.8	3.5	95	NIL	0.014		
	70.8	73.3	2.5	100	NIL	0.007		
	73.3	76.3	3.0	70	NIL	0.014		
	76.3	80.0	3.7	25	NIL	0.007	TR	0.014
	80.0	81.5	1.5	95	NIL	0.022		
	81.5	85.5	5.0	85	TR	0.007		
	92.0	95.0	3.0	100	NIL	0.036		
	101.0	102.6	1.6	95	0.037	0.014		
	206.0	210.0	4.0	95	0.277	0.146		
	254.8	259.6	4.8	90	0.210	0.022		
	259.6	264.1	5.5	30	0.033	0.029	0.155	0.014
	273.5	277.0	3.5	100	NIL	0.014		
	338.0	343.2	5.2	25	0.046	0.014	0.033	0.007
	343.2	345.8	2.6	50	0.029	0.022	0.037	0.029
	345.8	346.8	1.0	95	0.399	0.029		
	370.5	374.0	3.5	30			0.046	0.073
	374.0	378.5	4.5	55	NIL	0.411	0.033	0.058
	387.0	391.6	4.6	90	0.029	0.022		
8X	405.7	409.7	4.0	75	NIL	0.029		
	409.7	410.7	1.0	100	0.092	0.051		
	410.7	415.0	4.3	95	0.075	0.132		
	415.0	418.0	3.0	100	0.042	0.132		
	418.0	421.0	3.0	70	0.079	0.198		
	421.0	423.3	2.3	85	0.050	0.447		
	423.3	427.3	4.0	90	0.142	0.484		
	427.3	427.7	1.4	100	0.021	0.022		
	428.7	431.3	2.6	90	0.130	0.044		
	431.3	434.8	3.5	80	0.100	0.051		
	434.8	437.4	2.6	100	0.168	0.293		
	437.4	439.7	2.3	100	0.037	0.146		
	439.7	444.0	4.3	100	0.281	0.278		
	444.0	447.9	3.9	90	0.071	0.044		
	447.9	452.9	5.0	100	0.252	0.051		
	452.9	457.6	4.7	100	0.210	0.381		
	457.6	462.0	4.5	100	0.113	0.425		
	462.0	465.8	3.8	100	0.420	0.528		
	465.8	469.0	3.2	100	0.189	0.308		
	469.0	471.4	2.4	100	0.100	0.098		
	471.4	473.1	1.7	95	0.306	0.066		
	473.1	476.0	2.9	85	NIL	0.036		
	476.0	479.8	3.8	100	NIL	0.029		
	479.8	482.2	2.4	90	NIL	0.029		
	482.2	486.2	4.0	75	NIL	0.022		
	486.2	489.2	3.0	85	NIL	0.066		
	489.2	493.2	4.0	90	0.36	0.146		
	493.2	496.0	2.8	80	0.28	0.132		
	496.0	499.8	3.8	50	NIL	0.066	0.05	0.058
	578.0	583.0	5.0	100	0.155	0.022		
	630.4	632.2	1.8	95	NIL	0.073		
	662.5	666.5	4.0	95	0.147	0.014		

DIAMOND DRILL HOLE NO. 2

SIZE	FOOTAGE		WIDTH	% CORE	CORE ASSAY		SLUDGE ASSAY	
	FROM	TO	FEET	RECOV.	% CU	% CO	% CU	% CO
NX	392.8	397.8	5.0	95	0.462	0.066		
	435.0	440.0	5.0	100	0.092	0.073		
	440.0	445.1	5.1	100	0.197	0.051		
	445.1	450.2	5.1	95	0.344	0.095		
	450.2	454.9	4.7	100	0.155	0.029		
	454.9	459.3	4.4	90	0.050	0.036		
	459.3	464.2	4.9	100	0.126	0.029		
	464.2	466.8	2.6	100	0.054	0.036		
	466.8	472.7	5.3	95	0.105	0.029		
	472.1	477.5	5.4	80	0.088	0.029		
	477.5	482.5	5.0	100	0.037	0.022		
	482.5	486.5	4.0	95	0.058	0.036		
	486.5	491.3	4.8	100	0.154	0.022		
	540.5	542.7	2.2	50	0.142	0.036		
	542.7	545.7	3.0	100	0.142	0.176		
	545.7	549.5	3.8	85	0.310	0.073		

DIAMOND DRILL HOLE NO. 3

SIZE	FOOTAGE FROM	FOOTAGE TO	WIDTH FEET	% CORE RECOV	CORE % CU	CORE ASSAY % CO	SLUDGE % CU	SLUDGE ASSAY % CO
	75.5	80.5	5.0	90	NIL	0.036		
	80.5	85.5	5.0	70	NIL	0.011		
	85.5	89.3	3.8	90	0.010	0.011		
	89.3	93.3	4.0	65	0.020	0.007		
	93.3	95.7	2.4	95	0.020	0.007		
	95.7	97.7	2.0	80	NIL	0.007		
	97.7	100.7	3.0	85	NIL	0.022		
	100.7	104.0	3.3	70	NIL	0.007		
	104.0	106.0	2.0	95	0.037	0.014		
	106.0	111.0	5.0	40	0.020	0.007		
	111.0	114.0	3.0	95	NIL	0.051		
	114.0	117.8	3.8	100	NIL	0.007		
	117.8	121.0	3.2	100	NIL	0.01[illegible]		
	121.0	124.3	3.3	85	NIL	0.077		
	124.3	129.8	5.5	95	NIL	0.036		
	129.8	133.8	4.0	90	NIL	0.014		
	133.8	139.0	5.2	95	NIL	0.022		
	139.0	144.5	5.5	95	0.030	0.007		
	144.5	149.5	5.0	100	0.088	0.102		
	149.5	154.5	5.0	100	0.235	0.110		
	154.5	159.8	5.3	100	NIL	0.044		
	159.8	164.8	5.0	100	0.044	0.029		
	164.8	169.8	5.0	95	NIL	0.014		
	258.1	263.2	5.1	75	NIL	0.007		
	263.2	268.2	5.0	100	NIL	0.003		
	268.7	273.5	5.3	85	0.031	0.003		
X	273.5	279.7	6.2	100	0.056	0.007		
	279.7	282.0	2.3	100	NIL	0.003		
	282.0	286.5	4.5	95	NIL	0.003		
	286.5	291.0	4.5	95	NIL	0.003		
	291.0	297.6	6.6	85	0.037	0.007		
	297.6	301.3	3.7	100	0.144	0.011		
	301.3	306.0	4.7	90	0.056	0.007		
	306.0	311.0	5.0	100	0.044	0.011		
	311.0	316.0	5.0	100	NIL	0.014		
	316.0	321.0	5.0	95	0.044	0.044		
	321.0	326.0	5.0	100	0.882	0.477		
	326.0	331.0	5.0	100	0.831	0.161		
	331.0	336.0	5.0	100	0.630	0.132		
	336.0	340.8	4.8	95	0.472	0.073		
	340.8	345.0	4.2	100	0.195	0.066		
	345.0	350.0	5.0	100	0.264	0.139		
	350.0	355.0	5.0	100	0.201	0.125		
	355.0	359.0	4.0	100	0.233	0.088		
	359.0	363.5	4.5	100	0.081	0.117		
	363.5	368.5	5.0	100	0.365	0.117		
	368.5	373.2	4.7	100	0.025	0.227		
	373.2	375.5	2.3	100	0.018	0.587		
	375.5	380.8	5.3	90	0.031	0.242		
	380.8	385.5	4.7	40	0.283	0.044	0.094	0.066
	385.5	388.5	3.0	25	NIL	0.007	0.063	0.029
	409.3	414.5	5.2	100	0.182	0.007		
	414.5	419.5	5.0	100	0.119	0.007		
	419.5	424.0	4.5	100	0.100	0.007		
	424.0	429.0	5.0	80	0.378	0.007		
	429.0	434.0	5.0	40	NIL	0.007	0.144	0.014
	434.0	438.7	4.7	80	NIL	0.003		

DIAMOND DRILL HOLE NO. 4

SIZE	FOOTAGE FROM	FOOTAGE TO	WIDTH FEET	% CORE RECOV	CORE ASSAY % CU	CORE ASSAY % CO	SLUDGE ASSAY % CU	SLUDGE ASSAY % CO
NX	72.8	77.0	4.2	100	0.056	0.323		
	95.1	100.1	5.0	100	NIL	0.044		
	112.3	117.7	5.4	70	0.069	0.022		
	126.1	130.1	4.0	100	0.069	0.044		
	155.7	161.5	5.8	90	0.201	0.014		
	184.5	186.9	2.4	100	0.371	0.014		
	186.9	191.9	5.0	80	0.010	0.007		
	191.9	196.0	4.1	95	0.201	0.007		
	196.0	202.0	6.0	100	0.069	0.007		
	202.0	208.4	6.4	95	0.010	0.007		
	235.8	241.3	5.5	95	0.100	0.007		
	241.3	246.2	4.9	95	0.081	0.007		
	246.2	251.8	5.6	90	0.075	0.011		
	251.8	255.8	4.0	75	0.010	0.007		
	278.0	280.5	2.5	95	0.31	NIL		
	280.5	285.0	4.5	95	0.05	NIL		
	285.0	291.0	6.0	85	0.038	NIL		
	291.0	296.0	5.0	90	0.014	NIL		
	309.3	311.5	2.2	100	0.054	NIL		
	311.5	315.1	3.6	5			0.05	0.018
	372.5	377.8	5.3	85	0.03	0.04		
	377.8	383.1	5.3	90	0.11	0.29		
	383.1	387.2	4.1	90	0.15	TR		
	387.2	390.5	3.3	80	0.03	TR		
	390.5	394.5	4.0	95	0.17	0.07		
	466.8	470.2	3.4	95	0.07	TR		
	470.2	475.4	5.2	95	0.02	TR		
	475.4	482.8	7.4	65	0.025	NIL		
	482.8	486.5	3.7	75	0.15	NIL		
	486.5	490.8	4.3	90	0.026	0.02		
	490.8	494.7	3.9	100	0.28	TR		
	494.7	499.8	5.1	100	0.025	TR		
	499.8	505.6	5.8	60	0.05	TR		
	523.7	529.8	6.1	15			0.04	0.012
	538.8	543.7	4.9	90	0.012	TR		
	543.7	546.8	3.1	100	0.023	0.11		
	546.8	553.4	6.6	80	0.009	TR		
	553.4	560.3	6.9	70	0.02	0.03		

DIAMOND DRILL HOLE NO. 5

SIZE	FOOTAGE		WIDTH	% CORE	CORE ASSAY		SLUDGE ASSAY	
	FROM	TO	FEET	RECOV.	% CU	% CO	% CU	% CO
NX	43.0	47.5	4.5	95	0.020	0.036		
	47.5	50.5	3.0	85	0.711	0.198		
	71.5	74.7	3.2	95	NIL	0.014		
	78.9	83.4	4.5	85	0.270	0.066		
	83.4	88.5	5.1	95	0.094	0.029		
	100.0	105.0	5.0	80	0.020	0.022		
	105.0	110.0	5.0	85	0.535	0.029		
	110.0	114.5	4.5	95	0.056	0.007		
BX	215.5	220.3	4.8	0			0.018	0.009
	243.0	248.0	5.0	100	0.15	TR		
	248.0	252.0	4.0	100	0.155	TR		
	344.5	349.5	5.0	100	0.029	NIL		
	349.5	354.5	5.0	80	0.032	NIL		
	354.5	359.5	5.0	70	0.012	NIL		
	359.5	364.5	5.0	50	0.019	NIL		
	364.5	369.5	5.0	75	0.013	NIL		
	369.5	374.5	5.0	75	0.04	NIL		
	374.5	379.5	5.0	65	0.03	NIL		
	379.5	385.0	5.5	50	0.36	0.03	0.03	0.015
	385.0	390.0	5.0	50	0.027	TR	0.06	0.014
	390.0	395.0	5.0	40	0.11	TR	0.17	0.029
	395.0	400.0	5.0	50	0.88	0.09	0.37	0.048
	400.0	404.0	4.0	85	0.51	0.012		
	404.0	408.8	4.8	25	0.010	0.014	0.075	0.02
	408.8	413.8	5.0	25	0.096	0.028	0.12	0.025
	413.8	418.8	5.0	15	0.008	NIL	0.32	0.016
	418.8	426.0	7.2	80	0.005	0.062		
	426.0	431.0	5.0	95	0.016	0.064		
	431.0	435.5	4.5	95	0.013	0.177		
	435.5	439.5	4.0	50	0.012	0.006		
	439.5	444.0	4.5	65	0.023	0.015	0.05	0.08
	444.0	448.0	4.0	95	0.015	0.007		
	448.0	452.3	4.3	85	0.014	NIL		
	452.3	456.4	4.1	90	0.015	NIL		
	456.4	461.0	4.7	100	0.18	NIL		
	461.0	466.0	5.0	100	0.028	NIL		
	466.0	470.5	4.5	90	0.22	0.006		
	470.5	475.5	5.0	90	0.036	0.002		
	495.2	500.3	5.1	65	0.056	0.032		
	500.3	508.0	7.7	90	0.012	NIL		
	516.0	521.0	5.0	80	0.71	0.001		
	521.0	526.0	5.0	70	0.13	NIL		
	526.0	531.0	5.0	50	0.36	NIL	0.15	0.02

DIAMOND DRILL HOLE NO. 6

SIZE	FOOTAGE		WIDTH	% CORE	CORE ASSAY		SLUDGE ASSAY	
	FROM	TO	FEET	RECOV	% CU	% CO	% CU	% CO
NX	129.3	134.3	5.0	0			.018	0.005
	154.5	159.5	5.0	50	0.35	NIL		
	159.5	164.5	5.0	100	0.037	NIL		
	164.5	169.5	5.0	100	0.15	NIL		
	169.5	174.5	5.0	50	0.37	NIL		
	174.5	179.5	5.0	90	0.20	0.006	0.10	0.004
	179.5	184.5	5.0	95	0.022	NIL		
	264.0	267.0	3.0	40	0.034	0.02	0.02	0.024
	267.0	273.0	6.0	25	0.45	NIL	0.08	0.02
	273.0	279.0	6.0	5	6.56	0.036	0.25	0.01
	279.0	286.0	7.0	10	2.19	0.182	0.685	0.03
	286.0	291.0	5.0	35	0.12	NIL	0.585	0.05
	291.0	295.5	4.5	40	0.13	NIL	0.23	0.018
	295.5	299.5	4.0	50	0.014	0.010	0.165	0.014
	299.5	304.0	4.5	45	0.049	NIL	0.17	0.018
	304.0	308.5	4.5	60	0.016	NIL	0.09	0.02
	308.5	313.5	5.0	40	5.15	0.76	0.27	0.027
	313.5	318.7	5.2	0			0.17	0.04
	318.7	324.3	5.6	50	0.016	NIL	0.09	0.014
	324.3	330.0	5.7	50	0.072	0.008	0.095	0.025
	330.0	333.0	3.0	60	0.09	0.67		
	333.0	338.0	5.0	65	0.034	NIL		
	338.0	341.5	3.5	50	0.40	NIL		
	341.5	345.0	3.5	90	0.15	0.011		
	345.0	348.0	3.0	5			0.20	0.02
	348.0	352.5	4.5	40	0.24	0.030	0.17	0.02
	352.5	358.9	6.4	70	0.50	0.147		
	358.9	365.2	6.3	75	0.084	0.039		
	365.2	372.2	7.0	60	0.37	0.015	0.12	0.034
	372.2	375.8	3.6	50	0.575	0.015	0.19	0.027
	375.8	380.0	4.2	5	7.28	0.58	0.27	0.057
	380.0	385.0	5.0	5	0.51	0.50	0.51	0.09
	385.0	389.5	4.5	70	0.22	0.357		
	389.5	393.5	4.0	75	0.89	0.324		
	393.5	398.5	5.0	35	1.61	0.312	0.22	0.043
	398.5	401.0	2.5	0			0.32	0.065
	401.0	405.5	4.5	70	0.27	0.08	0.24	0.028
	405.5	410.5	5.0	35	0.16	NIL	0.225	0.034
	410.5	416.2	5.7	40	0.34	0.21	0.15	0.037
	416.2	420.3	4.1	80	0.037	TR		
	440.5	444.5	4.0	80	0.38	0.16		
	473.5	478.5	5.0	0			0.09	0.035

DIAMOND DRILL HOLE NO. 7

	FOOTAGE		WIDTH	% CORE	CORE ASSAY		SLUDGE ASSAY	
	FROM	TO	FEET	RECOV.	% CU	% CO	% CU	% CO
	337.5	342.5	5.0	20	0.012	NIL	0.03	0.024
	342.5	344.5	2.0	75	0.13	0.11		
	351.5	354.6	3.1	95	0.11	0.05		
	354.6	357.0	2.4	100	0.017	TR		
	357.0	363.0	6.0	90	0.03	TR		
	363.0	365.4	2.4	50	0.08	0.05	0.05	0.025
	365.4	369.4	4.0	30	0.015	0.01	0.045	0.013
	369.4	372.0	2.6	95	0.84	0.45		
	372.0	375.4	3.4	60	0.13	0.01	0.19	0.039
	375.4	379.3	3.9	75	0.05	0.01		
	385.5	389.3	3.8	90	0.27	0.01		
	389.3	394.0	4.7	90	0.03	0.02		
	394.0	397.0	3.0	80	0.015	0.006		
	397.0	402.0	5.0	75	0.02	0.01		
	402.0	406.5	4.5	50	0.08	0.02	0.05	0.012
	413.3	416.8	3.5	95	0.02	0.02		
BX	416.8	421.0	4.2	35	0.02	0.01	0.015	0.035
	421.0	426.3	5.3	70	0.02	0.01		
	426.3	432.0	5.7	80	0.04	0.02		
	432.0	438.0	6.0	50	0.08	0.01	0.024	0.002
	438.0	443.0	5.0	40	0.013	0.007	0.02	0.009
	443.0	448.0	5.0	85	0.58	0.06		
	448.0	454.0	6.0	90	0.06	0.01		
	454.0	459.0	5.0	100	0.03	0.01		
	459.0	462.3	3.3	100	0.34	0.007		
	462.3	466.5	3.2	100	0.19	0.01		
	466.5	470.0	3.6	90	0.13	0.015		
	470.0	476.0	6.0	85	0.105	0.016		
	476.0	480.0	4.0	70	0.07	0.017	0.02	0.017
	480.0	484.0	4.0	90	0.13	0.024		
	484.0	489.0	5.0	100	0.29	0.10		
	489.0	493.0	4.0	50	0.04	0.013	0.04	0.013

Diamond Drilling Contractor

NICHOLS & THOMPSON
CORE DRILLING CO., INC.

PHONE 4-1464
BOISE IDAHO

505 SOUTH 16TH

P O BOX 2057

BEN NICHOLS
BUSINESS MANAGER

RECEIVED
MAY 7 - 1956

February 24, 1956

RECEIVED
FEB 27 1956
NEW YORK

Wm. C. Schmidt,
230 Park Avenue
New York 17, New York

Dear Mr. Schmidt:

We are sorry for the delay in answering your letter of February 3rd, 1956, but we have been out of town for the past three weeks, and our correspondence is just now catching up with us.

We are still drilling for the Calera Mining Company at Cobalt and we feel that this ground is comparable to the area that we drilled for your Company. We have discovered at the Calera Mine that AX drilling was not producing satisfactory core recovery. We are now drilling NX and BX size altogether. The only time we use AX is where conditions are so severe that the cost would be prohibitive to drill the area with NX or BX. In areas where we were getting from 40 to 50% core recovery drilling AX, we are now getting from 90 to 100% on NX and BX Drilling. If you would care to write Mr. Douglas, we are sure that he would verify this statement.

The cost however, is somewhat greater than it was before. The cost per foot has raised from $1.85 to $2.65 for NX and BX Drilling. This cost is a direct result from the use of more expensive core barrels, drill rods and more carats per diamond bit. Of course this additional cost is readily accepted because of the excellent core recovery.

We hope this information will be adequate and in the event you would like any further information, we would be very happy to be of further assistance to you.

Yours very truly,

NICHOLS & THOMPSON CORE DRILLING CO.INC.

By

AN:pp
c/c Neil O'Donnell
Airmail

SHENON AND FULL
MINING GEOLOGISTS
SALT LAKE CITY, UTAH
700 NEWHOUSE BUILDING
EMPIRE 4-8171

PHILIP J. SHENON
1300 THIRD AVENUE
PHONE 5-6687

ROY P. FULL
3948 SOUTH 11TH EAST
PHONE 57-1949

RECEIVED
MAY 7 - 1956

February 14, 1956

RECEIVED
FEB 10 1956
NEW YORK

Mr. W. C. Schmidt
Room 1541
230 Park Avenue
New York 17, New York

Re: Idaho Metallurgical Industries
Geophysical-Geochemical Survey

Dear Bill:

On several occasions Neil O'Donnell has inquired regarding the amount of geophysical-geochemical line which was run last summer in the Big Deer Creek area. We were aware of the fact that a maximum of 80,000 feet was allowable under the D.M.E.A. contract, but we also felt that our responsibility was to adequately explore the mineralized zone up to 12,000 feet of strike length as outlined in the contract.

A total distance of 11,150 feet along the mineralized zone was explored by geophysical-geochemical surveys. Cross-lines were run at 400-foot intervals over the area, with closer spaced lines (200-foot) in the zones where mineralization was indicated. The 200-foot lines were entirely dependent upon the results of the 400-foot lines, and were not put in unless the results of the wider spaced lines indicated the need for more closely spaced data. The maps which have been submitted with monthly progress reports show the positions of the surveys.

We feel that no unnecessary work has been done in completing the survey, and that the amount of line (101,664 feet) which was completed was essential to make an evaluation of the area.

Sincerely yours,

Roy P. Full

Roy P. Full

RPF/s

SHENON AND FULL
MINING GEOLOGISTS
SALT LAKE CITY, UTAH
700 NEWHOUSE BUILDING
EMPIRE 4-8171

PHILIP J. SHENON
1339 THIRD AVENUE
PHONE 5-5677

ROY P. FULL
3945 SOUTH 11TH EAST
PHONE 87-1840

RECEIVED
MAY 7 - 1956

February 8, 1956

RECEIVED
NEW YORK

Mr. W. C. Schmidt
Room 1541
230 Park Avenue
New York 17, New York

Re: Idaho Metallurgical Industries, Inc.
Diamond Drilling, Big Deer Creek Area
Lemhi County, Idaho

Dear Bill:

We have a letter dated February 3, 1956 from Neil O'Donnell regarding our decision and reasons for using Nx size diamond drilling in the Big Deer Creek area instead of Ax as specified in the D.M.B.A. contract.

During the summer of 1954, while working on the Northfield property, we had an opportunity to review the diamond drilling that previously had been done on that property and also the drilling which was being done on the Calera property under a D.M.B.A. contract. Both of these areas were drilled with Bx and Ax size holes, with the majority of the holes of the smaller size. Very poor core recovery was apparent in both areas, especially in the Ax size.

Mineralization in the Blackbird area is in general associated with zones of shearing in which the adjoining rock is extremely soft, or at least variable in hardness. Rock of this type does not core well, especially in the smaller sizes. Drilling is undertaken in an attempt to obtain a representative sample, the results of which are dependent upon good core recovery. Previous drilling in the area has indicated the unreliability of sludge samples. Mr. Douglas, manager of the Calera mine, has on several occasions expressed his lack of confidence in the results obtained where sludge assays were necessitated by poor core recovery. His convictions have been supported by mine development.

Emphasis throughout the drilling program was placed on core recovery. Drillers were instructed to make short pulls if necessary, and at no time continue drilling if the core barrel was blocked. These short runs have increased the cost of drilling, but also have resulted in better core recovery.

The drilling in the Big Deer Creek area was started in zones in which wide-spread cobalt and copper mineralization was evident. Bulldozer cuts had exposed these zones sufficiently to disclose a very lensy character of mineralization in which some higher grade pods were present. Drill-hole samples across these wide zones were necessary to evaluate the mineral possibilities of the area.

Deep weathering over the Big Deer Creek area eliminates any possibility of surface sampling, even to the depths obtained in bulldozer trenches. The grade evaluation of the area and the conclusions of the entire project are contingent upon the assay values obtained from diamond drilling. To consider drilling Ax hole, in view of past experience, at a small saving in cost over Nx hole would appear to be an extremely short-sighted economy practice.

Diamond Drill Hole No. 1 was started with Nx and drilled to 396 feet at that size. A short section of caving ground at that point made it desirable to case the hole and reduce to Bx size. The hole was continued to 709 feet at Bx, but the recovery and character of core in the smaller size convinced us that the Nx size should be maintained on all holes if at all possible. The Nx size was maintained on all holes but three in which caving ground conditions required casing and reduction in size to Bx.

The drilling was watched very carefully throughout the project in an attempt to see if smaller size drilling was warranted. The decision was very definitely to use the larger size hole, one which I believe is well supported both by the results which were obtained by Idaho Metallurgical Industries and by the results which have been obtained at the Calera mine.

The cost of drilling 3821.3 feet of hole, as invoiced by Nichols and Thompson, totaled $38,372.98. This amount we understand is to be reduced by $1,875.00 to cover a lower shift rate for non-drilling shifts. We would like to point out that the Nichols and Thompson invoices, however, do not cover the complete cost of drilling to Idaho Metallurgical Industries, Inc. In addition to the direct drilling cost the following items have been charged to the drilling project:

Core boxes	$ 379.14
Sample sacks and tags	351.74
Fuel oil for drying sludges	90.00
Transportation apportioned (jeep rental, maintenance, service)	423.77
Camp cook (apportioned)	152.55
Groceries (apportioned)	359.73
	$1,906.93

In addition to the above drilling costs, Idaho Metallurgical Industries will assume the cost of drill supervision, core logging and sampling, sludge drying and splitting, compilation of drill data, surveying of holes and the typing of drill logs. All of these items are essential to the completion of the drilling program as specified in the D.M.E.A. contract.

Sincerely yours,

Roy P. Full

RPF/s

Original
and 1 cc

SHENON AND FULL
MINING GEOLOGISTS
~~1000 THIRD AVENUE~~
SALT LAKE CITY, UTAH

RECEIVED
MAY 7 - 1956

ACCOUNT WITH: Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York, New York

Big Deer Creek Project
Lemhi County, Idaho

Statement covering services and expenses for
Work Items completed to January 1, 1956

Work Item 3 - Self-Potential Survey
101,664 feet of line

Professional services and labor	$ 7,500.00	
Transportation and Travel, including Jeep Rental & Service	798.37	
Camp Cook	252.55	
Groceries	359.73	
White Gas, Butane, Stove Oil	20.78	$ 8,931.43

Work Item 4 - Soil Sampling
2253 samples collected

Professional Services and labor	1,300.00	
Transportation and Travel, including Jeep Rental & Service	479.02	
Camp Cook	126.27	
Groceries	179.87	
White Gas, Butane, Stove Oil	20.78	2,105.94

Work Item 5 - Geochemical Analysis
1117 samples analyzed
1117 cobalt
1117 copper
121 arsenic

Professional services and labor	2,700.00	
Camp Cook	63.14	
Groceries	89.93	
White gas, Butane, Stove Oil	51.95	
Geochemical Supplies & Material	539.40	3,444.42

Statement covering services and expenses for
Work Items completed to January 1, 1956

Miscellaneous Expenses charged to project
(Apportioned to all Work Items)

Engineering Supplies	25.86	
Survey Stakes	121.65	
Survey Tags	27.49	
Telephone and Telegrams	238.17	
Printing and Photostats (Including DMEA reports)	113.15	
Postage and Express	33.19	
Multilithing DMEA reports	13.58	
Compiling and Drafting Work (DMEA reports)	269.76	
Clerical and Secretarial Work (DMEA reports)	75.13	917.98
Assaying (Union Assay Company)		1,044.00
		$ 16,443.77

This is to certify that payment of $16,443.77 has been made to the firm of Shenon and Full.

Shenon and Full

By Roy P. Full
Partner

February 14, 1956

Form MF-204 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN - 7 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Aug.26,1955 to May 1,1956 195 Docket No. DMEA 3739 Contract No. Idm.E-884

Operator's Name Idaho Metallurgical Industries, Inc. Minerals Cobalt-Copper

Address 230 Park Avenue, New York 17, N.Y.

Contract Amount, $ 347,490.00 Government Participation: 62½% Amount, $ 217,181.25

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY WJM: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
~~Drilling~~ Work Item 8					24838.45	24838.45
Bulldozing Item 1.					5719.00	5719.00
~~Crosscutting~~ Reaming + Casing					642.50	642.50
~~Drifting~~ Cementing + Reaming					157.50	157.50
Work Item 6				16000.00	—0—	16000.00
(2) Labor and Supervision:						
Labor (Cook)-Item 6			$ 820.80	—0—	—0—	—0—
Supervision						
Technical Services-Item 6			14,366.00	—0—	—0—	—0—
(3) ~~Operating Mat'ls and Supplies~~:						
~~Timber~~ Work Item 3					7000.00	7000.00
Explosives						
Pipe						
Track						
Office Supplies-Item 6			1,042.04	—0—	—0—	—0—
Fuel - Item 6			204.29	—0—	—0—	—0—
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis Item 4					1560.00	1560.00
Payroll Taxes						
Liability Insurance						
Groceries-Item 6			1,169.14	—0—	—0—	—0—
Transportation-Item 6			2,640.95	—0—	—0—	—0—
(8) Contingencies (specify): Analysis-						
~~Telephone, Postage~~ Item 5					2700.00	2700.00
~~and Express-Item 6~~			114.96	—0—	—0—	—0—
Assaying - Items 7 + 9					2526.00	2526.00
TOTALS			$20,358.18	16000.00	45143.45	61143.45

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

Date 5/23/56 *Payee Idaho Metallurgical Industries, Inc.

Per John H. Baker 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:

$ 10,000 00

Signature M. P. (Authorized Certifying Officer)

Date 6/1/56 Vou. No. 1789

(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. 6884 in accordance with the terms of the contract.

Signature 151 Alfred R. Service Title Mining Engr Date May 28, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 151 A. E. Weissenborn Title Exec Officer Date May 31-1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN - 7 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Aug. 26,1955 to May 1, 1956

Month of ..... 195..... Docket No. DMEA ..... Contract No. 3739

Operator's Name Idaho Metallurgical Industries, Inc. Minerals Cobalt-Copper

Address 230 Park Avenue, New York 17, N.Y.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
~~Winzes~~ Work Item 3				7000.00				
~~Drilling: Core~~ Item 8				24838.45				
Churn								
Auger								
~~Stripping~~ Reaming & Casing				642.50				
~~Trenching~~ Bulldozing - Item 1				5719.00				
~~Test Pits~~ Cementing & Reaming				157.50				
Roads and Trails				16000.00				
Geologic Study - Item 6	Acre		689	~~$20,358.18~~	689	$29.55	640	$25.00
TOTAL DISTRIBUTED COSTS				~~$20,358.18~~				TOTAL COSTS AUTHORIZED BY CONTRACT
Sampling & Analysis - Item 4				1560.00				
~~Operating Equipment Purchased~~ Analysis - Item 5				2900.00				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Assaying - Items 7+9				2526.00				
TOTAL COSTS				~~$20,358.18~~ 61743.45				347490.00

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.

REMARKS:

Date 5/23/56 Operator Idaho Metallurgical Industries, Inc.

Per John H. Baker 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)

/s/ Alfred R Service

INSTRUCTIONS

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

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

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

GPO 872894

230 PARK AVENUE
NEW YORK 17, N. Y.

RECEIVED
JUN - 7 1956

May 23, 1956

Mr. A. E. Weissenborn, Executive Officer
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3739 (Co-Cu)
Tinkers Pride et al Claims
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Weissenborn:

This will acknowledge receipt of a U.S. Government check for $28,214.66, the amount approved for payment under the subject contract in your letter of May 9, 1956. It is understood that if an amendment to Item 8 is issued, we will be given an additional reimbursement by DMEA.

It was not possible to report on our costs under Item 6 of the subject contract in our letter of April 10, 1956 because work on the final report and maps had not been completed at that time. Now that this work has been accomplished, the MF104 and MF 104A forms (5 copies) and the related Shenon & Full invoice covering Item 6 are submitted herewith.

Yours very truly,

John H. Baker

John H. Baker, President
IDAHO METALLURGICAL INDUSTRIES, INC.

JHB:b
cc: L.J.L. (Encls.)
W.M.L. (")
S.& F. (")

SHENON AND FULL
MINING GEOLOGISTS
~~1339 THIRD AVENUE~~
SALT LAKE CITY, UTAH
700 Newhouse Building

RECEIVED
JUN - 7 1956

ACCOUNT WITH Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York 17, New York

Big Deer Creek Project

Statement covering Services and Expenses for Work Item 6, including Geologic Study of an area (approximately 12,000 feet by 2,500 feet) of 689 acres, Sampling, Surveying and Mapping of trenches, cuts, roads and outcrops, and including all other Geological and Engineering work not covered by other Work Items:

Professional Services and Labor	$ 14,366.00
Transportation and Travel (including Jeep Rental and Service)	2,640.95
Camp Cook	820.80
Groceries	1,169.14
White gas, butane, stove oil	204.29
Printing and Photostats	449.47
Chartex (cloth map backing)	290.45
Miscellaneous supplies	74.56
Express, postage, and crating	74.38
Telephone	40.58
Binding report and maps	84.00
Tracing paper, linen, etc.	66.00
Multilithing and stencils	77.56
	$ 20,358.18

OK JB Baker

DMEA Field Team, Region I, NW

June 4, 1956

RECEIVED

JUN - 7 1956

DMEA Certifying Officer, Region I, NW

Docket No. DMEA 3739, Contract No. Idm-1884, Idaho Metallurgical Industries, Inc. Operating report for the period August 26, 1955 to May 1, 1956.

The subject operating report has been processed and forwarded to the Disbursing Officer for payment.

Under Work Item 6 the Operator has claimed costs covering 689.5 acres at an actual cost of $29.526 per acre, or $20,358.18. The contract allows a maximum of 640 acres at $25.00 per acre, or a total of $16,000.00 for this work item. A disallowance of $4,358.18 has been made to bring the cost for this work item into conformance with the contract.

Myrtle Purdy

cc: Operator
DMEA (2)
USGS (2)
Wash. (2)
AD
Engr.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
MAY 4 - 1956

May 1, 1956

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

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride, et al.
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Selfridge:

We have today forwarded to you via Railway Express (GBL No. IN-40665), two copies of a geologic report and a geologic folio prepared by the consulting firm of Shenon and Full. The report covers the work done under Stage I of the Idaho Metallurgical Industries, Inc. exploration project, and is acceptable to the Field Team.

We believe the maps and report will be of as much interest to the commodity groups as they have been to us. We might add that the manner of presentation is a matter of routine for the Shenon and Full firm. We feel that Shenon and Full have demonstrated the value of the guidance they have given this work.

By Field Team, Region I, NW Dist.

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

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

Held in Reports & Records Section, because of size.

cc: USBM (2)
USBM (AD)
Nickelson
Sep. cover

RECEIVED
MAY 7 - 1956

SHENON AND FULL

MINING GEOLOGISTS
SALT LAKE CITY, UTAH
700 NEWHOUSE BUILDING
EMPIRE 4-8171

PHILIP J. SHENON
1339 THIRD AVENUE
PHONE 5-3637

ROY P. FULL
3945 SOUTH 11TH EAST
PHONE 87-1840

February 8, 1956

RECEIVED
FEB 1 1 1956
NEW YORK

Mr. W. C. Schmidt
Room 1541
230 Park Avenue
New York 17, New York

Re: Idaho Metallurgical Industries, Inc.
Diamond Drilling, Big Deer Creek Area
Lemhi County, Idaho

Dear Bill:

We have a letter dated February 3, 1956 from Neil O'Donnell regarding our decision and reasons for using Nx size diamond drilling in the Big Deer Creek area instead of Ax as specified in the D.M.B.A. contract.

During the summer of 1954, while working on the Northfield property, we had an opportunity to review the diamond drilling that previously had been done on that property and also the drilling which was being done on the Calera property under a D.M.B.A. contract. Both of these areas were drilled with Bx and Ax size holes, with the majority of the holes of the smaller size. Very poor core recovery was apparent in both areas, especially in the Ax size.

Mineralization in the Blackbird area is in general associated with zones of shearing in which the adjoining rock is extremely soft, or at least variable in hardness. Rock of this type does not core well, especially in the smaller sizes. Drilling is undertaken in an attempt to obtain a representative sample, the results of which are dependent upon good core recovery. Previous drilling in the area has indicated the unreliability of sludge samples. Mr. Douglas, manager of the Calera mine, has on several occasions expressed his lack of confidence in the results obtained where sludge assays were necessitated by poor core recovery. His convictions have been supported by mine development.

Emphasis throughout the drilling program was placed on core recovery. Drillers were instructed to make short pulls if necessary, and at no time continue drilling if the core barrel was blocked. These short runs have increased the cost of drilling, but also have resulted in better core recovery.

The drilling in the Big Deer Creek area was started in zones in which wide-spread cobalt and copper mineralization was evident. Bulldozer cuts had exposed these zones sufficiently to disclose a very lensy character of mineralization in which some higher grade pods were present. Drill-hole samples across these wide zones were necessary to evaluate the mineral possibilities of the area.

Deep weathering over the Big Deer Creek area eliminates any possibility of surface sampling, even to the depths obtained in bulldozer trenches. The grade evaluation of the area and the conclusions of the entire project are contingent upon the assay values obtained from diamond drilling. To consider drilling Ax hole, in view of past experience, at a small saving in cost over Nx hole would appear to be an extremely short-sighted economy practice.

Diamond Drill Hole No. 1 was started with Nx and drilled to 390 feet at that size. A short section of caving ground at that point made it desirable to case the hole and reduce to Bx size. The hole was continued to 709 feet at Bx, but the recovery and character of core in the smaller size convinced us that the Nx size should be maintained on all holes if at all possible. The Nx size was maintained on all holes but three in which caving ground conditions required casing and reduction in size to Bx.

The drilling was watched very carefully throughout the project in an attempt to see if smaller size drilling was warranted. The decision was very definitely to use the larger size hole, one which I believe is well supported both by the results which were obtained by Idaho Metallurgical Industries and by the results which have been obtained at the Calera mine.

The cost of drilling 3821.3 feet of hole, as invoiced by Nichols and Thompson, totaled $38,372.98. This amount we understand is to be reduced by $1,875.00 to cover a lower shift rate for non-drilling shifts. We would like to point out that the Nichols and Thompson invoices, however, do not cover the complete cost of drilling to Idaho Metallurgical Industries, Inc. In addition to the direct drilling cost the following items have been charged to the drilling project:

Core boxes	$ 379.14
Sample sacks and tags	351.74
Fuel oil for drying sludges	90.00
Transportation apportioned (jeep rental, maintenance, service)	473.77
Camp cook (apportioned)	252.55
Groceries (apportioned)	359.73
	$1,906.93

In addition to the above drilling costs, Idaho Metallurgical Industries will assume the cost of drill supervision, core logging and sampling, sludge drying and splitting, compilation of drill data, surveying of holes and the typing of drill logs. All of these items are essential to the completion of the drilling program as specified in the D.M.B.A. contract.

Sincerely yours,

Roy P. Full

RPF/s

Original
and 1 cc

SHENON AND FULL
MINING GEOLOGISTS
~~1000 THIRD AVENUE~~
SALT LAKE CITY, UTAH

RECEIVED
MAY 7 - 1956

ACCOUNT WITH Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York, New York

Big Deer Creek Project
Lemhi County, Idaho

Statement covering services and expenses for
Work Items completed to January 1, 1956

Work Item 3 - Self-Potential Survey
101,664 feet of line

Professional services and labor	$ 7,500.00	
Transportation and Travel, including Jeep Rental & Service	798.37	
Camp Cook	252.55	
Groceries	359.73	
White Gas, Butane, Stove Oil	20.78	$ 8,931.43

Work Item 4 - Soil Sampling
2253 samples collected

Professional Services and labor	1,300.00	
Transportation and Travel, including Jeep Rental & Service	479.02	
Camp Cook	126.27	
Groceries	179.87	
White Gas, Butane, Stove Oil	20.78	2,105.94

Work Item 5 - Geochemical Analysis
1117 samples analyzed
1117 cobalt
1117 copper
121 arsenic

Professional services and labor	2,700.00	
Camp Cook	63.14	
Groceries	89.93	
White gas, Butane, Stove Oil	51.95	
Geochemical Supplies & Material	539.40	3,444.42

Statement covering services and expenses for
Work Items completed to January 1, 1956

Miscellaneous Expenses charged to project
(Apportioned to all Work Items)

Engineering Supplies	25.86	
Survey Stakes	121.65	
Survey Tags	27.49	
Telephone and Telegrams	238.17	
Printing and Photostats (Including DMEA reports)	113.15	
Postage and Express	33.19	
Multilithing DMEA reports	13.58	
Compiling and Drafting Work (DMEA reports)	269.76	
Clerical and Secretarial Work (DMEA reports)	75.13	917.98
Assaying (Union Assay Company)		1,044.00
		$ 16,443.77

This is to certify that payment of $16,443.77 has been made to the firm of Shenon and Full.

Shenon and Full

By Roy P. Full
Partner

February 14, 1956

DRILLING OPERATIONS FOR IDAHO METALLURGICAL INDUSTRIES, INC.
BIG DEER CREEK AREA, LEMHI COUNTY, IDAHO
August 26, 1955 to December 1, 1955

RECEIVED
MAY 7 - 1956

HOLE NUMBER		1	2	3	4	5	6	7	TOTAL
Depth	(feet)	709.0	552.2	438.7	588.0	546.0	487.4	500.0	3821.3
NX Hole	"	395.0	552.2	438.7	588.0	173.0	487.4	335.0	2969.3
BX Hole	"	314.0	-	-	-	373.0	-	165.0	852.0
Reaming & Casing	"	35.0	50.0	57.0	55.0	15.0	25.0	20.0	257.0
Cementing & Reaming	"	-	15.	-	-	48	-	-	63
Moving & Set-Up	(Shifts)	7	8	3	5	4	3	3	33
Drilling	"	41-3/8	31	19-1/2	39-5/8	30	24-3/4	23	209-1/4
Casing	"	2	2	2	1	1-1/2	-	1-1/2	10
Pulling Casing	"	5-1/2	1	-	-	-	-	2-1/2	9
Cementing & Drilling Cement	"	-	2	-	-	1-1/2	-	-	3-1/2
Surveying	"	1	1/2	1/2	1	1	1/2	1	5-1/2
Frozen Water Lines	"	-	-	-	5	-	2-3/4	3-1/2	11-1/4
Dropped Rods	"	-	2	-	-	-	-	-	2
Total Shifts		56-7/8	46-1/2	25	51-5/8	38	31	34-1/2	283-1/2

UNIT COST ANALYSIS

CASING AND CEMENTING

Shifts Devoted to Casing and Cementing: 22.5

Cost of 22.5 Shifts @ $125.00 per shift	2,812.50
Plus Casing and Reamer unavoidably lost	560.49
Total Cost of 320 ft. Casing and Cementing	3,372.99
Cost per ft.	10.54

DRILLING

Total Shifts Invoiced: 283.5

Cost of 283.5 Shifts @ $125, plus {$560.49 (lost equipment) $500 (mobilization)}	$36,497.98
Less Cost of Casing and Cementing (as above)	3,372.99
Total Drilling Cost	$33,124.99
Less cost of 852 ft. BX @ $7.00 (assumed)	5,964.00
Cost of 2,969.3 ft. NX	$27,160.99
Cost per ft. NX	9.15

This is to certify that work described above has been done by Nichols & Thompson Core Drilling Co., Inc. and that payment in full has been made by Idaho Metallurgical Industries, Inc.

NICHOLS & THOMPSON CORE DRILLING CO., INC.

By William A. Nichols Date April 3, 56

DIAMOND DRILL HOLE NO. 1

SIZE	FOOTAGE		WIDTH	% CORE	CORE ASSAY		SLUDGE ASSAY	
	FROM	TO	FEET	RECOV.	% CU	% CO	% CU	% CO
NX	55.6	60.4	4.8	95	NIL	0.014		
	60.4	64.4	4.0	100	NIL	0.014		
	64.4	67.3	2.9	100	TR	0.022		
	67.3	70.8	3.5	95	NIL	0.014		
	70.8	73.3	2.5	100	NIL	0.007		
	73.3	76.3	3.0	70	NIL	0.014		
	76.3	80.0	3.7	25	NIL	0.007	TR	0.014
	80.0	81.5	1.5	95	NIL	0.022		
	81.5	85.5	5.0	85	TR	0.007		
	92.0	95.0	3.0	100	NIL	0.036		
	101.0	102.6	1.6	95	0.037	0.014		
	206.0	210.0	4.0	95	0.277	0.146		
	254.8	259.6	4.8	90	0.210	0.022		
	259.6	264.1	5.5	30	0.033	0.029	0.155	0.014
	273.5	277.0	3.5	100	NIL	0.014		
	338.0	343.2	5.2	25	0.046	0.014	0.033	0.007
	343.2	345.8	2.6	50	0.029	0.022	0.037	0.029
	345.8	346.8	1.0	95	0.399	0.029		
	370.5	374.0	3.5	30			0.046	0.073
	374.0	378.5	4.5	55	NIL	0.411	0.033	0.058
	387.0	391.6	4.6	90	0.029	0.022		
BX	405.7	409.7	4.0	75	NIL	0.029		
	409.7	410.7	1.0	100	0.092	0.051		
	410.7	415.0	4.3	95	0.075	0.132		
	415.0	418.0	3.0	100	0.042	0.132		
	418.0	421.0	3.0	70	0.079	0.198		
	421.0	423.3	2.3	85	0.050	0.447		
	423.3	427.3	4.0	90	0.142	0.484		
	427.3	427.7	1.4	100	0.021	0.022		
	428.7	431.3	2.6	90	0.130	0.044		
	431.3	434.8	3.5	80	0.100	0.051		
	434.8	437.4	2.6	100	0.168	0.293		
	437.4	439.7	2.3	100	0.037	0.146		
	439.7	444.0	4.3	100	0.281	0.278		
	444.0	447.9	3.9	90	0.071	0.044		
	447.9	452.9	5.0	100	0.252	0.051		
	452.9	457.6	4.7	100	0.210	0.381		
	457.6	462.0	4.5	100	0.113	0.425		
	462.0	465.8	3.8	100	0.420	0.528		
	465.8	469.0	3.2	100	0.159	0.308		
	469.0	471.4	2.4	100	0.100	0.098		
	471.4	473.1	1.7	95	0.306	0.066		
	473.1	476.0	2.9	85	NIL	0.036		
	476.0	479.8	3.8	100	NIL	0.029		
	479.8	482.2	2.4	90	NIL	0.029		
	482.2	486.2	4.0	75	NIL	0.022		
	486.2	489.2	3.0	85	NIL	0.066		
	489.2	493.2	4.0	90	0.36	0.146		
	493.2	496.0	2.8	80	0.28	0.132		
	496.0	499.8	3.8	50	NIL	0.066	0.05	0.058
	578.0	583.0	5.0	100	0.155	0.022		
	630.4	632.2	1.8	95	NIL	0.073		
	662.5	666.5	4.0	95	0.147	0.014		

DIAMOND DRILL HOLE NO. 2

SIZE	FOOTAGE		WIDTH	% CORE	CORE ASSAY		SLUDGE ASSAY	
	FROM	TO	FEET	RECOV.	% CU	% CO	% CU	% CO
NX	392.8	397.8	5.0	95	0.462	0.066		
	435.0	440.0	5.0	100	0.092	0.073		
	440.0	445.1	5.1	100	0.197	0.051		
	445.1	450.2	5.1	95	0.344	0.095		
	450.2	454.9	4.7	100	0.155	0.029		
	454.9	459.3	4.4	90	0.050	0.036		
	459.3	464.2	4.9	100	0.126	0.029		
	464.2	466.8	2.6	100	0.034	0.036		
	466.8	472.1	5.3	95	0.105	0.029		
	472.1	477.5	5.4	80	0.088	0.029		
	477.5	482.5	5.0	100	0.037	0.022		
	482.5	486.5	4.0	95	0.038	0.036		
	486.5	491.3	4.8	100	0.134	0.022		
	540.5	542.7	2.2	50	0.142	0.036		
	542.7	545.7	3.0	100	0.142	0.176		
	545.7	549.5	3.8	85	0.310	0.073		

DIAMOND DRILL HOLE NO. 3

SIZE	FOOTAGE FROM	FOOTAGE TO	WIDTH FEET	% CORE RECOV	CORE ASSAY % CU	CORE ASSAY % CO	SLUDGE ASSAY % CU	SLUDGE ASSAY % CO
NX	75.5	80.5	5.0	90	NIL	0.036		
	80.5	85.5	5.0	70	NIL	0.011		
	85.5	89.3	3.8	90	0.010	0.011		
	89.3	93.3	4.0	65	0.020	0.007		
	93.3	95.7	2.4	95	0.020	0.007		
	95.7	97.7	2.0	80	NIL	0.007		
	97.7	100.7	3.0	85	NIL	0.022		
	100.7	104.0	3.3	70	NIL	0.007		
	104.0	106.0	2.0	95	0.037	0.014		
	106.0	111.0	5.0	40	0.020	0.007		
	111.0	114.0	3.0	95	NIL	0.051		
	114.0	117.8	3.8	100	NIL	0.007		
	117.8	121.0	3.2	100	NIL	0.011		
	121.0	124.3	3.3	85	NIL	0.077		
	124.3	129.8	5.5	95	NIL	0.036		
	129.8	133.8	4.0	90	NIL	0.014		
	133.8	139.0	5.2	95	NIL	0.022		
	139.0	144.5	5.5	95	0.030	0.007		
	144.5	149.5	5.0	100	0.088	0.102		
	149.5	154.5	5.0	100	0.235	0.110		
	154.5	159.8	5.3	100	NIL	0.044		
	159.8	164.8	5.0	100	0.044	0.029		
	164.8	169.8	5.0	95	NIL	0.014		
	258.1	263.2	5.1	75	NIL	0.007		
	263.2	268.2	5.0	100	NIL	0.003		
	268.7	273.5	5.3	85	0.031	0.003		
	273.5	279.7	6.2	100	0.056	0.007		
	279.7	282.0	2.3	100	NIL	0.003		
	282.0	286.5	4.5	95	NIL	0.003		
	286.5	291.0	4.5	95	NIL	0.003		
	291.0	297.6	6.6	85	0.037	0.007		
	297.6	301.3	3.7	100	0.144	0.011		
	301.3	306.0	4.7	90	0.056	0.007		
	306.0	311.0	5.0	100	0.044	0.011		
	311.0	316.0	5.0	100	NIL	0.014		
	316.0	321.0	5.0	95	0.044	0.044		
	321.0	326.0	5.0	100	0.882	0.477		
	326.0	331.0	5.0	100	0.831	0.161		
	331.0	336.0	5.0	100	0.630	0.132		
	336.0	340.8	4.8	95	0.472	0.073		
	340.8	345.0	4.2	100	0.195	0.066		
	345.0	350.0	5.0	100	0.264	0.139		
	350.0	355.0	5.0	100	0.201	0.125		
	355.0	359.0	4.0	100	0.233	0.088		
	359.0	363.5	4.5	100	0.081	0.117		
	363.5	368.5	5.0	100	0.365	0.117		
	368.5	373.2	4.7	100	0.025	0.227		
	373.2	375.5	2.3	100	0.018	0.587		
	375.5	380.8	5.3	90	0.031	0.242		
	380.8	385.5	4.7	40	0.283	0.044	0.094	0.066
	385.5	388.5	3.0	25	NIL	0.007	0.063	0.029
	409.3	414.5	5.2	100	0.182	0.007		
	414.5	419.5	5.0	100	0.119	0.007		
	419.5	424.0	4.5	100	0.100	0.007		
	424.0	429.0	5.0	80	0.378	0.007		
	429.0	434.0	5.0	40	NIL	0.007	0.144	0.014
	434.0	438.7	4.7	80	NIL	0.003		

RECEIVED
MAY 7 - 1956

DIAMOND DRILL HOLE NO. 4

SIZE	FOOTAGE		WIDTH	% CORE	CORE ASSAY		SLUDGE ASSAY	
	FROM	TO	FEET	RECOV	% CU	% CO	% CU	% CO
NX	72.8	77.0	4.2	100	0.056	0.323		
	95.1	100.1	5.0	100	NIL	0.044		
	112.3	117.7	5.4	70	0.069	0.022		
	126.1	130.1	4.0	100	0.069	0.044		
	155.7	161.5	5.8	90	0.201	0.014		
	184.5	186.9	2.4	100	0.371	0.014		
	186.9	191.9	5.0	80	0.010	0.007		
	191.9	196.0	4.1	95	0.201	0.007		
	196.0	202.0	6.0	100	0.069	0.007		
	202.0	208.4	6.4	95	0.010	0.007		
	235.8	241.3	5.5	95	0.100	0.007		
	241.3	246.2	4.9	95	0.081	0.007		
	246.2	251.8	5.6	90	0.075	0.011		
	251.8	255.8	4.0	75	0.010	0.007		
	278.0	280.5	2.5	95	0.31	NIL		
	280.5	285.0	4.5	95	0.05	NIL		
	285.0	291.0	6.0	85	0.038	NIL		
	291.0	296.0	5.0	90	0.014	NIL		
	309.3	311.5	2.2	100	0.054	NIL		
	311.5	315.1	3.6	5			0.05	0.018
	372.5	377.8	5.3	85	0.03	0.04		
	377.8	383.1	5.3	90	0.11	0.29		
	383.1	387.2	4.1	90	0.15	TR		
	387.2	390.5	3.3	80	0.03	TR		
	390.5	394.5	4.0	95	0.17	0.07		
	466.8	470.2	3.4	95	0.07	TR		
	470.2	475.4	5.2	95	0.02	TR		
	475.4	482.8	7.4	65	0.025	NIL		
	482.8	486.5	3.7	75	0.15	NIL		
	486.5	490.8	4.3	90	0.026	0.02		
	490.8	494.7	3.9	100	0.28	TR		
	494.7	499.8	5.1	100	0.025	TR		
	499.8	505.6	5.8	60	0.05	TR		
	523.7	529.8	6.1	15			0.04	0.012
	538.8	543.7	4.9	90	0.012	TR		
	543.7	546.8	3.1	100	0.023	0.11		
	546.8	553.4	6.6	80	0.009	TR		
	553.4	560.3	6.9	70	0.02	0.03		

DIAMOND DRILL HOLE NO. 5

SIZE	FOOTAGE FROM	FOOTAGE TO	WIDTH FEET	% CORE RECOV	CORE ASSAY % CU	CORE ASSAY % CO	SLUDGE ASSAY % CU	SLUDGE ASSAY % CO
NX	43.0	47.5	4.5	95	0.020	0.036		
	47.5	50.5	3.0	85	0.711	0.198		
	71.5	74.7	3.2	95	NIL	0.014		
	78.9	83.4	4.5	85	0.270	0.066		
	83.4	88.5	5.1	95	0.094	0.029		
	100.0	105.0	5.0	80	0.020	0.022		
	105.0	110.0	5.0	85	0.535	0.029		
	110.0	114.5	4.5	95	0.056	0.007		
BX	215.5	220.3	4.8	0			0.018	0.009
	243.0	248.0	5.0	100	0.15	TR		
	248.0	252.0	4.0	100	0.155	TR		
	344.5	349.5	5.0	100	0.029	NIL		
	349.5	354.5	5.0	80	0.032	NIL		
	354.5	359.5	5.0	70	0.012	NIL		
	359.5	364.5	5.0	50	0.019	NIL		
	364.5	369.5	5.0	75	0.013	NIL		
	369.5	374.5	5.0	75	0.04	NIL		
	374.5	379.5	5.0	65	0.03	NIL		
	379.5	385.0	5.5	50	0.36	0.03	0.03	0.015
	385.0	390.0	5.0	50	0.027	TR	0.06	0.014
	390.0	395.0	5.0	40	0.11	TR	0.17	0.029
	395.0	400.0	5.0	50	0.88	0.09	0.37	0.048
	400.0	404.0	4.0	85	0.51	0.012		
	404.0	408.8	4.8	25	0.010	0.014	0.075	0.02
	408.8	413.8	5.0	25	0.096	0.028	0.12	0.025
	413.8	418.8	5.0	15	0.008	NIL	0.32	0.016
	418.8	426.0	7.2	80	0.005	0.062		
	426.0	431.0	5.0	95	0.016	0.064		
	431.0	435.5	4.5	95	0.013	0.177		
	435.5	439.5	4.0	50	0.012	0.006		
	439.5	444.0	4.5	65	0.023	0.015	0.05	0.08
	444.0	448.0	4.0	95	0.015	0.007		
	448.0	452.3	4.3	85	0.014	NIL		
	452.3	456.4	4.1	90	0.015	NIL		
	456.4	461.0	4.7	100	0.18	NIL		
	461.0	466.0	5.0	100	0.028	NIL		
	466.0	470.5	4.5	90	0.22	0.006		
	470.5	475.5	5.0	90	0.036	0.002		
	495.2	500.3	5.1	65	0.056	0.032		
	500.3	508.0	7.7	90	0.012	NIL		
	516.0	521.0	5.0	80	0.71	0.001		
	521.0	526.0	5.0	70	0.13	NIL		
	526.0	531.0	5.0	50	0.36	NIL	0.15	0.02

DIAMOND DRILL HOLE NO. 6

SIZE	FOOTAGE		WIDTH	% CORE	CORE ASSAY		SLUDGE ASSAY	
	FROM	TO	FEET	RECOV	% CU	% CO	% CU	% CO
NX	129.3	134.3	5.0	0			0.18	0.005
	154.5	159.5	5.0	50	0.35	NIL		
	159.5	164.5	5.0	100	0.037	NIL		
	164.5	169.5	5.0	100	0.15	NIL		
	169.5	174.5	5.0	50	0.37	NIL		
	174.5	179.5	5.0	90	0.20	0.006	0.10	0.004
	179.5	184.5	5.0	95	0.022	NIL		
	264.0	267.0	3.0	40	0.034	0.02	0.02	0.024
	267.0	273.0	6.0	25	0.45	NIL	0.08	0.02
	273.0	279.0	6.0	5	6.56	0.036	0.25	0.01
	279.0	286.0	7.0	10	2.19	0.182	0.685	0.03
	286.0	291.0	5.0	35	0.12	NIL	0.585	0.05
	291.0	295.5	4.5	40	0.13	NIL	0.23	0.018
	295.5	299.5	4.0	50	0.014	0.010	0.165	0.014
	299.5	304.0	4.5	45	0.049	NIL	0.17	0.018
	304.0	308.5	4.5	60	0.016	NIL	0.09	0.02
	308.5	313.5	5.0	40	5.15	0.76	0.27	0.027
	313.5	318.7	5.2	0			0.17	0.04
	318.7	324.3	5.6	50	0.016	NIL	0.09	0.014
	324.3	330.0	5.7	50	0.072	0.008	0.095	0.025
	330.0	333.0	3.0	60	0.09	0.67		
	333.0	338.0	5.0	65	0.034	NIL		
	338.0	341.5	3.5	50	0.40	NIL		
	341.5	345.0	3.5	90	0.15	0.011		
	345.0	348.0	3.0	5			0.20	0.02
	348.0	352.5	4.5	40	0.24	0.030	0.17	0.02
	352.5	358.9	6.4	70	0.50	0.147		
	358.9	365.2	6.3	75	0.084	0.039		
	365.2	372.2	7.0	60	0.37	0.013	0.12	0.034
	372.2	375.8	3.6	50	0.575	0.015	0.19	0.027
	375.8	380.0	4.2	5	7.28	0.58	0.27	0.057
	380.0	385.0	5.0	5	0.51	0.50	0.51	0.09
	385.0	389.5	4.5	70	0.22	0.357		
	389.5	393.5	4.0	75	0.89	0.324		
	393.5	398.5	5.0	35	1.61	0.312	0.22	0.043
	398.5	401.0	2.5	0			0.32	0.065
	401.0	405.5	4.5	70	0.27	0.08	0.24	0.028
	405.5	410.5	5.0	35	0.16	NIL	0.225	0.034
	410.5	416.2	5.7	40	0.34	0.21	0.15	0.037
	416.2	420.3	4.1	80	0.037	TR.		
	440.5	444.5	4.0	80	0.38	0.16		
	473.5	478.5	5.0	0			0.09	0.035

DIAMOND DRILL HOLE NO. 7

BX

FOOTAGE		WIDTH	% CORE	CORE ASSAY		SLUDGE ASSAY	
FROM	TO	FEET	RECOV.	% CU	% CO	% CU	% CO
337.5	342.5	5.0	20	0.012	NIL	0.03	0.024
342.5	344.5	2.0	75	0.13	0.11		
351.5	354.6	3.1	95	0.11	0.05		
354.6	357.0	2.4	100	0.017	TR		
357.0	363.0	6.0	90	0.03	TR		
363.0	365.4	2.4	50	0.08	0.05	0.05	0.025
365.4	369.4	4.0	30	0.015	0.01	0.045	0.013
369.4	372.0	2.6	95	0.84	0.45		
372.0	375.4	3.4	60	0.13	0.01	0.19	0.039
375.4	379.3	3.9	75	0.05	0.01		
385.5	389.3	3.8	90	0.27	0.01		
389.3	394.0	4.7	90	0.03	0.02		
394.0	397.0	3.0	80	0.015	0.006		
397.0	402.0	5.0	75	0.02	0.01		
402.0	406.5	4.5	50	0.08	0.02	0.05	0.012
413.3	416.8	3.5	95	0.02	0.02		
416.8	421.0	4.2	35	0.02	0.01	0.015	0.035
421.0	426.3	5.3	70	0.02	0.01		
426.3	432.0	5.7	80	0.04	0.02		
432.0	438.0	6.0	50	0.08	0.01	0.024	0.002
438.0	443.0	5.0	40	0.013	0.007	0.02	0.008
443.0	448.0	5.0	85	0.58	0.06		
448.0	454.0	6.0	90	0.06	0.01		
454.0	459.0	5.0	100	0.03	0.01		
459.0	462.3	3.3	100	0.34	0.007		
462.3	466.5	3.2	100	0.19	0.01		
466.5	470.0	3.5	90	0.13	0.015		
470.0	476.0	6.0	85	0.105	0.016		
476.0	480.0	4.0	70	0.07	0.017	0.02	0.017
480.0	484.0	4.0	90	0.13	0.024		
484.0	489.0	5.0	100	0.29	0.10		
489.0	493.0	4.0	50	0.04	0.013	0.04	0.013

Diamond Drilling Contractor

PHONE 4-1464

505 SOUTH 18TH BOISE, IDAHO P.O. BOX 2057

RECEIVED
MAY 7 - 1956

February 24, 1956

RECEIVED
FEB 27 1956
NEW YORK

Wm. C. Schmidt,
230 Park Avenue
New York 17, New York

Dear Mr. Schmidt:

We are sorry for the delay in answering your letter of February 3rd, 1956, but we have been out of town for the past three weeks, and our correspondence is just now catching up with us.

We are still drilling for the Calera Mining Company at Cobalt and we feel that this ground is comparable to the area that we drilled for your Company. We have discovered at the Calera Mine that AX drilling was not producing satisfactory core recovery. We are now drilling NX and BX size altogether. The only time we use AX is where conditions are so severe that the cost would be prohibitive to drill the area with NX or BX. In areas where we were getting from 40 to 50% core recovery drilling AX, we are now getting from 90 to 100% on NX and BX Drilling. If you would care to write Mr. Douglas, we are sure that he would verify this statement.

The cost however, is somewhat greater than it was before. The cost per foot has raised from $1.85 to $2.65 for NX and BX Drilling. This cost is a direct result from the use of more expensive core barrels, drill rods and more carats per diamond bit. Of course this additional cost is readily accepted because of the excellent core recovery.

We hope this information will be adequate and in the event you would like any further information, we would be very happy to be of further assistance to you.

Yours very truly,

NICHOLS & THOMPSON CORE DRILLING CO.INC.

By

AN:pp
c/c Neil O'Donnell
Airmail

SHENON AND FULL
MINING GEOLOGISTS
SALT LAKE CITY, UTAH
700 NEWHOUSE BUILDING
EMPIRE 4-8171

PHILIP J. SHENON
[illegible] THIRD AVENUE
PHONE [illegible]

ROY P. FULL
[illegible] SOUTH [illegible]TH EAST
PHONE [illegible]

February 14, 1956

RECEIVED
FEB 1[illegible] 1956
NEW YORK

Mr. W. C. Schmidt
Room 1541
230 Park Avenue
New York 17, New York

Re: Idaho Metallurgical Industries
Geophysical-Geochemical Survey

Dear Bill:

On several occasions Neil O'Donnell has inquired regarding the amount of geophysical-geochemical line which was run last summer in the Big Deer Creek area. We were aware of the fact that a maximum of 80,000 feet was allowable under the D.M.B.A. contract, but we also felt that our responsibility was to adequately explore the mineralized zone up to 12,000 feet of strike length as outlined in the contract.

A total distance of 11,150 feet along the mineralized zone was explored by geophysical-geochemical surveys. Cross-lines were run at 400-foot intervals over the area, with closer spaced lines (200-foot) in the zones where mineralization was indicated. The 200-foot lines were entirely dependent upon the results of the 400-foot lines, and were not put in unless the results of the wider spaced lines indicated the need for more closely spaced data. The maps which have been submitted with monthly progress reports show the positions of the surveys.

We feel that no unnecessary work has been done in completing the survey, and that the amount of line (101,664 feet) which was completed was essential to make an evaluation of the area.

Sincerely yours,

Roy P. Full

Roy P. Full

RPF/s

230 PARK AVENUE
NEW YORK 17, N. Y.

April 25, 1956

RECEIVED
APR 27 1956

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of The Interior
Washington 25, D.C.

W Sey

Re: Docket No. DMEA 3739
Cobalt, Copper
Tinkers Pride et al Claims
Lemhi County, Idaho

Dear Mr. Mittendorf:

Attached are the five copies of Amendment No. 1 to the subject contract which you sent us with your April 24th letter. The correction has been initialed in accordance with your request. Also enclosed is our "Operator's" copy and we would appreciate your initialing and returning this copy.

Shenon and Full have advised us that their final report on Stage 1 of the subject contract will be completed by May 1st. We have instructed them to send five copies of it to Mr. Weissenborn in Spokane.

The revised MF104 and MF104A forms covering Stage 1 were mailed to Mr. Weissenborn on April 10, 1956. These forms were accompanied by a letter requesting amendments related to Work Items 3, 4, 5, and 8 of Stage 1. Considerable supporting data were enclosed.

We are now preparing plans for additional exploration work on the Tinkers Pride claims during the 1956 drilling season. I hope to be able to discuss these with you in the near future, and will telephone you to arrange an appointment.

Yours very truly,

IDAHO METALLURGICAL INDUSTRIES, INC.

Copy made for ~~retained~~ 400

John H. Baker

John H. Baker
President

JHB:b
Encls.-6

DOCKET
SURNAME
400 Chapman
Martin
Selfridge.

APR 24 1956

Mr. John H. Baker, President
Idaho Metallurgical Industries, Inc.
230 Park Avenue, Room 1841
New York 17, New York

Re: Docket No. DMEA 3739 -Cobalt, Copper
Tinhorn Pride Claims, et al.
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Baker:

Enclosed are five copies (Government, Docket, Division, Field Team and Finance Office copies), of Amendment No. 1 to the above noted contract, in which we regret to inform you that the figure for former Government participation in Item I, contains a typographical error. The amount of $205,100.00 as written should be $205,180.00. We initialed the correction, which has been made here, in this figure and it will be appreciated if you will initial and return our copies to us. If you will kindly send us your "Operator's Copy" at the same time, that copy will be initialed here and returned to you.

Reference is made to your letter of February 10, 1956, to Mr. A. E. Weissenborn, in which you advised that Shenon and Full had been asked to proceed with preparation of report on work accomplished. Please advise us when we may expect this report.

Reference is also made to a letter to you dated March 26, 1956, by Mr. Weissenborn in which he returned copies of MF-104 and MF-104A for August, September, October and November with other data for revision. We would appreciate receiving the revised forms and data at your earliest convenience.

Sincerely yours,

C. O. Mitteldorf

Administrator

TLCHAPMAN/fcc
4-20-56
cc to: Docket
Code 400
Admr. Read. File
Operating Comm.
FT. REG. I - NWD
H. W. Davis, USBM
T.H. Kiilsgaard, USGS

Held publication
until asked comm back to Martin office

R.C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
APR 13 1956

April 11, 1956

Air Mail

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

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claims, et al.
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Selfridge:

In connection with your letter of April 2 pointing out an error in Amendment 1 to the above-mentioned contract, I'm sorry I cannot comply with your request as the amendment has already been signed and distributed. Washington's copies of the signed amendment were mailed to you on April 4.

In order to have the initialing done most easily we are enclosing the Field Team's and the Finance Office's copy of the amendment and we suggest that they be initialed in Washington and then all copies be sent to Idaho Metallurgical Industries, Inc., in New York and have the correction initialed there, at the same time having the Operator correct his own copy. Because the amendment has already been distributed, we believe that this would create the least confusion.

Please return our field copies as soon as they are initialed.

Sincerely yours,

A. E. Weissenborn

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

Enclosures

cc: USBM (2)
USBM (AD)
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
APR 9 - 1956

April 4, 1956

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

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Tinkers Pride Claims, et al.
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Selfridge:

Enclosed are the Government, Docket, and Division copies of Amendment No. 1 to this contract.

By copy of this letter other copies of the amendment are being distributed.

Sincerely yours,

A. E. Weissenborn

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

Enclosures

cc: Finance Office w/encl.
USBM(2)
Nickelson

400

Docket
Martin
Selfridge
Hermann
Mathews

APR 2 1956

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I - Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3739,
Cobalt-Copper
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claims, et al.
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Weissenborn:

Reference is made to our letter of March 20, 1956, transmitting the original and five copies of a proposed Amendment No. 1 to the above-referenced contract signed by the Administrator for the Government, with two extra copies for the use of the Field Team.

We note that the figure "$205,100.00" should be $205,180.00. It will be appreciated, therefore, if you will correct* our same typographical error on all the copies of the proposed amendment, initial the change, and have the change initialed by the Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/3)

* by typewriter

APPROVED:

/s/ Robert W. Geehan (2/3)
Member, Bureau of Mines

N. E. Nelson (2/3)
Member, Geological Survey

cc: Docket
Adm. Read. File
Oper. Committee
Code 400
FT, Reg. I-NW
T. Kiilsgaard, USGS
H. W. Davis, USBM

WSMartin/ls
3/30/56

P.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

March 27, 1956

Mr. John H. Baker, President
Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York 17, N. Y.

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Tinkers Pride Claims, et al.
Lemhi County, Idaho
Contract No. Idm-5884

Dear Mr. Baker:

Enclosed are the original and six copies of a proposed Amendment No. 1 to your contract.

The amendment was prepared before our meeting in Spokane and deals only with assaying costs. If the amendment is satisfactory will you sign all copies and return all but the Operator's copy.

We can make no recommendations about diamond drilling costs until we receive the data you promised us.

Sincerely yours,

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

Enclosure

cc: DMEA (2)
USBM (2)
USBM (AD)
Nickelson

RECEIVED
APR 9 - 1956

XXXXXXXXXXXXXXXXX
1201 N. Division Street
Spokane 2, Washington
March 26, 1956

Mr. John H. Baker, President
Idaho Metallurgical Industries, Inc.
230 Park Avenue, Room 1841
New York 17, New York

Re: Docket No. DMEA-3739
Idaho Metallurgical
Industries, Inc.
Contract Idm-E884

Dear Mr. Baker:

As requested we are returning herewith the following Forms MF-104, MF-104A, and invoices:

5 copies each of forms MF-104 and MF-104A covering the period August 26-September 30, 1955.

5 copies each of forms MF-104 and MF-104A for October 1955.

5 copies each of forms MF-104 and MF-104A for November 1955.

Invoices and cash sales tickets as follows:

Hofmann's	$65.30
Sears	7.84
Allen's Surplus	7.42
Hofmann's	23.46
Northwest Butane Gas Co.	95.00
Havemann Hardware	4.80
Havemann Hardware	11.85

We are retaining the progress reports and maps sent in with the vouchers listed above. We are also holding the drill hole logs for holes Nos. 1 through 7, and invoices as follows:

Union Assay Co.	$438.00	
Union Assay Co.	606.00	
Quebec Metallurgical Industries, Ltd.	2088.00	(net $1,044.00)

Nichols & Thompson		$4,828.12
"	"	17,137.36
"	"	16,407.00
"	"	740.00
Morrison-Knudsen		420.00
"	"	2,443.00
"	"	2,030.00
"	"	826.00

We understand you will resubmit the costs insurred for the period in question in accordance with the agreement reached between yourself and the Field Team at the conference here at Spokane on March 23, 1956.

By Field Team, Region I, NW Dist.

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

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

cc: DMEA (2)
USGS (2)

DOCKET
SURNAME
400 Chapman
Martin
Chambers
Selfridge
Freeman
Mittendorf

B

MAR 2 0 1956

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I - Northwest District
157 South Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 3739 - Cobalt-Copper
Idaho Metallurgical Industries, Inc.
Tinhorn Pride Claims, et al.
Lemhi County, Idaho
Contract No. Idm-8884

Dear Mr. Weissenborn:

Enclosed are the original and five copies of a proposed Amendment No. 1 to the above referenced contract, signed by the Administrator for the Government. Two extra copies are enclosed for the use of the Field Team.

If the terms and conditions of this proposed amendment are satisfactory to you and the Operator, all six copies should be signed by the Operator and the usual distribution made.

If any part of the proposed amendment does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office, together with the proposed changes for consideration.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/5)

Enclosure

APPROVED:

/s/ Robert W. Geehan (2/5)
Member, Bureau of Mines

Thor H. Kiilsgaard (2/5)
Member, Geological Survey

TLChapman/fec 3/15/56
cc to: Docket
Code 400
Admr. R. File
Oper. Comm.
FT. REG. I - NWD
H. M. Meyer, USBM
T. H. Kiilsgaard, USGS

R.C.L.

Phelan
Dwyer
"Appd. Sol. Off."
Chapman
Martin
Chambers

(2) On page 7, change Estimated Total Cost for Stage III from "$81,250.00" to "$81,850.00."

3. The increase in unit price from $3.00 to $6.00 per combined analysis of cobalt and copper shall be in effect only so long as the samples are sent from the property for analysing by outside chemists.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

IDAHO METALLURGICAL INDUSTRIES, INC.

By _____

_____

Copy to DMC

FROM SOLICITOR
MAR 13 1956
FOR SIGNATURE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
No. 157 Howard Street
Spokane 4, Washington

RECEIVED
MAR 16 1956

March 12, 1956

Mr. John H. Baker, President
Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York 17, N. Y.

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Tinkers Pride Claim, et al.
Lemhi County, Idaho
Contract No. Idm-[illegible]

Dear Mr. Baker:

In reference to your letter of February 10, we will be very glad to get the final report from Shannon & Full on the work done on Stage 1 of the contract. We would like to urge you, however, to submit the vouchers for this stage so that in the event you do go ahead with Stage 2, all of the financial details concerning Stage 1 will have been settled. I trust that my conversation with you in New York helped clarify the method of submitting the vouchers.

Sincerely,

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

cc: DMEA (2) w/inc.
USBM (2)
USBM (AD)
Nickelsen

230 PARK AVENUE
NEW YORK 17, N. Y.

RECEIVED
MAR 16 1956

February 10, 1956

Mr. A. B. Weissenborn, Executive Officer
Defense Minerals Exploration Administration
S. 157 Howard Street
Spokane, Washington

Re: Idaho Metallurgical Industries
Docket No. DMEA-3739
Contract No. Idm-2854

DMEA

Dear Mr. Weissenborn:

With his letter to you dated January 10, 1956, Mr. R. P. Full transmitted copies of the November 1955 Progress Report under the referenced contract. As Mr. Full's letter stated, weather conditions required that field work be discontinued at the end of November, 1955. At that time all field work called for under Stage 1 had been completed except for some of the bulldozing and diamond drilling.

Since weather conditions undoubtedly will not permit resumption of field work until June of this year, with a consequent delay in the preparation of a final report on Stage 1, we have decided to eliminate the remaining field work from the scope of Stage 1. This will allow Shenon & Full to proceed immediately with the preparation of the final report on Stage 1 and, hence, permit an earlier evaluation of the results of the 1955 work. If this evaluation should result in a decision to proceed with Stage 2, field work under this stage could then commence early in June.

Yours very truly,

IDAHO METALLURGICAL INDUSTRIES INC.

John H. Baker

John H. Baker
President

JHB:b
cc: S&F

400

DOCKET
SURNAME
Chapman
Martin

March 6, 1956

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of Amendment No. I
Docket No. DMEA 3739 - Cobalt-Copper
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claims, et al.
Lemhi County, Idaho
Contract No. Idm-E884

Transmitted herewith is a rough draft of an Amendment No. 1 to the above-captioned contract for your use in preparing the final draft.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

TLChapman/foc
3/6/56
cc to: Docket
Code 400
Adm. Read. File

EXPLORATION PROJECT CONTRACT
IDAHO METALLURGICAL INDUSTRIES, INC.
DOCKET NO. DMEA 3739

AMENDMENT No. I

It is agreed this _____day of _____, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration and Idaho Metallurgical Industries, Inc., that Exploration Project Contract No. Idm-E884 (Docket No. DMEA 3739, dated August 26, 1955, is amended, effective August 26, 1955, as follows:

1. In Article 5 of the Contract, change the estimated total allowable cost from $328,290.00 to $347,490.00, and change the maximum amount of the Government participation from $205,100.00 to $217,181.25.

2. Amend Exhibit "A" of the Contract as follows:

1. Under the heading "Estimated Costs of the Project"

A. In Stage I:

(1) On page 5, Work Item 7, change cost of analyzing samples from $1,500.00* to $3,000.00*.

(2) On page 6, Work Item 9, change cost of analyzing samples from $3,600.00* to $7,200.00*

(3) On page 6, change Estimated Total Cost of Stage I, from $81,300.00 to $86,400.00

B. In Stage II:

(1) On page 6, Work Item 11, change cost of analyzing samples from $13,500.00* to $27,000.00*.

(2) On page 7, change Estimated Total Cost of Stage II, from $165,740 to $179,240.00.

C. In Stage III:

(1) On page 7, Work Item 16, change unit cost of analyzing samples from $3.00 per sample to $6.00 per sample and the total cost thereof from $600.00 to $1,200.00

(2) On page 7, change Estimated Total Cost for Stage III from $81,250.00 to $81,850.00

2. The increase in unit price from $3.00 to $6.00 per combined analysis of cobalt and copper shall be in effect only so long as the samples are sent from the property for analysing by outside chemists.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals
Exploration Administration

Idaho Metallurgical Industries, Inc.

By_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
FEB 17 1956

February 14, 1956

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

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claims, et. al.
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Selfridge:

Enclosed are all unsigned copies of Amendment No. 1. We have kept the two extra copies for filing purposes. Also enclosed are copies of a letter dated February 6, 1956 from Mr. W. C. Schmidt, in which he states that the Company is not satisfied with that part of the Amendment which concerns the diamond drilling. He suggests that the amendment be rewritten to cover only the increased cost of analyzing the samples, and that consideration of the rest of the amendment be deferred pending additional information which the Company will present.

By Field Team, Region I, NW Dist.

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

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

Enclosures

cc: USBM (2)
USBM (AD)
Nickelson

230 PARK AVENUE
NEW YORK 17, N. Y.

RECEIVED
FEB 17 1956

February 6, 1956

Mr. A. E. Weissenborn, Executive Officer
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

Re: Docket No. D.M.E.A.-3739(Co-Cu)
Tinkers Pride et al Claims
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Weissenborn:

This will acknowledge with thanks receipt of yours of November 30, 1955 enclosing original and six copies of a proposed Amendment No. 1 to the subject contract.

As discussed with you by Mr. Neil O'Donnell on his recent visit to Spokane, we approve the items referring to the increased cost of analyzing samples, but inasmuch as there was no AX size core drilling done and only BX and NX was done(the major portion being NX), the items referring to core drilling are not applicable and therefore cannot be approved.

May we suggest that Amendment No. 1 be written to cover the increased cost of analyzing samples alone, so that this matter may be processed without delay.

We are now requesting supporting data to cover the increased cost of core drilling and as soon as we have it in hand will request an amendment to cover it. This then could be the subject of a proposed Amendment No. 2.

In view of the above returned herewith are the original and six copies of the proposed Amendment No. 1 referred to in the first paragraph of this letter.

We appreciate your kind attention in this matter and trust we are not causing too much inconvenience.

Yours sincerely,

William C. Schmidt

William C. Schmidt.

WCS:his
Encs. 7

Government's copy

AMENDMENT NO. 1
to
EXPLORATION PROJECT CONTRACT (Idm-E884, DOCKET NO. DMEA-3739)
between
UNITED STATES and IDAHO METALLURGICAL INDUSTRIES, INC.

It is agreed this 23d day of November, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Idaho Metallurgical Industries, Inc., that Exploration Contract Idm-E884, Docket No. DMEA-3739, dated August 26, 1955, is amended, effective August 26, 1955 as follows:

1. In Article 5 of the Contract, change the estimated total allowable cost from $328,290.00 to $353,740.00, and change the maximum amount of the Government's participation from $205,100.00 to $221,087.50.

2. Amend Exhibit "A" of the Contract as follows:

I. Under the heading "Description of the Work"

A. In Stage I:

(1) On page 3, paragraph numbered 8, lines 4 and 5, change "not to exceed an aggregate of 5000 feet of AX size core drilling shall be done." to "not to exceed an aggregate of 5000 feet of AX and BX size core drilling shall be done, approximately 50 percent of which shall be BX size."

B. In Stage II:

(1) On page 3, paragraph numbered 10, lines 2 and 3, change "not to exceed an aggregate of 20,000 feet of AX size core drilling shall be done." to "not to exceed an aggregate of 20,000 feet of AX and BX size core drilling shall be done, approximately 50 percent of which shall be BX size."

II. Under the heading "Estimated Costs of the Project"

A. In Stage I:

(1) On page 5, Work Item 7, change cost of analyzing samples from $1,500.00* to $3,000.00*.

(2) On page 5, Work Item 8, change "Diamond drill 5000* feet of AX core hole @ $6.50*/ft." to "Diamond drill 2500* feet of AX core hole @ $6.50*/ft., and 2500* feet of BX core hole @ $7.00*/ft." Also change total cost of diamond drilling at top of page 6 from $32,500.00* to $33,750.00*.

Reviewed by

(3) On page 6, Work Item 9, change cost of analyzing samples from $3,600.00* to $7,200*.

(4) On page 6, change Estimated Total Cost for Stage I from $81,300.00* to $87,650.00*.

B. In Stage II:

(1) On page 6, Work Item 10, change "AX core diamond drilling, 20,000* feet @ $6.00*/ft." to "AX core diamond drilling, 10,000* feet @ $6.00*/ft. and BX core diamond drilling, 10,000* feet @ $6.50*/ft." Also change estimated total cost of drilling from $120,000.00* to $125,000.00*.

(2) On page 6, Work Item 11, change cost of analyzing samples from $13,500.00* to $27,000.00*.

(3) On page 7, in Work Item 14, delete the figure $165,740.00*.

(4) On page 7, immediately following Work Item 14, insert the following line:

Estimated Total Cost for Stage II $184,240.00*

C. In Stage III:

(1) On page 7, Work Item 16, change unit cost of analyzing samples from $3.00/sample to $6.00/sample and the total cost thereof from $600.00 to $1,200.00.

(2) On page 7, change Estimated Total Cost for Stage III from $81,250.00 to $81,850.00.

D. In Summary, on page 8:

(1) Estimated Total Cost of Stage I, change $81,300.00* to $87,650.00*

(2) Estimated Total Cost of Stage II, change $165,740.00* to $184,240.00*

(3) Estimated Total Cost of Stage III, change $81,250.00 to $81,850.00

(4) Estimated Total Cost of Project, change $328,290.00* to $353,740.00*

(5) Delete last line and substitute the following: Government Participation @ 62.5% - $221,087.50*

(* Indicates maximum)

III. The increase in unit price from $3.00 to $6.00 per combined analyses for cobalt and copper shall be in effect only so long as the samples are sent away from the property for analyzing by outside chemists.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense
Minerals Exploration
Administration

IDAHO METALLURGICAL INDUSTRIES, INC.

By _____

Title _____

JUSTIFICATION FOR EXECUTING AMENDMENT NO. 1
WHICH CHANGES EXHIBIT "A" OF CONTRACT NO. Idm-E884 (DOCKET NO. DMEA-3739)
IDAHO METALLURGICAL INDUSTRIES, INC.

When this contract was presented to the Operator for signature, the Operator's representatives conferred with DMEA officials and provided data indicating that the costs allowed, in Exhibit "A" of the proposed contract, for assaying might be insufficient to obtain dependable determinations; and that AX size drilling would probably result in such low core recoveries that a change to BX size at slightly higher costs, would be necessary for satisfactory results. It was agreed in that conference that in order to expedite work on the project, the contract would be signed in the form presented to the Operator, with the understanding that the matter of costs for assaying and for the change to BX size drilling would be examined and, if the allowances now provided for assaying and drilling were found to be inadequate, the Contract would be amended accordingly.

The cost of assaying was placed at $3.00 per sample in the Contract on the assumption that the cost would be similar to the cost therefor at an adjoining operating property.

However, the cost of assaying at the adjoining property, based on large numbers of daily samples assayed by company personnel in a presently existing laboratory, was found to be substantially lower than the operator of this project could attain, as he would either have to build, equip, staff and operate a chemical laboratory not provided for under the terms of this contract or send out samples for assay by commercial laboratories.

Replies to inquiries indicate that the customary charge by commercial laboratories serving the area in which the project is located is $5.00 per sample assayed for cobalt and $1.00 for copper.

If the Operator, at his own expense, builds, equips, and staffs a chemical laboratory for the purpose of doing analytical work for other phases of his mine operations, he will be able to make assays for this project at a lower cost than by sending samples to commercial laboratories and at a greater convenience to himself. Hence the amendment provides that the higher rate for assaying is authorized only so long as the samples are sent away from the property for analyzing by outside chemists.

The Field Team, in effect, agrees that drilling all footage AX size would probably result in low and unsatisfactory core recoveries and recommends that the contract be amended to require

that approximately 50 percent of the footage be drilled BX size because (1) it might not be possible to extend the holes to the mineralized zones if collared with AX size bits and (2) the geologic information that would be provided by better cores obtained from BX size drilling would be desirable.

It is the opinion of this office, on the basis of comparable drilling contracts, that a fair estimate of the additional cost of BX size drilling over AX size drilling is fifty cents per foot. Accordingly, an increment of fifty cents per foot has been provided for all BX core drilling with the stipulation that approximately 50 percent of all drilling shall be BX size.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
No. 157 Howard Street
Spokane 1, Washington

RECEIVED
FEB 13 1956

February , 1956

3739

Mr. Carl E. Nader, Head
Trace Elements Section, Denver Laboratory
Geochemical Prospecting Branch
Denver Federal Center
Denver, Colorado

Dear Mr. Nader:

I have today sent you 25 rejects by parcel post from sampling taken at the Idaho Metallurgical Industries property at Salmon, Idaho.

This property is being explored for cobalt and copper under a DMEA exploration project contract. The first phase of the project has been completed and further work at the property will depend upon geologic evidence developed and the results of a large number of assays of diamond drill cores.

The assays so far available to us are those made by the Union Assay Company. We feel the company is generally competent, but we are aware of the difficulty of analyzing for cobalt and we feel that a few check analyses are necessary. Assay results to date are low, considerably below the grade needed in a selective mining operation and possibly even below the grade necessary for a large-scale open-pit operation. As you can see, we feel to have considerable confidence in our analyses.

We are just concerned about 25 rejects, some of which I have selected for [illegible]. We would, of course, have liked to have had the analytical results yesterday. We would appreciate any priority you can give to the analyses. I am [illegible] the results of the analytical results we have on the samples.

Sincerely yours,

Jerome [illegible] Maryland, Jr.
Project Chief, [illegible]

Enclosures
cc: [illegible] (2)
[illegible] 2,
Maryland

Docket copy

Johnson
Mittendorf
Talbot

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

JAN 26 1956

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Docket No. DMEA-2440 (Tungsten)
Minerals Engineering Company
Lost Creek Mine
Deerwood County, Montana
Contract No. Idm-E300

and

Docket No. DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Timbers Pride Claims, et al
Lemhi County, Idaho
Contract No. Idm-E384

Dear Charlie:

The referenced contracts were the subject, in part, of a telephone conversation between Mr. Mittendorf, Mr. Weissenborn, and the undersigned on January 25, 1956. This letter is written, at Mr. Weissenborn's request, in order to advise you in the matters discussed.

Under contract Idm-E384 questions have arisen as to the manner by which the Operator's claims for costs incurred may be acceptably documented as well as to the propriety of allowing costs for work performed by an independent contractor. It appears that the firm of Shenon and Full is acting in the capacity of both an independent contractor and an agent for the Operator in the prosecution of the project work.

Article 13 (b) (1), as included in Annex II of the contract, specifically waives the requirement of Article 6 (a) of the contract for estimating the costs by categories. It is the opinion of this Division, therefore, that the costs incurred under category (1) Independent Contracts are properly acceptable, provided that such costs (a) exceed neither the maximum unit costs nor the maximum total costs for the pertinent item of work, as listed under Stages I and II of the Estimated Costs of the Project in Exhibit "A", and (b) conform to the requirements of the last two sentences of Article 4 (b) of the contract.

R.C.G.

Article 15 (c) (2), as included in Annex II of the contract, provides that the Operator's claim by categories on Form MF-104 shall be supplemented by a statement showing the distribution of the categorical costs by each of the work items set forth in Exhibit "A". Accordingly, any costs claimed for work performed by Shemen and Full as an independent contractor should be shown on the Form MF-104 under category (1) and distributed on the supplemental statement to the applicable work items. Any work performed by other independent contractors should be reported in the same manner. Any other costs incurred, either directly by the Operator or through Shemen and Full as agents, should be reported on the Form MF-104 in the proper category, (2) to (7), and likewise distributed on the supplemental statement to the applicable work items.

All costs claimed for independent contract work should be documented by copies of the invoices for work performed by Shemen and Full or other independent contractors. The amounts claimed for costs incurred other than under independent contracts should be documented by invoices, payrolls, or other documentary evidence of such costs.

Under contract 14m-3300 royalty is not being paid by the Operator and Mr. Weissenborn indicated a desire for a royalty audit of the project. Since the Operator's records are maintained in Grand Junction, Colorado, he suggested that it would be more feasible to have the audit performed by one of this Division's Denver auditors. I understood him to say that no royalties had been paid to date, no smelter returns had been submitted, royalties due amounted to only about $800.00, and, therefore, no preparatory audit work in the Spokane office would be required. Since the Operator's production is continuing I demurred at making an audit at this time for such a relatively small amount and suggested that, for the time being, the audit be held in abeyance and another request be made on the Operator to pay the past due royalties.

Upon looking over the docket file, however, I find a copy of a letter dated November 18, 1955, addressed to the Operator by the Field Team, in which the amount of royalty due is indicated as being $6,832.03. Furthermore, our records indicate royalties amounting to $175.94 were received by the Government through April 14, 1956. This puts a different complexion on the matter.

Accordingly, it is suggested that you discuss this case with Mr. Weissenborn. If it is determined that an audit is required (as would seem to be indicated by the Field Team's letter of November 18, 1955), it is requested that you obtain from the regional files and forward to Mr. Bruding in Denver the contract, all amendments thereto, all available settlement sheets, copies of all correspondence relative to the royalties due, and a transcript of the Operator's account as shown in the Finance Officer's ledger.

By copy of this letter Mr. Brading is being requested to perform this royalty audit if you so advise him. Please furnish this Division a copy of any letter which you may send to Mr. Brading in regard to this audit.

Copies of this letter also are being sent to Mr. Weissenborn and Mrs. Purdy.

Sincerely yours,

(Signed) E. D. Talbert

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

EDTalbert/wb
January 25, 1956

Copy to: Docket (2)
Admr. Reading File
Mrs. Purdy
Mr. Weissenborn
Mr. Brading
Mr. Martin
Mr. Chambers

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

RECEIVED
JAN 16 1956

1201 N. Division St.
Spokane 2, Washington
January 12, 1956

Air Mail

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

Re: Docket No. DMEA-3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claim, et al
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Selfridge:

Attached are copies of a letter which we have written Mr. Schmidt explaining to him why we have been unable to pay his vouchers. For your information we are summarizing herewith the situation with respect to this contract.

1. Costs under Work Item 2 of the contract include purchases of camp equipment. However, most of the camp equipment was purchased before the contract date and cannot be paid under the present contract, although the equipment is necessary for the successful carrying out of contract work. If these costs are to be paid under the present contract an amendment will be necessary. A list of the items of camp equipment purchased is attached.

2. Article 13(b) (1) supersedes all provisions of Article 6; therefore, we assume the Operator can do all the work provided for in the contract by Independent Contract (without amendment to the contract) provided, however, that the independent contractor or subcontractor bills the Operator separately for the various work items. If this interpretation is correct, then the Operator would only have to submit his subcontractor's invoices with his monthly MF-104's to be reimbursed.

3. The consulting firm of Shenon & Full is the subcontractor or independent contractor under the contract as well as the Operator's representative or agent in Idaho in that they represent the Operator in administering the contract. We would like to know if they legally can serve in this dual capacity.

Messrs. Shenon & Full have informed the Executive Officer by phone that they are subcontracting or doing the work on a job basis (not broken down into the various work items) for a flat fee plus living and travel expenses. This flat fee does not include

bulldozing and diamond drilling, which we understand are paid directly by Idaho Metallurgical Industries. Even if Shenon & Full can be subcontractors under the contract we can foresee invoicing difficulties due to the fact that they bill Idaho Metallurgical Industries for flat sums and do not show a breakdown into the various work items.

We trust that some arrangement can be worked out. We feel that exploration set forth in the contract is one in which the DMEA should participate and we hope that the present difficulties can be worked out satisfactorily.

By Field Team, Region I, NW Dist.

A. E. Weissenborn / O.A.

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

Wing G. Agnew

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

Enclosures

cc: USGS (2)
USBM (AD)

RECEIVED
JAN 16 1956

A. E. Weissenborn, Exec. Officer, Region I, DMEA December 5, 1955

DMEA Certifying Officer, Region I

Idaho Metallurgical Industries, Inc., Contract Idm-E884. Monthly operating reports for August-September 1955 and October 1955.

I think Mr. Zoldok talked with you about the difficulty we are having getting the voucher support requested from the subject operator, and that you have, or will, take the matter up with Washington. The following is for your consideration.

We suggest an amendment be made authorizing Independent Contracts, as we understand that is the way the operator expects to have the work done. Also we should have their approval of the operator's method of arriving at charges for Work Items 3, 4, and 5, or the operator should be asked to give us the usual support.

I should like also to call your attention to the following, the importance of which will depend upon whether or not the contract is left pretty much as it is or whether it is put on a unit cost basis: I am attaching a work sheet sent in by Mr. Full showing items of cost charged to "Constructing and Furnishing Temporary Camp". This is for Work Item 2 and is allowed by the contract. I especially call your attention to the fact that some of the purchases were made prior to the date of the contract, while on others the actual invoices are not available. I have the invoices covering those charges listed in the top section of this sheet. Also note that the Notary Public has not signed this statement. If the contract is left on an actual cost basis, the Operating Committee may wish to allow these costs as they appear to be reasonable, necessary costs. I understand that purchases made prior to the date of a contract have been allowed occasionally. This, I understand, has been done by an amendment prepared in Washington.

Assay results should be furnished us also. There have now been furnished up to date.

These things are called to your attention for whatever action you deem advisable. I shall await instructions before making a payment on either the August-September or the October vouchers.

cc: DMEA

Myrtle Purdy

RECEIVED
JAN 16 1956

Re: Docket No. D.M.E.A.-3739
Idaho Metallurgical Industries, Inc.
Tinkers Pride, et al Claims
Lemhi County, Idaho

To be attached to operating report as supporting evidence for cost claimed under Work Item 2 "Constructing & Furnishing Temporary Camp".

Purchases for which invoices, or sales slips, are attached:

Date	Item	Amount	Where Purchased
June 18	Lanterns, gas can, funnel	$ 65.30	Hofmann Hardware Co.
June 18	Water cans	7.84	Sears-Roebuck Co.
June 18	Rope, shovels, picks	7.42	Allied Surplus
June 25	Coleman stove	23.46	Hofmann Hardware Co.
June 30	Gas Refrigerator	95.00	Northwest Butane Co.
July 1	Dishes, Coleman globes	4.80	Havemann Hardware Co.
Sept.16	Electric lantern, hatchet	11.85	Havemann Hardware Co.
		$ 215.67	

Purchases recorded in Daily Expense Diary of Roy P. Full for which receipts are not available:

June 25	Tools (saw and hammer)	$ 10.64	Valley Lumber Co.
June 30	Kettles, axes, kitchen utensils	21.44	Havemann Hardware Co.
Aug. 19	Electric lantern	5.90	Havemann Hardware Co.
Sept. 2	Coleman lantern generators	5.50	Hunter Sporting Goods
		$ 43.48	
		$259.15	

Roy P. Full
Roy P. Full

I hereby certify that the items listed as from my Daily Expense Diary are a true copy.

Roy P. Full
Roy P. Full

_____
Notary Public

Signed and sworn to before me this _____ day of _____ 1955

My commission expires _____

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

1201 N. Division St.
Spokane 2, Washington
January 12, 1956

RECEIVED
JAN 16 1956

Air Mail

Mr. William C. Schmidt
230 Park Avenue
New York 17, New York

Re: Docket No. DMEA-3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claim, et al
Lemhi County, Idaho
Contract No. Ida-[illegible]

Dear Mr. Schmidt:

We have been unable to process your August-September and October vouchers for payment due to lack of proper documentation and supporting invoices. This requirement is stated in Article 13, Annex II, of the contract.

The work items that have been vouchered, other than bulldozing, have apparently been claimed on a percent of completion basis and the maximum unit cost authorized for each work item vouchered has been claimed. The unit costs and amounts shown under the various work items are not costs to be used for claiming reimbursement, but are allowable maximums within which the actual costs of these items can be claimed if documented and supported according to Article 13.

Mr. Phil Shenon has informed the Executive Officer that all the work under the contract, except dozing and diamond drilling, is being done on a job basis by the consulting firm of Shenon and Full. The contract, however, specifies payment for certain specific items of work and it will be necessary for you to present your claims on this basis, substantiating the payments and showing in each case how the claimed cost for each item was arrived at. For example, each work item which does not fall under fixed unit costs should show the cost of supervision, labor, supplies, operating equipment (rentals, purchases and depreciation), rehabilitation and repairs, new buildings, fixtures and installations, and miscellaneous. These charges, where applicable, should be apportioned to each class of work as far as possible. Of course, the charges must be supported by proper documentation as mentioned in the first paragraph of this letter.

We would be glad to discuss this with you at any time, but because of the distance it might be more convenient for you to discuss

this in Washington with Mr. George C. Selfridge, Chairman of the DMEA Operating Committee, or with Mr. Jay L. Chambers of the Contract Administration and Audit Division.

By Field Team, Region I, NW Dist.

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

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

cc: Roy P. Full
3945 S. 11th East
Salt Lake City, Utah

DMEA (3)
USGS (2)
USBM (AD)

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

RECEIVED
JAN 16 1956

1201 N. Division St.
Spokane 2, Washington
January 12, 1956

Air Mail

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

Re: Docket No. DMEA-3739 (cobalt-copper)
Lombo Metallurgical Industries, Inc.
Timberw Pride Claim, et al
Lemhi County, Idaho
Contract No. Idm-[illegible]

Dear Mr. Selfridge:

Attached are copies of a letter which we have written Mr. Schmidt explaining to him why we have been unable to pay his vouchers. For your information we are summarizing herewith the situation with respect to this contract.

1. Costs under Work Item 2 of the contract include purchases of camp equipment. However, most of the camp equipment was purchased before the contract date and cannot be paid under the present contract, although the equipment is necessary for the successful carrying out of contract work. If these costs are to be paid under the present contract an amendment will be necessary. A list of the items of camp equipment purchased is attached.

2. Article 13(b) (1) supersedes all provisions of Article 6; therefore, we assume the Operator can do all the work provided for in the contract by Independent Contract (without amendment to the contract) provided, however, that the independent contractor or subcontractor bills the Operator separately for the various work items. If this interpretation is correct, then the Operator would only have to submit his subcontractor's invoices with his monthly MF-10k's to be reimbursed.

3. The consulting firm of Shannon & Full is the subcontractor or independent contractor under the contract as well as the Operator's representative or agent in Idaho in that they represent the Operator in administering the contract. We would like to know if they legally can serve in this dual capacity.

Messrs. Shannon & Full have informed the Executive Officer by phone that they are subcontracting or doing the work on a job basis (not broken down into the various work items) for a flat fee plus living and travel expenses. This flat fee does not include

bulldozing and diamond drilling, which we understand are paid directly by Idaho Metallurgical Industries. Even if Shenon & Full can be subcontractors under the contract we can foresee invoicing difficulties due to the fact that they bill Idaho Metallurgical Industries for flat sums and do not show a breakdown into the various work items.

We trust that some arrangement can be worked out. We feel that exploration set forth in the contract is one in which the DMEA should participate and we hope that the present difficulties can be worked out satisfactorily.

By Field Team, Region I, NW Dist.

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

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

Enclosures

cc: USGS (2)
USBM (AD)

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

1201 N. Division St.
Spokane 2, Washington
January 12, 1956

RECEIVED
JAN 16 1956

Air Mail

Mr. William C. Schmidt
230 Park Avenue
New York 17, New York

Re: Docket No. DMEA-3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claim, et al
Lemhi County, Idaho
Contract No. Ida-[illegible]

Dear Mr. Schmidt:

We have been unable to process your August-September and October vouchers for payment due to lack of proper documentation and supporting invoices. This requirement is stated in Article 13, Annex II, of the contract.

The work items that have been vouchered, other than bulldozing, have apparently been claimed on a percent of completion basis and the maximum unit cost authorized for each work item vouchered has been claimed. The unit costs and amounts shown under the various work items are not costs to be used for claiming reimbursement, but are allowable maximums within which the actual costs of these items can be claimed if documented and supported according to Article 13.

Mr. Phil Shenon has informed the Executive Officer that all the work under the contract, except dozing and diamond drilling, is being done on a job basis by the consulting firm of Shenon and Full. The contract, however, specifies payment for certain specific items of work and it will be necessary for you to present your claims on this basis, substantiating the payments and showing in each case how the claimed cost for each item was arrived at. For example, each work item which does not fall under fixed unit costs should show the cost of supervision, labor, supplies, operating equipment (rentals, purchases and depreciation), rehabilitation and repairs, new buildings, fixtures and installations, and miscellaneous. These charges, where applicable, should be apportioned to each class of work as far as possible. Of course, the charges must be supported by proper documentation as mentioned in the first paragraph of this letter.

We would be glad to discuss this with you at any time, but because of the distance it might be more convenient for you to discuss

this in Washington with Mr. George C. Selfridge, Chairman of the DMEA Operating Committee, or with Mr. Jay L. Chambers of the Contract Administration and Audit Division.

By Field Team, Region I, NW Dist.

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

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

cc: Roy P. Full
3945 S. 11th East
Salt Lake City, Utah

DMEA (3)
USGS (2)
USBM (AD)

230 PARK AVENUE
NEW YORK 17, N. Y.

December 13, 1955

Mr. A. E. Weissenborn
Executive Officer, D.M.E.A.
So. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Tinkers Pride et al Claims
Lemhi County, Idaho
Contract No. Idm.-L884

RECEIVED
JAN 16 1956

Dear Mr. Weissenborn:

Further to my letter of December 6, 1955 acknowledging receipt of Amendment No. 1 to the subject contract, the matter has been discussed with Mr. O'Donnell.

We are in agreement with the increase in the unit price from $3.00 to $6.00 per combined analyses for cobalt and copper so long as the samples are sent away from the property for analyzing by outside chemists, and understand that this includes the assaying done at Cobalt Chemicals laboratories at Cobalt, Ontario as well as those sent to laboratories in the Salt Lake City or other outside areas. We do not have the figure for the total number of samples sent out to be able to state definitely that the maximum of $3,000.00 will cover all the assaying.

Mr. O'Donnell will be in Salt Lake City within the next few days to discuss the matter of the diamond drilling with Mr. Roy P. Full and the drilling contractors. The drilling has cost far in excess of the unit cost per foot shown in this Amendment No. 1 mainly due to the strong efforts made to get high core recovery. The logs of the holes, no doubt, indicate to you that these efforts have met with a high degree of success.

Mr. O'Donnell will take all copies of the Amendment No. 1 with him for his discussions in Salt Lake and will dispose of them in accordance with the instructions contained in your letter to me of November 30, 1955.

Yours sincerely,

William C. Schmidt

WCS:b
cc: N.O'D.

400

DOCKET
Surname:

Chapman
Martin
Chambers
Selfridge
J E Johnson
Whitenby

DEC 12 1955

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I - N.W. District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3739, Cobalt-Copper
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claims, et al.
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Weissenborn:

Reference is made to your letter of November 30, 1955, with attached copies of MF-104 and 104A, narrative, work sheet, summary of geophysical-geochemical survey, map, and copies of Morrison-Knudsen Company invoices.

Please explain to the Operations Supervisor, Mr. Full, the necessity for maintaining and submitting operating cost records covering items outlined in Categories 1 through 7 of the long form contract. The cost of supervision, labor, supplies, operating equipment (rentals, purchases and depreciation), rehabilitation and repairs, new buildings, fixtures and installations, and miscellaneous should be charged or apportioned to each class of work as far as possible. Excepting the drifting and crosscutting, all the work on this contract is on an actual cost basis.

Before settlements on the monthly MF-104's can be made, it will, as usual, be necessary to have all actual cost items substantiated. Mr. Schmidt and Mr. O'Donnell have already been advised in our meetings here in Washington of the necessity of keeping such detailed costs.

We are returning the MF-104's and 104A's which should be returned to the Operator who should submit new forms with a complete breakdown.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GB)

Enclosures

APPROVED:

P. F. Yopes (GB)
Member, Bureau of Mines

Thor H. Kiilsgaard (GB)
Member, Geological Survey

cc: Docket
Code 400
Oper. Committee
Adm. Reading File
T. Kiilsgaard, USGS
H. W. Davis, USBM
Code 800--Mr. Chambers
FT, Reg. I-Spokane

TLChapman/ls 12/9/55

Docket copy
Surname:
Chambers
Martin
Selfridge
Johnson
Wittendorf

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

DEC 7 1955

Mr. A. E. Weissenborn
Executive Officer, Northwest District
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claims
Lemhi County, Idaho
Contract No. Ida-2584

Dear Mr. Weissenborn:

Reference is made to Mr. Agnew's letter of November 30, 1955, in regard to the submission of MF-104 and MF-104A, along with the narrative reports and work sheets of the Idaho Metallurgical Industries, Inc., Docket DMEA-3739, Contract Ida-2584. It appears that a misunderstanding of our telephone conversation is due an explanation.

I did not intend to request the MF-104's and MF-104A's along with narratives and work sheets of all DMEA projects. I had in mind the above-cited project which appeared to be giving you some difficulty in regard to its billing. It was my understanding that you were to send in the MF-104 and related papers so I would have material on which to offer advice to you. The present practice of submitting a MF-104A on those projects whose payment will be delayed will continue.

I trust this explanation clarifies the situation.

Sincerely yours,

George C. Selfridge (JLB)
Chairman, Operating Committee

APPROVED:

/s/ Robert W. Geehan (JLB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JLB)
Member, Geological Survey

cc to: Docket
Admr. Reading File
Operating Committee
Mr. Davis, USBM
Mr. Kiilsgaard, USGS
Mr. Selfridge
Mr. Martin
Mr. Chambers

JLChambers/wb
December 6, 1955

R.C.S.

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

DEC - 6 1955

Mrs. Myrtle I. Purdy
Authorized Certifying Officer
Bureau of Mines
1201 North Division Street
Spokane 2, Washington

Dear Mrs. Purdy:

In reply to your letter of December 2, 1955, addressed to E. D. Talbert, in regard to the submission of Forms MF-104 and MF-104A and narratives on projects, Mr. Weissenborn misunderstood Mr. Selfridge's telephone request.

Mr. Selfridge requested that the Form MF-104 and MF-104A of the particular case on which Mr. Weissenborn had some questions, be sent to the Washington office so that it could answer the questions which he asked. Mr. Selfridge does not wish to have all MF-104's and MF-104A's on all projects sent to Washington. The past procedure whereby a copy of MF-104A is submitted in case of delayed payment is still the procedure.

I am asking Mr. Selfridge to write a letter to Mr. Weissenborn in explanation. If there are any other questions concerning this procedure please do not hesitate to ask them.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
December 6, 1955

Copy to: Docket DMEA-3739
Admr. Reading File
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division Street
Spokane 2, Washington
November 30, 1955

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

Re: Docket No. DMEA 3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claims, et. al.
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Selfridge:

Attached is one copy each of the MF-104, MF-104A, narrative, work sheet, summary of geophysical-geochemical survey, map, and copies of Morrison-Knudsen Co. invoices covering bulldozing, submitted by the subject operator for the period of August 26-September 30, 1955. This is as requested in your telephone conversation of today with Mr. Weissenborn.

The operating report for October 1955 came in today. One complete copy is enclosed.

Our instructions have been to send one copy only of the MF-104A, narrative, and map to Washington promptly on those contracts where it is expected payment will be held up for some time. In most cases, it is necessary for the engineer to see these monthly operating reports before this can be determined. When payment is expected to be made as soon as the MF-104s have been approved by the engineers, then we have not been separating Washington's copies but have sent them all in together as they have been paid. In the case of the Idaho Metallurgical Industries, Inc., August-September voucher, we had telephoned the operator after checking the report and had expected to receive the supporting data needed at an early date. This is why the MF-104A and narrative were not sent in more promptly.

Sincerely,

Wing G. Agnew

Wing G. Agnew, Member
DMEA Field Team, Region I
Northwest District

RECEIVED
DEC - 2 1955

[redacted] M1-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of OCT, 1951 Docket No. DMEA 3739 Contract No. 10M-E884
Operator's Name IDAHO METALLURGICAL IND. INC. Minerals COBALT COPPER
Address % CHAS. HERNDON, SALMON, IDAHO
Contract Amount, $ 328,190 Government Participation: ____% Amount, $ 205,180

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:		AUG. & SEPT				
Drilling						
Bulldozing #1	2030.00	2863.00	4893.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services ITEM #3	2275.79	3887.10	6162.89			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis #4 & 5	1397.98	2387.79	3785.77			
Payroll Taxes						
Liability Insurance						
CAMP #2		259.15	259.15			
(8) Contingencies (specify):						
TOTALS	5703.77	9397.04	15,100.81			

Copy

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

Date _____ *Payee _____

Per _____ Title _____

*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:

$_____

Signature _____
(Authorized Certifying Officer)

Date _____ 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. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form OIF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of OCTOBER 1955 Docket No. DMEA _____ Contract No. IDM-E 884
Operator's Name IDAHO MET. IND. INC. Minerals Co.-Cu.
Address _____

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	$14/HR	2,070.00	145.5 HR	4,893.00	35.0 hr	$14/HR	850	$14/HR
Test Pits								
Roads and Trails								
ITEMS 3-4-5 GEO PHYS GEO-CHEM.	0.14125 FT.	3,623.77	26,009'	9,948.66	70,433'	0.14125	80,000	$0.14125
Total Distributed Costs		5,703.77		14,841.66				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
CAMP				259.15				
Total Costs				15,100.81				

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 _____ Operator _____

Per _____ 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.

Remarks: INCLUDES AUG.-SEPT. OCT. 55

(Instructions on reverse)

(For Government use only)

copy

INSTRUCTIONS

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

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

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

GPO 872894

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
JUL 23 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER (SUPPLEMENTAL)

Month of Aug. 26, 1955 to Nov. 30, 1955, 195 Docket No. DMEA 3739 Contract No. Icn-[illegible]
Operator's Name IDAHO METALLURGICAL INDUSTRIES, INC. Minerals Co-Cu
Address 230 Park Avenue, New York, N.Y.
Contract Amount, $ 345,550.00 Government Participation: 62½% Amount, $ 215,073.75

ITEMS OF COSTS	FOR OPERATOR'S USE: ~~Monthly Total~~ Spent	Totals Previously Reported Allowed	Totals To Date Authorized by Amendment No. 2	FOR GOVERNMENT USE ONLY (WSM): Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent ~~Short Form~~ Contracts:						
Drilling Item 6	33,124.99	24,838.45	30,568.87	5730.42	24,838.45	30,568.87
~~Bulldozing~~ Item 1					5719.00	5719.00
~~Crosscutting~~ Reaming + Casing					642.50	642.50
~~Drifting~~ Cementing + Reaming					157.50	157.50
Work Item 6					16000.00	16000.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
~~Timber~~ Work Item 2					7000.00	7000.00
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis Item 4					1560.00	1560.00
Payroll Taxes						
Liability Insurance						
Analysis - Item 5					2700.00	2700.00
(8) Contingencies (specify):						
Assaying - Items 7 + 9					2526.00	2526.00
TOTALS	33,124.99	24,838.45	30,568.87	5730.42	61143.45	66873.87

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 10, 1956 Payee IDAHO METALLURGICAL INDUSTRIES, INC.
Per John H. Baker 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)

approved 3581.51
withheld 1000.00
2581.51

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

$ 2581 51

Signature MLP
(Authorized Certifying Officer)

Date 7-20-56 Vou. No. 1825
(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. E884 in accordance with the terms of the contract.

Signature /S/ Stephen W Zoldok Title Mining Engr Date 7-20-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Wing G Agnew Title Acting Exec Date 7-20-56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED JUL 23 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT (SUPPLEMENTAL)

Month of Aug. 26, 1955 to Nov. 30, 1955 195.....

Docket No. DMEA 3739

Contract No. Idm-E884

Operator's Name IDAHO METALLURGICAL INDUSTRIES, INC.

Minerals Co-Cu

Address 230 Park Avenue, New York, N.Y.

OPERATION	UNIT	Total Costs ~~Year Month~~	Total Units ~~Year Month~~	Allowed Costs to Date	Allowed Units to Date	Allowed Unit Costs to Date	Authorized by Contract Amendment No. 2 Units	Authorized by Contract Amendment No. 2 Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	FT. NX	$33,124.99	3821.3	$24,838.45	3821.3	$6.50	2969.3	$8.12
Churn	FT. NX						852.0	7.58
Auger								
Stripping		$8.12 x	2969.3 =	$24,110.71				
Trenching		7.58 x	852.0 =	6,458.16				
Test Pits				$30,568.87 Total authorized by Amend. No. 2				
Roads and Trails			Less	24,838.45 Previously allowed				
				5,730.42 Additional amount now allowable				
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

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 July 10, 1956 Operator IDAHO METALLURGICAL INDUSTRIES, INC.

Per John H. Baker 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)

Remarks:

(For Government use only)

151 Stephen W Zoldok

INSTRUCTIONS

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

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

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

GPO 872894

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAY 8 - 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Aug. 26 to Nov. 30, 1955 Docket No. DMEA 3739 Contract No. Idm-E884
Operator's Name Idaho Metallurgical Industries, Inc. Minerals Cobalt-Copper
Address 230 Park Ave., New York 17, N.Y.
Contract Amount, $ 347,490. Government Participation: 62½% Amount, $217,181.25

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 Contracts:						
Drilling Item 8			$36,497.98	24838.45	—0—	24838.45
Bulldozing Item 1			6,459.00	5719.00	—0—	5719.00
~~Crosscutting~~ Reaming & Casing				642.50	—0—	642.50
~~Drifting~~ Cementing & Reaming				157.50	—0—	157.50
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services Item 3			9,115.02	7000.00	—0—	7000.00
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling ~~and~~ Item 4			2,197.74	1560.00	—0—	1560.00
Payroll Taxes						
Liability Insurance						
Analysis Item 5			3,536.22	2700.00	—0—	2700.00
Assaying Items 7&9			3,132.00	2526.00	—0—	2526.00
(8) Contingencies (specify):						
TOTALS			$60,937.96	45143.45	—0—	45143.45

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 4/10/56 *Payee Idaho Metallurgical Industries, Inc.
Per John H. Baker 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:

$28,214.66

Signature MOP
(Authorized Certifying Officer)

Date 5/3/56 Vou. No. 1766
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 884 in accordance with the terms of the contract.

Signature /S/ Alfred R. Service Title Mining Engr. Date 4/25/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Weissenborn Title Exec. Officer Date 4/25/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAY 8 - 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Aug. 26 to Nov. 30, 1955 Docket No. DMEA 3739 Contract No. Idm-E884
Operator's Name Idaho Metallurgical Industries, Inc. Minerals Cobalt-Copper
Address 230 Park Ave., New York 17, N.Y.

OPERATION		Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
~~Drifting~~	Item 1	hour			$ 5,719.00	409	$14.00	850	$14.00
~~Crosscutting~~	Item 1	hour			740.00	81.0*	9.14*		
~~Raising~~	Item 3	foot			9,115.02	101,664	.0897	80,000	.0875
~~Shafts~~	Item 4	sample			2,197.74	2,253	.975	1,600	1.00
~~Winze~~	Item 5	analysis			3,536.22	1,117	3.17	1,600	1.69
Drilling: Core	Items 7&9	assay			3,132.00	522	6.00	1,700	6.00
~~Churn~~	Item 8	ft.BX			5,964.00	852.0	7.00	5,000	6.50
C&R, R&C ~~Auger~~	Item 8	ft.NX			27,160.99	2969.3	9.15		
~~Stopping~~	Item 8	foot			3,372.99	320.0	10.54	1,000	2.50
Trenching									
Test Pits									
Roads and Trails									
Total Distributed Costs					$60,937.96				Total Costs Authorized by Contract
Operating Equipment Purchased									
Initial Rehabilitation and Repairs									
New Buildings, Improvements, etc.									
Total Costs					$60,937.96				

* Assuming 3 hrs/day usage for 27 days (D-4 Bulldozer)

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 4/10/56 Operator Idaho Metallurgical Industries, Inc.

Per John H. Baker 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)

(S) Alfred P. Service

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
MAY 8 - 1956

Progress Report
Idaho Metallurgical Industries, Inc.
Lemhi County, Idaho

November 1955

Docket No. DMEA 3739
Contract No. Idm.-E884

Bulldozing

Bulldozing with the D-8 tractor was terminated on November 9, 1955 as snow and sub-zero weather made it impractical to trench for geologic information. Approximately 30 hours were spent in trenching and 29 hours in drill site preparation and maintenance.

A D-4 tractor with dozer was rented to maintain roads and drill sites until the drilling could be completed. A mobilization charge of $200, plus $20 for each day on the job, was agreed upon. No additional charge was made for operating time, even though the equipment was used at frequent intervals.

Geologic Mapping

Geologic mapping of trenches and the critical mineralized zone was completed during November.

Geophysical-Geochemical Survey

Work was completed on the area to the south of Big Deer Creek early in the month. Several weak self-potential anomalies were recorded, but no correlation can yet be made. Soil analysis indicates very low cobalt values with only irregular copper mineralization. The area does not indicate the encouragement of the zone to the north of Big Deer Creek.

Diamond Drilling

Diamond drilling was terminated on December 1, 1955 after completion of seven holes.

RECEIVED
MAY 8 - 1956

Hole No. 4 was drilled to 588 feet on the Tinkers Pride No. 3 zone south of the No. 2 hole. A wide zone of mineralization was intersected, most of which was very low-grade (see attached assay sheet).

Hole No. 5 was drilled about 300 feet north of Hole No. 3 on the Bonanza Copper zone in an attempt to establish a continuation of the mineralization which was intersected in Holes Nos. 1 and 3. Several sections of low-grade copper mineralization were cut, but the cobalt values were very low.

Holes Nos. 6 and 7 were drilled to depths of 487.4 and 500 feet, respectively, to intersect the mineralized zone exposed on the surface and in the Tinkers Pride No. 4 tunnel. Hole No. 6 intersected several well mineralized zones, but core recovery was exceptionally poor in the hole. Sludge samples have been assayed, but considerable doubt exists regarding the grade of several of the runs. Core assays in all instances run much higher than the sludge assays, and the volume of sludge recovered indicates that the hole was caving. Copper values from the cores are quite high for several intervals, but these are not representative. The cobalt values are low, even in the better grade copper mineralization. Hole No. 7, which was drilled under the Tinkers Pride No. 4 tunnel, also cut a wide zone of mineralization, but the values are much lower than those in Hole No. 6.

Respectfully submitted,

Roy P. Full

January 10, 1955

Roy P. Full

BIG DEER CREEK AREA
LEMHI COUNTY, IDAHO

Diamond Drill Hole No. 4

Docket No. DMEA 3739
Contract No. Idm. E884

Sample No.	Interval From	Interval To	Feet	Core % Cu.	Core % Co.	Sludge % Cu.	Sludge % Co.
3337	72.8	77.0	4.2	0.056	0.323		
3338	95.1	100.1	5.0	Nil	0.044		
3339	112.3	117.7	5.4	0.069	0.022		
3340	126.1	130.1	4.0	0.069	0.044		
3341	155.7	161.5	5.8	0.201	0.014		
3342	184.5	186.9	2.4	0.371	0.014		
3343	186.9	191.9	5.0	0.010	0.007		
3344	191.9	196.0	4.1	0.201	0.007		
3345	196.0	202.0	6.0	0.069	0.007		
3346	202.0	208.4	6.4	0.010	0.007		
3347	235.8	241.3	5.5	0.100	0.007		
3348	241.3	246.2	4.9	0.081	0.007		
3349	246.2	251.8	5.6	0.075	0.011		
3350	251.8	255.8	4.0	0.010	0.007		
3359	278.0	280.5	2.5	0.31	Nil		
3360	280.5	285.0	4.5	0.05	Nil		
3361	285.0	291.0	6.0	0.038	Nil		
3362	291.0	296.0	5.0	0.014	Nil		
3363	309.3	311.5	2.2	0.054	Nil		
3364	311.5	315.1	3.6			0.05	0.018
3365	372.5	377.8	5.3	0.03	0.04		
3366	377.8	383.1	5.3	0.11	0.29		

Diamond Drill Hole No. 4

Sample No.	Interval From	Interval To	Feet	Core % Cu.	Core % Co.	Sludge % Cu.	Sludge % Co.
3367	383.1	387.2	4.1	0.15	Tr.		
3368	387.2	390.5	3.3	0.03	Tr.		
3369	390.5	394.5	4.0	0.17	0.07		
3370	466.8	470.2	3.4	0.07	Tr.		
3371	470.2	475.4	5.2	0.02	Tr.		
3372	475.4	482.8	7.4	0.025	Nil		
3373	482.8	486.5	3.7	0.15	Nil		
3374	486.5	490.8	4.3	0.026	0.02		
3375	490.8	494.7	3.9	0.28	Tr.		
3376	494.7	499.8	5.1	0.025	Tr.		
3377	499.8	505.6	5.8	0.05	Tr.		
3378	523.7	529.8	6.1			0.04	0.012
3379	538.8	543.7	4.9	0.012	Tr.		
3380	543.7	546.8	3.1	0.023	0.11		
3381	546.8	553.4	6.6	0.009	Tr.		
3382	553.4	560.3	6.9	0.02	0.03		

RECEIVED
MAY 8 - 1956

BIG DEER CREEK AREA
LEMHI COUNTY, IDAHO

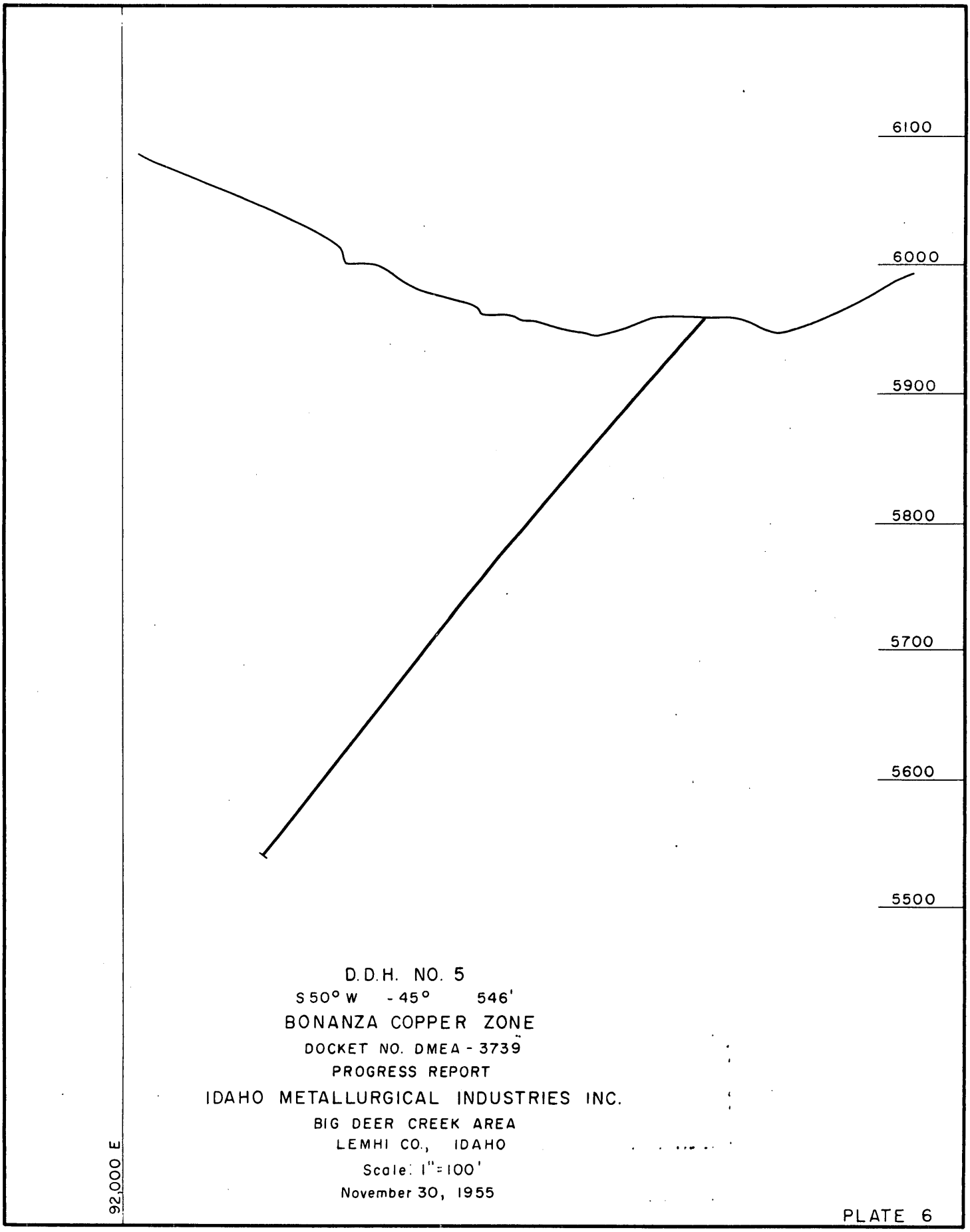
Diamond Drill Hole No. 5

Docket No. DMEA 3739
Contract No. Idm. E884

Sample No.	Interval From	Interval To	Feet	Core % Cu.	Core % Co.	Sludge % Cu.	Sludge % Co.
3351	53.0	47.5	4.5	0.020	0.036		
3352	47.5	50.5	3.0	0.711	0.198		
3353	71.5	74.7	3.6	Nil	0.014		
3354	78.9	83.4	4.5	0.270	0.066		
3355	83.4	88.5	5.1	0.094	0.029		
3356	100.0	105.0	5.0	0.020	0.022		
3357	105.0	110.0	5.0	0.535	0.029		
3358	110.0	114.5	4.5	0.056	0.007		
3383	215.5	220.3	4.8			0.018	0.009
3384	243.0	248.0	5.0	0.15	Tr.		
3385	248.0	252.0	4.0	0.155	Tr.		
3386	344.5	349.5	5.0	0.029	Nil		
3387	349.5	354.5	5.0	0.032	Nil		
3388	354.5	359.5	5.0	0.012	Nil		
3389	359.5	364.5	5.0	0.019	Nil		
3390	364.5	369.5	5.0	0.013	Nil		
3391	369.5	374.5	5.0	0.04	Nil		
3392	374.5	379.5	5.0	0.03	Nil		
3393 3394	379.5	385.0	5.5	0.36	0.03	0.03	0.015
3395 3396	385.0	390.0	5.0	0.027	Tr.	0.06	0.014
3397 3398	390.0	395.0	5.0	0.11	Tr.	0.17	0.029
3399 3400	395.0	400.0	5.0	0.88	0.09	0.37	0.048

Diamond Drill Hole No. 5

Sample No.	Interval From	Interval To	Feet	Core % Cu.	Core % Co.	Sludge % Cu.	Sludge % Co.
3401	400.0	404.0	4.0	0.51	0.012		
3402 3403	404.0	408.8	4.8	0.010	0.014	0.075	0.02
3404 3405	408.8	413.8	5.0	0.096	0.028	0.12	0.025
3406 3407	413.8	418.8	5.0	0.008	Nil	0.32	0.016
3408	418.8	426.0	7.2	0.005	0.062		
3409	426.0	431.0	5.0	0.016	0.064		
3410	431.0	435.5	4.5	0.013	0.177		
3411 3412	435.5	439.5	4.0	0.012	0.006	0.05	0.08
3413	439.5	444.0	4.5	0.023	0.015		
3414	444.0	448.0	4.0	0.015	0.007		
3415	448.0	452.3	4.3	0.014	Nil		
3416	452.3	456.4	4.1	0.015	Nil		
3417	456.4	461.0	4.7	0.18	Nil		
3418	461.0	466.0	5.0	0.028	Nil		
3419	466.0	470.5	4.5	0.22	0.006		
3420	470.5	475.5	5.0	0.036	0.002		
3421	495.2	500.3	5.1	0.056	0.032		
3422	500.3	508.0	7.7	0.012	Nil		
3423	516.0	521.0	5.0	0.71	0.001		
3424	521.0	526.0	5.0	0.13	Nil		
3425 3426	526.0	531.0	5.0	0.36	Nil	0.15	0.02



D.D.H. NO. 5
S 50° W - 45° 546'
BONANZA COPPER ZONE
DOCKET NO. DMEA - 3739
PROGRESS REPORT
IDAHO METALLURGICAL INDUSTRIES INC.
BIG DEER CREEK AREA
LEMHI CO., IDAHO
Scale: 1" = 100'
November 30, 1955

PLATE 6

RECEIVED
MAY 8 - 1956

BIG DEER CREEK AREA
LEMHI COUNTY, IDAHO

Diamond Drill Hole No. 6

Docket No. DMEA 3739
Contract No. Idm.-E884

Sample No.	Interval From	Interval To	% Core Recovery	Feet	Core % Cu.	Core % Co.	Sludge % Cu.	Sludge % Co.
3427	129.3	134.3	0	5.0			0.018	0.005
3428	154.5	159.5	50	5.0	0.35	Nil		
3429	159.5	164.5	100	5.0	0.037	Nil		
3430	164.5	169.5	100	5.0	0.15	Nil		
3431 3432	169.5	174.5	50	5.0	0.37	Nil	0.10	0.004
3433	174.5	179.5	90	5.0	0.20	0.006		
3434	179.5	184.5	95	5.0	0.022	Nil		
3435 3436	264.0	267.0	40	3.0	0.034	0.02	0.02	0.024
3437 3438	267.0	273.0	25	6.0	0.45	Nil	0.08	0.02
3439 3440	273.0	279.0	5	6.0	6.56	0.036 ✓	0.25	0.01
3441 3442	279.0	286.0	10	7.0	2.19	0.182 ✓	0.685	0.03
3443 3444	286.0	291.0	35	5.0	0.12	Nil	0.585	0.05
3445 3446	291.0	295.5	40	4.5	0.13	Nil	0.23	0.018
3447 3448	295.5	299.5	50	4.0	0.014	0.010	0.165	0.014
3449 3450	299.5	304.0	45	4.5	0.049	Nil	0.17	0.018
3451 3452	304.0	308.5	60	4.5	0.016	Nil	0.09	0.02
3453 3454	308.5	313.5	40	5.0	5.15	0.76 ✓	0.27	0.027
3455	313.5	318.7	0	5.2			0.17	0.04
3456 3457	318.7	324.3	50	5.6	0.016	Nil	0.09	0.014
3458 3459	324.3	330.0	50	5.7	0.072	0.008	0.095	0.025

Sample No.	Interval From	Interval To	% Core Recovery	Feet	Core % Cu.	Core % Co.	Sludge % Cu.	Sludge % Co.
3460	330.0	333.0	60	3.0	0.09	0.67		
3461	333.0	338.0	65	5.0	0.034	Nil		
3462	338.0	341.5	50	3.5	0.40	Nil		
3463	341.5	345.0	90	3.5	0.15	0.011		
3464	345.0	348.0	5	3.0			0.20	0.02
3465 3466	348.0	352.5	40	4.5	0.24	0.030	0.17	0.02
3467	352.5	358.9	70	6.4	0.50	0.147		
3468	358.9	365.2	75	6.3	0.084	0.039		
3469 3470	365.2	372.2	60	7.0	0.37	0.013	0.12	0.034
3471 3472	372.2	375.8	50	3.6	0.575	0.015	0.19	0.027
3473 3474	375.8	380.0	5	4.2	7.28	0.58 ✓	0.27	0.057
3475 3476	380.0	385.0	5	5.0	0.51	0.50	0.51	0.09
3477	385.0	389.5	70	4.5	0.22	0.357		
3478	389.5	393.5	75	4.0	0.89	0.324		
3479 3480	393.5	398.5	35	5.0	1.61	0.312 ✓	0.22	0.043
3481	398.5	401.0	0	2.5			0.32	0.065
3482 3483	401.0	405.5	70	4.5	0.27	0.08	0.24	0.028
3484 3485	405.5	410.5	35	5.0	0.16	Nil	0.225	0.034
3486 3487	410.5	416.2	40	5.7	0.34	0.21	0.15	0.037
3488	416.2	420.3	80	4.1	0.037	Tr.		
3489	440.5	444.5		4.0	0.38	0.16		
3490	473.5	478.5		5.0			0.09	0.035

BIG DEER CREEK AREA
LEMHI COUNTY, IDAHO

Diamond Drill Hole No. 7

Docket No. DMEA 3739
Contract No. Idm.-E884

Sample No.	Interval From	Interval To	Feet	Core % Cu.	Core % Co.	Sludge % Cu.	Sludge % Co.
3491 3492	337.5	342.5	5.0	0.012	Nil	0.03	0.024
3493	342.5	344.5	2.0	0.13	0.11		
3494	351.5	354.6	3.1	0.11	0.05		
3495	354.6	357.0	2.4	0.017	Tr.		
3496	357.0	363.0	6.0	0.03	Tr.		
3497 3498	363.0	365.4	2.4	0.08	0.05	0.05	0.025
3499 3500	365.4	369.4	4.0	0.015	0.01	0.045	0.013
2443	369.4	372.0	2.6	0.84	0.45		
2444 2445	372.0	375.4	3.4	0.13	0.01	0.19	0.039
2446	375.4	379.3	3.9	0.05	0.01		
2447	385.5	389.3	3.8	0.27	0.01		
2448	389.3	394.0	4.7	0.03	0.02		
2449	394.0	397.0	3.0	0.015	0.006		
2450	397.0	402.0	5.0	0.02	0.01		
2451 2452	402.0	406.5	4.5	0.08	0.02	0.05	0.012
2453	413.3	416.8	3.5	0.02	0.02		
2454 2455	416.8	421.0	4.2	0.02	0.01	0.015	0.035
2456	421.0	426.3	5.3	0.02	0.01		
2457	426.3	432.0	5.7	0.04	0.02		
2458 2459	432.0	438.0	6.0	0.08	0.01	0.024	0.002

Diamond Drill Hole No. 7

Sample No.	Interval From	Interval To	Feet	Core % Cu.	Core % Co.	Sludge % Cu.	Sludge % Co.
2460 2461	438.0	443.0	5.0	0.013	0.007	0.02	0.008
2462	443.0	448.0	5.0	0.58	0.06		
2463	448.0	454.0	6.0	0.06	0.01		
2464	454.0	459.0	5.0	0.03	0.01		
2465	459.0	462.3	3.3	0.34	0.007		
2466	462.3	466.5	3.2	0.19	0.01		
2467	466.5	470.0	3.5	0.13	0.015		
2468	470.0	476.0	6.0	0.105	0.016		
2469 2470	476.0	480.0	4.0	0.07	0.017	0.02	0.017
2471	480.0	484.0	4.0	0.13	0.024		
2472	484.0	489.0	5.0	0.29	0.10		
2473 2474	489.0	493.0	4.0	0.04	0.013	0.04	0.013

Work Item 1

See attached copy of Morrison-Knudsen Company, Inc. and Nichols and Thompson Core Drilling Company, Inc. invoices for D-8 and D-4 Tractor with Dozer

Weather conditions (snow and sub-zero weather) after November 9 made trenching for geologic information impractical. It did not seem justified to keep a D-8 tractor with dozer for the purpose of maintaining roads and drill sites until the drilling could be completed. A D-4 tractor with dozer was rented for a charge of $200 for mobilization with a daily charge of $20 for the time on the job. No additional charge was made for operating time, even though the equipment was used at regular intervals for snow removal and drill site preparation.

Work Item 3

Self-potential survey

31,231 feet of line (see attached sheet)
70,433 feet of line (of maximum of 80,000 feet) submitted in previous reports
9,567 feet of line to make maximum of 80,000 feet (not submitted in previous reports) @ $0.0875/ft. $ 837.41

Work Item 4

Collection of soil samples

$\frac{9,567 \text{ feet of line}}{80,000 \text{ feet of line (maximum)}}$ x $1600.00 191.34

Work Item 5

Geochemical analysis

$\frac{9,567 \text{ feet of line}}{80,000 \text{ feet of line (maximum)}}$ x $2700.00 322.89

$ 1,351.34

Summary of Geophysical-Geochemical Survey
Completed from
November 1 to November 30, 1955
(See attached map, Plate No. 1)

Docket No. DMEA 3739
Contract No. Idm.-E884

Line (Gray Copper) (Base Line)	Horizontal Distance East	Horizontal Distance West	Stations Occupied East	Stations Occupied West
0	1485	1489	33	32
200 N	722		16	
400 N	1552	1586	33	32
600 N	642	600	14	12
800 N	1188	1597	25	32
200 S	857	1106	18	25
400 S	1479	1442	33	32
600 S	1432	576	33	13
800 S	1462	1472	32	33
1000 S	1171	1469	26	32
1200 S	1452	1492	33	32
1400 S	1214	1475	27	33
1600 S	928	1343	21	28
	15,584	14,647		

Total Footage = 31,231

Assaying (Items 7 and 9)

Item 7 (cut samples)		
17 cobalt assays @ $5.00	$ 85.00	
17 copper assays @ $1.00	17.00	$ 102.00
Item 9 (core and sludge samples)		
331 cobalt assays @ $5.00	1,655.00	
331 copper assays @ $1.00	331.00	1,986.00
Total assay cost (see attached invoices from Union Assay Offices, Inc. and Quebec Metallurgical Industries, Ltd.)		$2,088.00

Summary of Diamond Drilling Completed
from
August 26 to December 1, 1955

Docket No. D.M.E.A. 3739
Contract No. Idm.-E884

Hole	Depth Feet	Size NX	Size BX	Casing NX(Reamed)	Casing BX	Cemented and Reamed
No. 1	709.0	395.0	314.0	35.0	395.0	
No. 2	552.2	552.2		50.0		15
No. 3	438.7	438.7		57.0		
No. 4	588.0	588.0		55.0		
No. 5	546.0	173.0	373.0	15.0	165.0	48
No. 6	487.4	487.4		25.0		
No. 7	500.0	335.0	165.0	20.0	335.0	
Total	3821.3	2969.3	852.0	257.0	895.0	63

Drilling Costs

298-1/2 shifts @ $125.00		$ 37,312.49
Equipment unavoidably lost		
27 pcs. 5' BX Casing @ $15.75	$ 425.25	
2 pcs. 5' NX Casing @ $18.75	37.50	
1 NX Reaming shoe	97.74	560.49
Mobilization		500.00
Total Direct Drilling Cost		$ 38,372.98

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
DEC - 5 1955

November 30, 1955

Mr. William C. Schmidt
Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York 17, New York

Re: Docket No. DMEA-3739 (cobalt-copper)
Tinkers Pride Claims, et al.
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Schmidt:

Enclosed are the original and six copies of a proposed Amendment No. 1 to your contract.

If the amendment meets with your approval will you sign and return all but the Operator's copy. If you do not approve, please return all copies to this office with your comments.

Sincerely yours,

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

Enclosures

[illegible] (4)
[illegible] (2)
[illegible] (10)
[illegible]

Selfridge

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

November 28, 1955

Memorandum

DEC -2

To: The Files

From: George C. Selfridge
Special Assistant

Subject: Reimbursement
Docket DMEA-3739, Contract Idm-[illegible] (Cobalt, Copper)
Idaho Metallurgical Industries, Inc., Tinkers Pride Claims,
Lemhi County, Idaho

Mr. Weissenborn telephoned today to tell that the Region was having difficulty with the first monthly voucher submitted by the subject company. He explained that Messrs. Shenon and Full, operating agency for the company, had not submitted substantiating data with the voucher. Mr. Weissenborn asked if the contract were not an actual-cost contract and the writer informed him that it was. He stated that Mr. Full was adverse to submitting payroll data, etc., and that he had not understood that actual accounts were to be kept and submitted in support of the cost claimed under the contract. The writer told Mr. Weissenborn he was sure that Mr. Mittendorf, on the day that the contract passed the Committee, telephoned Mr. Schmidt and among other things advised Mr. Schmidt that it was an actual-cost contract under which detailed costs would have to be submitted in support of the monthly vouchers. The writer asked Mr. Weissenborn in what form the vouchers had been submitted. Apparently Shenon and Full had billed the Government for X units of the various types of work at the estimated costs given in the contract. The writer suggested to Mr. Weissenborn that he air mail one copy of the voucher to Washington at his earliest convenience so that it could be studied here.

Mr. Weissenborn also mentioned that the examining personnel have had a great deal of difficulty because of snow storms. They had tried for three weeks to get to one property. He mentioned that the Jordan mine might be a big thing (Docket No. DMEA-4050 - Mercury - Oroco Oil and Gas Company). He also mentioned that the Swansea Mines (Docket No. DMEA-4030 - Copper-Lead - Silver Bell Mine) and a tungsten property in Southwestern Oregon were inaccessible at this time. He did not know for sure whether they could be examined this year.

George C. Selfridge
(64257)

George C. Selfridge

GCSelfridge/esf
Copy to: Docket
Admr. R. File
Messrs: Mittendorf
Johnson
Martin
Selfridge

DOCKET
SURNAME

400
McMahon
Holt
Martin
Chambers
Davis
Nelson
Selfridge
Johnson

NOV 28 1955

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I - Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 3739 - Cobalt-Copper
Idaho Metallurgical Industries, Inc.
Timberon Pride Claims, et al.
Lemhi County, Idaho
Contract No. Ida-8004

Dear Mr. Weissenborn:

Enclosed are the original and five copies of a proposed Amendment No. 1 to the above-referenced project, signed by the Administrator for the Government. Two extra copies are enclosed for use of the Field Team.

If the terms and conditions of this proposed amendment are satisfactory to you and the Operator, all six copies should be signed by the Operator and the usual distribution made.

If any part of the proposed amendment does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office, together with the proposed changes for consideration.

Sincerely yours,

George C. Selfridge
By EST
Chairman, Operating Committee

Enclosure

APPROVED:

/s/ Robert W. Geehan
By EST
Member, Bureau of Mines

N. E. Nelson
By EST
Member, Geological Survey

ADMcMahon/fec / 11/21/55
cc to: Docket
Code 400
Admr. Read. File
Operating Comm.
FT. REG. I - NW DIST.
Messrs. Davis, USBM
Killsgaard, USGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

November 7, 1955

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

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

Subject: Approval for Diamond Drill Hole, Docket No. DMEA-3739 (cobalt-copper), Idaho Metallurgical Industries, Inc., Tinkers Pride Claims, et. al., Lemhi County, Idaho, Contract No. Idm-E884.

On November 4, 1955, Roy P. Full called me from Salt Lake City and requested permission to drill a third hole in the Bonanza Copper area between 300 and 400 feet north of the No. 3 diamond drill hole. As ore-grade material has been cut in the first hole and mineralized but unassayed material in the second hole it seems desirable to drill an additional hole to trace this zone northward.

Distribution:
DMEA (orig. & 3)
USBM (2)
USBM (AD)
Docket
Nickelson

RECEIVED
NOV 14 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

November 7, 1955

Mr. Roy P. Full
3945 South 11th East
Salt Lake City 7, Utah

Re: Docket No. DMEA-3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claims, et. al.
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Full:

As requested in your telephone conversation with Verne C. Fryklund on November 4, 1955, approval is hereby given to drill a third diamond drill hole in the Bonanza Copper area north of the No. 3 diamond drill hole. Because material of ore grade has been cut in the first hole and mineralized material in the second hole it seems desirable to trace this zone northward.

By Field Team, Region I, NW Dist.

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

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

DMEA (4)
USGS (3)
USBM (3)
Historian

RECEIVED
NOV 14 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
No. 157 Howard Street
Spokane 4, Washington

RECEIVED
NOV - 4 1955

October 31, 1955

Mr. Roy F. Full
3945 South 11th East
Salt Lake City 7, Utah

Re: Docket No. DMMA-3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Timbers Pride Claims, et al.
Lemhi County, Idaho
Contract No. Idm-2884

Dear Mr. Full:

We have been considering the problem of cobalt assaying. It has been the experience of men in this office that assaying for cobalt is very difficult and we believe that check analyses will be desirable.

We cannot, of course, undertake to make check analyses on all material assayed during the current work but we do believe that it would be desirable, at least at the start, to check any mineralized rock found in drill core that approaches ore in grade.

The analyses would be done by the Geological Survey and the results would be made available to you. We suggest that you request your assayer to send reject pulps of possible ore samples railway express collect to us. For this stage of the work we suggest a tentative maximum of 100 samples.

By Field Team, Region I, NW Dist.

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

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

(E)
(E)
(AB)
lton

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
OCT 24 1955

October 21, 1955

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

Re: Docket No. DMEA-3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claims, et al.
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Selfridge:

This is in reply to your letter of September 20, 1955. The problem of diamond drilling has been considered as well as that of assaying.

One drill hole had penetrated to a depth of 696 feet on October 10, 1955; about the last 40 feet were in mineralized ground and the hole was to be extended. This hole (as will all other first-stage holes) was collared with NX size bits. At 400 feet it became expedient to change to BX bits. In general, core recovery has been excellent -- about 85 percent. Shenon and Full have stressed the importance of coring the mineralized zones so that lithology and mineralogy can be readily determined and they feel that assays should be of recovered rock not sludges, although sludge will be recovered and assayed.

The ground is not easy to drill, not greatly different from the Calera ground, and the good core recovery is possible only because the driller is being paid on a shift rather than footage basis. The Government will be billed on a footage basis, of course, but Roy Full believes that the actual cost will be only two or three dollars above the unit cost.

We feel that for these long holes in ground that must be cored it might not be possible to extend the holes to the mineralized zones if the holes were collared with AX bits. The geologic information is also quite desirable. We recommend that an amendment be prepared that would at least permit footage payment for BX size drilling for one-half of all diamond drill footage.

We have been able to obtain costs on cobalt assays and list of assayers from Mr. Traver of Region III and Mr. Wilson, Bureau of Mines, at Salt Lake City. (Copies of this correspondence are enclosed.)

Some background may be of interest. Calera had extreme difficulty in assaying for cobalt and the problem was given to American Cyanamid. A method was devised, and for several years -- at least until last year -- every tenth cobalt assay at Calera was rerun by American Cyanamid.

We have no faith in any of the local assayers in Idaho nor do we know how well those recommended by Mr. Traver and Mr. Wilson do cobalt assays. We do send much of this Region's assaying to Union Assay Company as we have found this firm as reliable as any. We are frankly disturbed about having only one organization do this assaying as, for instance, chemical analyses of Calera material by the Geological Survey, Bureau of Mines, and a commercial organization have shown wide divergences. Pulps should be saved so that reruns can be made if deemed desirable.

The usual cost for a cobalt assay is $5, that for copper is $1. It should be borne in mind that the deposit might possibly be mined better as a low-grade open pit or block cave rather than as a relatively high-grade vein and sufficient sampling and assaying should be done to determine this. The only way to do this will be to assay core where there is the slightest amount of visible mineralization. If only 300 feet of core from each 7 holes are assayed at 5-foot intervals for cobalt and copper the cost would be $2,520. We see no reason for arsenic assays except perhaps occasional ones. The number of sludge analyses can be reduced by a preliminary geochemical assay. If sludge from every pull is assayed the cost might be excessive.

As a guess we would recommend that the cost of Work Item 9 be increased to $5,000. Work Item 11 should be increased proportionately as should Work Item 16.

By Field Team, Region I, NW Dist.

A. E. Weissenborn

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

Thomas E Howard

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

cc: USBM (2)
USBM (AD)
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

RECEIVED
OCT 24 1955

October 5, 1955

Memorandum

To: Vern C. Fryklund, Jr., U. S. Geological Survey, Spokane, Wash.

From: Stephen R. Wilson

Subject: Cobalt assayers in the Salt Lake area

Reference is made to your letter of September 26, 1955, addressed to W. M. Traver, Bureau of Mines, Denver, Colorado, wherein you have requested information concerning cost of cobalt determinations in Salt Lake City and Denver. Mr. Traver forwarded a copy of your letter and also a copy of his response to this office.

I have contacted the firms listed below concerning determinations for cobalt. All firms make such determinations, and the charge by each firm is $5 per determination.

Black and Deason
165 So. West Temple, Salt Lake City, Utah

Deason and Nichols Assay Office
160 So. West Temple, Salt Lake City, Utah

Union Assay Office, Inc.
152 So. West Temple.

It is believed that the three firms may be depended upon to give reliable results.

Stephen R. Wilson
Stephen R. Wilson

cc: W. M. Traver
J. B. Clemmer

RECEIVED
OCT

JH

K Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
OCT 24 1955

October 20, 1955

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

Copy retained 200

way

Re: Docket No. DMEA-3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claims, et al.
Lemhi County, Idaho
Contract No. Idm-E884

Dear Mr. Selfridge:

Work done under the Idaho Metallurgical Industries contract after October 1, 1955, under Stage I, must have the prior approval of the Government. For this reason Mr. Fryklund visited the property on October 1 and, in conference with Mr. Roy Full, decided upon the amount of work to be done on the "initial" part of the Stage I work.

We have approved Mr. Fryklund's decisions and a copy of his memorandum of October 20 is enclosed for your information. Also enclosed are copies of a letter from Mr. Full dated October 17, 1955, requesting approval and copies of our letter to Full of October 20, 1955, approving certain work.

By Field Team, Region I, NW Dist.

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

Thomas E Howard
for: Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)
USBM (AD)
Nickelson

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

~~[illegible]~~
No. 157 Howard Street
Spokane 4, Washington

RECEIVED
OCT 24 1955

October 20, 1955

Mr. Roy P. Full
3945 S. 11th E.
Salt Lake City 7, Utah

Re: Docket No. DMMA-3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Timbers Pride Claims, et al.
Lemhi County, Idaho
Contract No. Ida-1884

Dear Mr. Full:

This will confirm in writing, as required by the contract, the Field Team's approval of the work to be done after October 1, 1955, on the "initial" 6,000-foot strike length in the Timbers Pride and Donovan Copper areas.

This work is to consist of:

1. Geologic, geochemical and geophysical surveys along a strike length of 2,500 feet.

2. Diamond drilling of all Stage I footage, an estimated eight diamond drill holes for a total footage of 5,000 feet.

3. Approximately 416 hours of bulldozing for trenches, drill site preparation, and access roads to drill sites.

By Field Team, Region I, NW Dist.

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

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

cc: DMMA (3)
[illegible] (2)
[illegible] (AP)
[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
OCT 24 1955

October 20, 1955

MEMORANDUM

To: Field Team, Region I, Northwest District

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

Subject: Interim Inspection Report, Docket No. DMEA-3739, Idaho Metallurgical Industries, Inc., Tinkers Pride Claim, et al., Lemhi County, Idaho, Contract No. Idm-E884.

I visited the property on September 14, 1955, with Thor H. Kiilsgaard and again on October 1, 1955. On September 14 we examined the property with H. L. Bauer and Dave Snyder, Geologists for Shenon and Full. On October 1 I examined the work done with Roy Full.

According to the teletype of September 29, 1955, from the Operating Committee, work done between August 26 and October 1, 1955, had prior approval. According to the contract, future work, after October 1, 1955, must have the prior approval of the Government.

Work done to October 1, 1955, included geologic, geophysical and geochemical surveying of the south 3,500 feet of the 6,000-foot strike length of the zone specified by the contract. In addition, extensive road bulldozing had been done on the Tinker Pride slope in order to prepare diamond drill sites. Drilling will be done from 5 sites on the Tinker Pride area, the highest just below the crest of the cliff, the lowest midway down the slope. Locations of two sites were changed October 1, 1955, because it appeared impossible, without extensive blasting, to reach the sites with a bulldozer. The alternate sites are quite adequate.

In addition, there are 2 drill sites on the bonanza copper end of the 6,300 foot or "initial" strip. The first location had been approved September 14, 1955, but it was necessary to move the drill site further north because of large boulders in terrace or glacial gravels.

The drill was at this site and had penetrated to 430 feet. A second hole will be drilled about 400 feet north.

I approved, for the Field Team, geologic, geophysical and geochemical surveying of the remaining 2,500 feet of the "initial" work. This will bring the work up to the north end of the initial unit of the zone. This work should consist of:

1. Surveying 2,500 feet of base line; 25,000 feet of cross lines; the occupation of stations for geophysical readings; taking geochemical samples at the points occupied, and the geochemical assaying of samples.

2. Necessary geologic mapping for an area (map dimensions) of approximately 2,500 feet by 2,300 feet.

3. All remaining diamond drill footage of Stage I to a total of 5,000 feet. Eight drill holes are contemplated.

4. Full time bulldozer work for two months. Work will include drill site preparation and roads to them, approximately 150 hours; new trenching, and deepening of old cuts for a total of approximately 266 hours.

The geologic picture is very encouraging. Cobalt bloom and copper stain is common on outcrops and in bulldozer cuts. Particularly interesting is the amount of fresh sulfides, including cobaltite, that can be found near the surface in dozer cuts. The geochemical work on the first 2,300 feet of the "initial" zone is quite striking. The big question, of course, is what will the core assay.

Distribution:
DMEA (orig. & 3)
USBM (2)
USBM (AD)
Docket
Fryklund

SHENON AND FULL
MINING GEOLOGISTS
SALT LAKE CITY, UTAH
700 Newhouse Building

PHILIP J. SHENON
1339 THIRD AVENUE
PHONE 5-5627

ROY P. FULL
3945 SOUTH 11TH EAST
PHONE 87-1840

RECEIVED
OCT 24 1955

October 17, 1955

Mr. A. E. Weissenborn, Executive Officer
Defense Minerals Exploration Administration
S. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA - 3739
Idaho Metallurgical Industries, Inc.
Tinkers Pride, et. al. Claims
Lemhi County, Idaho

Dear Mr. Weissenborn:

The work on the Big Deer Creek area has progressed to the point where a decision must be reached regarding the completion of the work outlined under Stage 1 of the D.M.E.A. contract.

Geophysical work has been completed over the 6000-foot area outlined as Unit 1 of the first stage of exploration. A few samples remain to be assayed on the soil samples, but weather conditions require that any additional surface work must be completed within the next few weeks.

Geophysical and geochemical surveys (see maps) indicate that both copper and cobalt mineralization are quite strong in the area immediately north of Big Deer Creek. Extension of this area would require geophysical and geochemical surveys to the south of Big Deer Creek.

Work at the north end of the area has been limited to a few hundred feet beyond the known Bonanza Copper mineralization. One drill hole has intersected the Bonanza Copper vein, and a mineralized zone 40 feet wide was cut. This may be below ore grade, but samples have been sent for assay. A short tunnel to the north of the 6000-foot area shows cobalt mineralization.

The work in the Big Deer Creek area to date indicates to us that exploration work should be extended beyond the 6000-foot limits of the first unit of Stage 1 (D.M.E.A. contract). We feel that the following work should be done this season:

1. Extend geophysical-geochemical survey to the north and south of the present 6000-foot area. The work not to exceed 12,000 feet along strike of structure, or to exceed 80,000 feet total of survey line.

2. Bulldozing of roads and cuts in the extended area not to exceed 100 hours of operating time.

3. Geologic mapping of extended area not to exceed a total of 640 acres.

We are sending under separate cover a set of maps for the Tinkers Pride and Bonanza Copper areas on which geologic, geophysical and geochemical (copper and cobalt) results have been recorded. These are not completed maps, but only copies of our work sheets which we hope will give you an idea of the extent of mineralization within the area.

An early decision regarding the extended work will be appreciated as weather conditions could terminate the work on rather short notice.

Sincerely yours,

Roy F. Hull

RFF/s

cc Mr. Neil O'Donnell

SHENON AND FULL

MINING GEOLOGISTS

SALT LAKE CITY, UTAH

PHILIP J. SHENON
1339 THIRD AVENUE
PHONE 5-5627

700 Newhouse Building

ROY P. FULL
3948 SOUTH 11TH EAST
PHONE 87-1840

October 17, 1955

RECEIVED
OCT 24 1955

Mr. A. E. Weissenborn, Executive Officer
Defense Minerals Exploration Administration
S. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA - 3739
Idaho Metallurgical Industries, Inc.
Tinkers Pride, et.al. Claims
Lemhi County, Idaho

Dear Mr. Weissenborn:

This letter will confirm the discussion and decisions that were reached on October 1 when Mr. Vern Fryklund from your office visited the exploration project on Big Deer Creek. Work completed from August 26 to September 30 has been outlined and discussed in the Progress Report for that period.

The work included in Stage 1 to be done under the DMEA contract, as we understand, is to be divided into two units; that is: Unit 1 to explore an area not in excess of 6000 feet in length along the Tinkers Pride-Bonanza Copper structural zone, and extending from Big Deer Creek to the north. The area is to be explored by geologic mapping, trenching, geophysical surveys, geochemical surveys, and diamond drilling. Unit 2, contingent upon the results of the work done in Unit 1, to explore an additional 6000 feet along the Tinkers Pride-Bonanza Copper structural zone, by extending the surveys to the north and south.

The work which was discussed on October 1 with Mr. Fryklund was to complete Unit 1 of Stage 1 and the following amounts of work appear to be necessary.

Bulldozing

October - 26 days @ 8 hours/day	208 hours
November - 26 days @ 8 hours/day	208 hours
	416 hours

It is estimated that approximately 150 hours of 'dozing time will be required in preparation of drill sites and roads to give access to them. The additional 266 hours will be required for trenching and deepening of existing cuts for geologic information.

RECEIVED
OCT 19 1955

Geologic Mapping

Geologic mapping has been extended over an area of approximately 200 acres. An additional 440 acres should be mapped to obtain a satisfactory geologic interpretation for the area.

Geophysical-geochemical Surveys

Approximately 3500 feet of the 6000-foot area included in Unit 1 has been completed. An additional 2500 feet of base line remains unsurveyed. Cross-lines at intervals of 200 and 400 feet will require an additional 25000 feet of line.

Diamond Drilling

Eight diamond drill holes were located to give a total footage of approximately 5000 feet. The exact positions of these holes are dependent on access conditions on the steep slopes to the north of Big Deer Creek, but their approximate positions are recorded below.

Coordinate North	Coordinate East	Direction	Angle	Depth
1. 121,790 N	92,680 E	S 50° W	-45°	700'
2. 118,100 N	93,820 E	S 80°E	-45°	700'
3. 121,900 N	92,510 E	S 70° W	-45°	600'
4. 117,830 N	94,900 E	N 75° W	-45°	600'
5. 117,690 N	94,950 E	West	-45°	500'
6. 117,730 N	94,700 E	N 85° W	-40°	800'
7. 117,390 N	94,030 E	N 50° E	-40°	600'
8. 117,220 N	94,140 E	N 65° E	-45°	500'
				5000'

We will keep you informed of any new developments as the work progresses.

Sincerely yours,

Roy P. Full

Roy P. Full

RPF/s
cc Mr. Neil O'Donnell

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
No. 157 Howard Street
Spokane 4, Washington

RECEIVED
OCT 24 1955

October 20, 1955

Mr. Ray P. Full
3945 S. 11th E.
Salt Lake City 7, Utah

Re: Docket No. DMEA-3739 (cobalt-copper)
Idaho Metallurgical Industries, Inc.
Timberz Pride Claims, et al.
Lemhi County, Idaho
Contract No. Ida-[illegible]

Dear Mr. Full:

The data contained on the pencil tracings you sent and discuss in your letter of October 17, 1955, seem more than sufficient to justify completing the geologic, geophysical and geochemical mapping to be done under Stage I.

The areas to be mapped lie south of the Timberz Pride area and north of the Bonanza Copper area. This mapping is to be done along the general strike extensions of the known mineralized areas. The total strike length of this new mapping is not to exceed 6,000 feet; the width of the zone is not to exceed 2,300 feet.

Also authorized at this time is bulldozing for access roads and trenches to the extent of that bulldozing authorized under Stage I that will not be expended on the "initial" unit of work.

By Field Team, Region I, NW Dist.

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

King S. Agnew, Member
U. S. Bureau of Mines

cc: DMEA (3) w/incoming
DMEA (2)
DMEA (AB)

COPY

COPY

RECEIVED
OCT 24 1955

WESTERN
UNION

PR CDU053 PD=FAX CD NEW YORK NY 20 953A= 1955 OCT 20 AM 7 22

A E WEISSENBORN, EXEC OFFICER, DMEA FIELD TEAM=

SOUTH 157 HOWARD ST SPOKANE WASH=

PLEASE BE ADVISED THAT SHENON AND FULL ARE ACTING AS

AGENT FOR IDAHO METALLURGICAL INDUSTRIES INC IN CONNECTION WITH

WORK DONE UNDER CONTRACT IDM-E834 DOCKET NO DMEA 3739 AND ARE

AUTHORIZED TO SIGN MF104 FORMS AND ANY OTHERS THAT MAY BE

REQUIRED=

WILLIAM C SCHMIDT VP

RECEIVED
OCT 20 1955
U.S.G.S.
SPOKANE, WASH

Distribution:
Incoming
USBM
USBM(AD)
Nickelson
DMEA(2)✓

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

RECEIVED
OCT 24 1955

[illegible] 17, 1955

3739

MR. [illegible]
231 [illegible]
[illegible] 17, [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

A. [illegible]
[illegible]

[illegible]
Charge to: U. S. Geological Survey
So. 157 Howard Street
Spokane 4, Washington

CC: Confirmation
Docket
Outgoing
Chrono
USBM
Nickelson
~~Confirmation~~
DMSA(2)

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

1201 N. Division St.
Spokane 2, Washington
October 18, 1955

RECEIVED
OCT 24 1955

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: A. L. Service, Mining Engineer, Bureau of Mines

Subject: Initial inspection, Docket No. DMEA 3739 (cobalt-copper), Idaho Metallurgical Industries, Inc., Tinkers Pride Claim, Lemhi County, Idaho, Contract No. Idm-E884

An inspection of the project work was made October 10, with Mr. Roy Full, consulting geologist.

The access roads, trenching and surface mapping under Stage I of the contract have been practically completed. The geophysical surveys and geochemical work have been in progress during this past summer. The results of this work were not immediately available, but Mr. Full stated that they were very favorable. Maps and other pertinent data will be submitted with the Operator's monthly narrative reports.

Diamond drilling commenced in mid-September, and on October 10 hole No. 1 on the Tinkers Pride group was down to 696 feet. A 40-foot mineralized section was intersected between 500 and 600 feet, and traces of mineralization were evident to greater depths. Hole No. 2, on the other side of the canyon, was down to 200 feet.

A temporary camp has been set up on the project site, and drilling is being carried out on a three-shift basis. The work that has been completed has been carefully planned and was performed in an efficient manner.

Snow and cold weather will probably force the project to close early in December.

A. L. Service

A. L. Service

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
AD
ALS/he

230 PARK AVENUE
NEW YORK 17, N. Y.

Docket

October 3, 1955

WSM

Mr. C. O. Mittendorff, Administrator
Defense Minerals Exploration Administration
Department of The Interior
Washington 25, D.C.

Re: Docket No. DMEA 3739
Cobalt, Copper
Tinkers Pride et al Claims
Lemhi County, Idaho

Dear Mr. Mittendorf:

This will acknowledge receipt of yours of the 29th ult. enclosing Operator's Copy of the subject contract duly executed for the Government, for which I thank you.

Consents to Lien are in hand for attachment to this copy and it will be executed for the Company as soon as Mr. Thayer Lindsley, President, is available here.

You will be interested to know that one drill has started work and a second is being moved in. We are hoping that by the end of the present month we will have the kind of news a miner wants.

Yours sincerely,

William C. Schmidt

William C. Schmidt

WCS:b

Docket

RECEIVED
OCT 24 1955

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

September 30, 1955

224 New Customhouse
Denver 2, Colorado

Mr. Verne C. Fryklund, Jr.
Acting Executive Officer, DMEA
Field Team, Region I, N. W. District
So. 157 Howard Street
Spokane 4, Washington

Re: Docket DMEA 3/55 (Cobalt-Copper), Idaho Metallurgical Industries, Inc., Tinkers Pride claims, et al., Lemhi County, Idaho

Dear Mr. Fryklund:

We are forwarding a copy of your letter dated September 26, 1955 to Mr. S. R. Wilson, Mining Engineer, U. S. Bureau of Mines, 1600 East First South Street, Salt Lake City 1, Utah for reply direct to you regarding Salt Lake City assayers he deems qualified to make assays for cobalt.

We have contacted C. O. Parker and Company, Assayers and Chemists, 2114 Curtis Street, Denver, Colorado. Mr. Parker states that his company makes approximately 100 assays per month for cobalt at $5.00 per assay. He informed us that all cobalt and nickel assays for his company are made by G. H. McCormick, who is a chemical engineer on the teaching staff at Denver University.

Very truly yours,

W. M. Traver

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

attached to Mr. Wilson's ltr of 10-21-55 to Op. Com.

RECEIVED
OCT 1955

Copy retained 400

RECEIVED
OCT 17 1955

September 30, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: S. R. Wilson

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3739 (Cobalt-Copper), Idaho Metallurgical Industries, Inc., Tinkers Pride claims, et al., Lemhi County, Idaho

Enclosed is a copy of a letter from Verne C. Fryklund, Jr., Acting Executive Officer of Region I.

Will you please reply to Mr. Fryklund direct if you have knowledge of qualified cobalt assayers in the Salt Lake City area. A copy of our letter to Mr. Fryklund is attached.

W. M. Trever

W. M. Trever

Enclosure

HMC:ab
cc: Docket 3739
Verne C. Fryklund, Jr.
Chron.

RECEIVED
OCT 3 1955
U.S.G.S.
SPOKANE, WASH.

DOCKET
Surname

Martin
Chapman
Talbot
Nelson
Selfridge
Fitzsimmons

SEP 30 1955

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I - NW District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3739, Cobalt-Copper
Idaho Metallurgical Industries, Inc.
Tinkers Pride claim, et al.
Lemhi County, Idaho

Dear Mr. Weissenborn:

Enclosed are the Field Team copy and the Finance Office copy of the referenced contract, duly executed by the Administrator for the Government and by the applicant. Also enclosed for use of the Field Team are two extra copies of Annexes I and II and Exhibit "A" to this contract.

Sincerely yours,

Chairman, Operating Committee (JB)

Enclosures

APPROVED:

(JB)
Member, Bureau of Mines

(JB)
Member, Geological Survey

cc: Docket
Code 400
Oper Committee
Adm. Read. File
T. Kiilsgaard, USGS
H. W. Davis, USBM
FT, Reg. I-Spokane

TLChapman/ls
9/26/55

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

RECEIVED
OCT 17 1955

October 5, 1955

Memorandum

To: Vern C. Fryklund, Jr., U. S. Geological Survey, Spokane, Wash.

From: Stephen R. Wilson

Subject: Cobalt assayers in the Salt Lake area

Reference is made to your letter of September 26, 1955, addressed to W. M. Traver, Bureau of Mines, Denver, Colorado, wherein you have requested information concerning cost of cobalt determinations in Salt Lake City and Denver. Mr. Traver forwarded a copy of your letter and also a copy of his response to this office.

I have contacted the firms listed below concerning determinations for cobalt. All firms make such determinations, and the charge by each firm is $5 per determination.

Black and Deason
165 So. West Temple, Salt Lake City, Utah

Deason and Nichols Assay Office
160 So. West Temple, Salt Lake City, Utah

Union Assay Office, Inc.
152 So. West Temple.

It is believed that the three firms may be depended upon to give reliable results.

Stephen R. Wilson

cc: W. M. Traver
J. B. Clemmer

RECEIVED
OCT 7 1955

DOCKET
Surname

Martin
Chapman
Talbot
Nelson
Selfridge
Fitzsimmons

SEP 30 1955

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I - NW District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3739, Cobalt-Copper
Idaho Metallurgical Industries, Inc.
Tinkers Pride claim, et al.
Lemhi County, Idaho

Dear Mr. Weissenborn:

Enclosed are the Field Team copy and the Finance Office copy of the referenced contract, duly executed by the Administrator for the Government and by the applicant. Also enclosed for use of the Field Team are two extra copies of Annexes I and II and Exhibit "A" to this contract.

Sincerely yours,

Chairman, Operating Committee (JB)

Enclosures

APPROVED:

(JB)
Member, Bureau of Mines

(JB)
Member, Geological Survey

cc: Docket
Code 400
Oper Committee
Adm. Read. File
T. Kiilsgaard, USGS
H. W. Davis, USBM
FT, Reg. I-Spokane

TLChapman/ls
9/26/55

Interior Department
Defense Minerals Exploration Administration
14X4401 (01) Revolving Fund, Defense Production Act, Interior
(Allocated Working Fund to the Office of the Secretary)

XXXXXXXXXXXXXXXXXXXX

T E L E T Y P E

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I - NW District
South 157 Howard Street
Spokane 4, Washington

Re your airmail letter September 23, 1955, Docket DMEA 3739, Idaho Metallurgical Industries, Inc., advising us Field Team not aware any initial exploration work required advance approval inasmuch as you had not received copy of contract. We concluded from your September 1 teletype that you received our August 29 letter enclosing extra unsigned copy of contract. Administrator approved starting initial exploration work on August 26. Work done between August 26 and your next inspection is eligible for payment if it complied with intent of contract as to performance. Any work started after next Field Team inspection covering remainder of initial work of Stage I should be agreed to in advance by Operator and you. Your copies executed contract being mailed separately.

George C. Selfridge

Chairman, Operating Committee (JB)

RUBIN/JOHNSON/MARTIN/foc
9-28-55
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. I - NW Dist.
T. Kiilsgaard, USGS
H. W. Davis, USBM

DOCKET
SURNAME
Martin
Nelson
Yoe
Selfridge
Johnson
Mitchenson

DOCKET
SURNAME

400 Martin
Chapman
Talbot
Nelson
Yoho
Selfridge
Ferguson

SEP 29 1955

Mr. William C. Schmidt
230 Park Avenue
New York 17, New York

Re: Docket No. IMSA 3739 - Cobalt, Copper
Idaho Metallurgical Industries, Inc.
Tinkers Pride claim, et al.
Lemhi County, Idaho

Dear Mr. Schmidt:

Enclosed is your Operator's Copy of the referenced contract, duly executed for the Government.

Article X(e) of the contract states that Consents to Liens are attached. Please provide such Consents for your copy of the contract, because you left only four sets thereof with us and all these are required for our several copies of the contract.

We shall be particularly interested in the results of this project which has such possibilities both for the Government and your company.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WSMARTIN/TLCHAPMAN/rbc
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
T. Kiilsgaard, USGS
H. W. Davis, USBM
FT. REG. I - Spokane

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
~~xxxxxxxxxxxxxxxxxx~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
SEP 30 1955

September 26, 1955

Mr. William M. Traver
Executive Officer, DMEA
Field Team, Region III
Bureau of Mines
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride claims, et al.
Lemhi County, Idaho

Dear Mr. Traver:

The Government has just signed a contract for a large cobalt and copper project in the Blackbird district, Idaho. There is now some question as to the costs of assaying for cobalt and the Operating Committee has asked us to make a survey of cobalt assayers in this general area. They suggested that perhaps you could give us quotations for cobalt assaying by assayers in Salt Lake City or Denver.

Assaying for cobalt has been such a problem at the Blackbird mine that I suspect that only a very responsible organization can make worth-while assays and that the cost will be high. I would greatly appreciate any information you could send us.

Sincerely yours,

Verne C. Fryklund, Jr.
Acting Executive Officer, DMEA
Field Team, Region I, NW Dist.

[illegible] (.)
[illegible] BM (.)
[illegible]

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

September 23, 1955

AIR MAIL

Copy retained 400

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

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride claims, et al.
Lemhi County, Idaho

Dear Mr. Selfridge:

This is in reply to your letter of September 20, 1955, about the Idaho Metallurgical Industries, Inc. contract.

We will investigate assaying costs and the desirability of BX rather than AX drilling, and make appropriate recommendations.

Thor Kiilsgaard and I visited the property on September 14, 1955, and examined work done to date. The Field Team was not aware that any of the early work required advance approval as we have not yet received a copy of the contract.

Sincerely yours,

Verne C. Fryklund Jr.

Verne C. Fryklund, Jr.
Acting Executive Officer, DMEA
Field Team, Region I, NW Dist.

cc: USBM (2)
Nickelson

230 PARK AVENUE
NEW YORK 17, N. Y.

September 21, 1955

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of The Interior
Washington 25, D.C.

WSM

Re: Docket No. DMEA 3739-
Cobalt Copper
Tinkers Pride et al Claims
Lemhi County, Idaho

Dear Mr. Mittendorf:

Herewith I am returning the original and four copies of contract for an exploration program at the above indicated property. All have been duly executed for Idaho Metallurgical Industries, Inc.

It is our understanding that the starting date, August 26, 1955, will be inserted by you when signing for the Government. Inasmuch as the work has been started as of that same date will you kindly have it inserted under Article 3 also.

Photostatic copies of the signed Consents to Lien were left with your Mr. Chapman during our last visit to your office on September 15, 1955.

Yours sincerely,

William C. Schmidt

William C. Schmidt

WCS:b
Encls.
cc: N.O'D.
L.J.L.

400

DOCKET
Surname:

Martin
Selfridge
L. H. Jensen
McCauley

SEP 2 0 1955

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I - NW District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride claims, et al.
Lemhi County, Idaho

Dear Mr. Weissenborn:

On September 15, 1955, Mr. Neil O'Donnell, Mr. William C. Schmidt, the undersigned, and two engineers from the Iron and Ferro-Alloys Division attended a conference here regarding the subject contract.

Much of the discussion consisted of questions about the ordinary details of operating under a DMEA project contract. The applicant's representatives, however, provided work quotations which suggest that the cost allowed in the contract for assaying may not be high enough to cover thoroughly dependable determinations.

It will be appreciated if you will determine, perhaps through the good offices of Region III, whether some assayer in Salt Lake City other than the Union Assay Office, Inc., or whether the Henry E. Wood Assaying Company or some other assayer in Denver would make cobalt and copper determinations at a price within the cost allowable in the proposed contract.

The Bureau of Mines Information Circular No. 7523 includes the name of Adelmann Bros., 622 Idaho Street, Boise, Idaho. Please also obtain a quotation from this last-named assayer if you have reason to believe that we might expect dependable results from this source or from any other commercial laboratory that you know of in the State of Idaho.

We were further advised that, according to information obtained in the field, AX drilling would probably result in such low core recoveries that a change to BX drilling would be required for satisfactory results. According to

R.C.

the quotation submitted by Boyle Bros., the differential between AX and BX is comparatively small and a change to BX with an increase in the maximum now allowed by the contract might well be in the Government's interest.

As a result of the conference, the applicant's representatives decided to recommend that the contract be signed in its present form without further revision in Washington at this time. We agreed to take up with you the questions discussed in the preceding paragraphs and to give serious consideration to any corresponding amendments that the Field Team might recommend on the basis of its findings.

August 26, 1955, the date that we approved the contract in final form, is the date of the contract and also the date for starting work. The applicant desires to accomplish as much of the work as possible during the remainder of this year's field season. It will be much appreciated, therefore, if you will schedule an early visit to the project by some member of the Field Team who is qualified to give the necessary advance approval where the contract requires such advance approval by the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/B)

Approved:

P. F. Yopes (2/B)

Member, Bureau of Mines

/s/ N. E. Nelson (2/B)

Member, Geological Survey

cc: Docket
FT, Region I-Spokane
Adm. Read. File
Oper. Committee
Code 400
Thor Kiilsgaard, USGS
H. W. Davis, USBM

WSMartin/ls
9/16/55

August 19, 1955

Noted
COM

Memorandum

To: The Files

From: George C. Selfridge, Chairman
Operating Committee, DMEA

Subject: Docket DMEA-3739 (Cobalt-Copper), Quebec Metallurgical Industries, Ltd., Tinkers Pride Claims, Lemhi County, Idaho.

Mr. Schmidt called this afternoon to learn of the status of the subject docket. He explained that the company had been doing road work on the property as assessment work, but that it was about finished and future work by Sheahan and Full would cost the company money. The writer informed Mr. Schmidt that the docket had just come to his desk and that he had just returned from a vacation, and knowing that the matter was urgent had been working on the docket at home in addition to the office. He also told him he was going to do work on the docket at home over the week end and that we would get something out this week.

Mr. Schmidt wondered why the matter was delayed as Mr. Martin had told him that it was just about ready. The writer told Mr. Schmidt a contract in draft form had been sent to Legal but it had been returned for revision. Mr. Schmidt was also told that the proposed contract could be sent to the New York office for execution. The writer asked Mr. Schmidt if all of the work was to be done under the direction of Sheahan and Full, and was informed that they would be in charge of the entire project.

George C. Selfridge
George C. Selfridge

GCS/hb (8/19/55)

Copy to: Mails & Files
Admr. R. File
C. O. Mittendorf
F. E. Johnson
Mr. Selfridge

Mr. Martin

NEW YORK

OFFICE MEMORANDUM

To: Mr. O'Donnell

Date: September 14, 1955

From: W. C. Schmidt

Re: Cost of Assaying Cobalt Ores

Further to my memorandum of September 12, 1955 on this subject, the following quotations have been given by Union Assay Laboratories of Salt Lake City, Utah:

Cobalt	$5.00
Copper	1.00
Arsenic	3.00

When I asked if there was a discount on large quantities, the reply was that they believed their prices were quite low and no discounts could be allowed.

WCS:b

NEW YORK

OFFICE MEMORANDUM

To: Mr. O'Donnell **Date:** September 12, 1955

From: William C. Schmidt

Re: Cost of Assaying Cobalt Ores

Ledoux & Co. have given me the following quotations:

1. For umpire work involving duplicate determinations

Copper	$6.00
Cobalt	15.00
Arsenic	8.00

2. For single determinations, 60% of above prices, or

Copper	$3.60
Cobalt	9.00
Arsenic	4.80

In either case on lots of ten or more determinations there is a discount of 10%.

Mr. W. G. Hubler of Lakefield Laboratories in Canada states that it is a member of the Association of Canadian Testing Laboratories, all members of which charge the same prices. In this case the prices are:

Copper	$2.00	Canadian Cy.
Cobalt	5.00	" "
Arsenic	4.00	" "

Mr. Hubler is sending a schedule of charges.

WCS:b

Idaho Metallurgical Industries. Docket No. DMEA-3739. Contract No. Idm-E

Kind of Work	DMEA Contract Costs		Application Costs		Remarks
		Stage 1			
Bulldozing, Access Roads and trenches	850 hours at $14.00	$11,900	800 hours at $14.00	$11,200	
Temporary Camps	Tents & Furnishing	2.000	----		
Self-Potential Survey	80,000 lin.ft. at $0.0875	7,000			Total for Contract #11,300
Soil Samples		1,600			
Analyses		2,700		12,000	Total by Applicant $12,000
		11,200			
Geological Study and Surveying	640 acres	16,000	1,300 acres		
Sample Analyses		1,500		20,675	
Diamond Drilling	5,000 ft. at $6.50	32,500			Contract cost $38,600
Reaming, casing, etc	1,000 ft. at $2.50	2,500			Cost per foot $7.72
Sample Analyses		3,600	2,000 ft at $.800	16,000	3,000 feet more drillin
Total cost Stage 1		$81,300		$59,875	
		Stage 11			
Diamond Drilling	20,000 ft. at $6.00	120,000			Total Contract Cost $141,500
Reaming, casing, etc.	4,000 ft at $2.00	8,000			Cost per foot $7.075
Sample Analyses		13,500	20,000 ft. at $7.00	140,000	
Bulldozing, Access Roads & Drill Sites	160 hours at $14.00	2,240	----		
Access Road to Panther Creek	3 miles at $4,000	12,000	3 miles at $4,000	12,000	
Camp Buildings, 12 men					All winter work will be underground. Will not need over 10 or 12 men
Cook-house	$3,500				
2 Bunk-houses	3,000		25 men		
Staff Office	2,500				
Electric Plant	500				
Warehouse	500				
Total		10,000		25,000	
Total for Stage 11		$165.740		$177.000	

Unit Costs

Stage 111

Drifts and Crosscuts.	1,500 ft. at $45.00	$67,500	2,500 ft. at $70.00		Total for Contract $81,250.00 Per foot $54.166 1,000 feet less work underground
Normal Timbering	1,000 ft. at $7.00	7.000			
Heavy Timbering	300 ft. at $7.00	2,100			
Spiling and all timber	150 ft. at $27.00	4,050			
Sample Analyses		600		$175,000	
Total for Stage 111		$81,250		$175.000	
Technical Direction 2 years				50.000	

Total Cost Stage 1	$181,300	$159,875
Total Cost Stage 11	165,740	177,000
Total Cost, Stage 111	81,250	175,000
Total Cost of Project	$328,290	$411,875
Techinical Direction 2 years		50,000
		$461,875

Your inquiries will receive prompt attention.

Schedule of Fees

ASSAYS

Gold	$ 2.50
Silver	2.50
Gold and Silver (same sample)	4.00
Platinum Group (semi-quantitative, by sulphuric parting or colorimetric	5.00
~~Platinum (quantitative)~~	~~15.00~~
Umpire Assays, ores and tailings	7.00
Bullion	7.00
Pt & Pd & Au (same sample)	**24.75**

CHEMICAL ANALYSES

Aluminum	$ 5.00
Antimony	5.00
Arsenic	4.00
Beryllium	10.00
Bismuth	5.00
Cadmium	5.00
Calcium	3.00
Chromium	5.00
Cobalt	5.00
Copper	2.00
Carbon	3.50
Fluorine	$ 5.00
Iron	3.00
Ferrous Iron	4.00
Lead	3.00
Limestone (complete Analysis)	15.00
Lithium	10.00
Manganese	5.00
Mercury	5.00
Magnesia	4.00
Molybdenum	5.00
Nickel	4.00
Phosphorus	4.00
Soda or Potash	8.00
Soda and Potash	10.00
Silica (refined)	3.50
Insolubles	2.00
Sulphur	3.50
Tantalum	10.00
Tellurium	6.00
Tin	6.00
Titanium	5.00
Tungsten	6.00
Uranium	10.00
Vanadium	6.00
Zinc	3.00
Zirconium	**10.00**

Fees quoted are not subject to discounts. They are minimum fees approved by the Association of Canadian Testing Laboratories for standard methods of analyses.

Terms: 30 days net. Instructions regarding distribution or mailing of certificates should accompany the samples to ensure prompt returns.

Samples should be clearly marked, securely packed, and shipped by mail or Canadian National Express.

Samples from United States or countries other than Canada should be marked for customs clearance as follows:

"Ore Samples of No Commercial Value.
For Test Purposes Only."

Address all shipments and correspondence to the company:

LAKEFIELD RESEARCH LIMITED,
Lakefield, Ontario,
Canada.

ORE TESTING and RESEARCH

Lakefield Research Limited operates a metallurgical laboratory for ore testing and research on

REFRACTORY GOLD ORES
BASE METAL SULPHIDE ORES
NON METALLIC ORES.

Your inquiries will receive prompt attention.

SCHEDULE OF FEES

Assays
AND
Chemical Analyses

Issued by

Lakefield Research Limited

P.O. Box 430 Phone 7
LAKEFIELD, ONTARIO
CANADA

Member of the
ASSOCIATION OF CANADIAN TESTING LABORATORIES

Specializing in Problems of

- ORE TESTING AND RESEARCH, developing new processes for treatment of complex base metal ores.
- METALLURGICAL AND CHEMICAL ANALYSIS using modern methods and equipment.
- CUSTOM ASSAYING.
- PREPARATION OF PROCESS FLOW SHEETS AND EQUIPMENT SPECIFICATIONS.
- MARKET RESEARCH.

Come in person with your problems or write to our Lakefield, Ontario Office

Our Technical Staff has experience in research and production covering a wide variety of problems related to ore dressing and refining and to marketing of products.

Among the many problems investigated and for which treatment methods have been recommended to our clients, are concentration and refining of nickel, copper, cobalt and other base metal ores. The staff is familiar with and equipped to test the most recently developed chemical processes for refining base metal ore and concentrate.

We have the facilities and are active in the treatment of uranium by gravity and magnetic concentration.

Two of the large gold producers of Canada are operating plants designed from the results of research work at Lakefield where satisfactory methods were devised for treating unusually refractory gold ore.

Treatment methods have been worked out at Lakefield for production of marketable products from nepheline-syenite, kyanite, wollastonite, and lithium-bearing ore.

Our laboratory facilities are available for use by your engineers.

LAKEFIELD RESEARCH LIMITED,
P.O. Box 430,
Lakefield, Ontario.

Date.....

Dear Sirs:

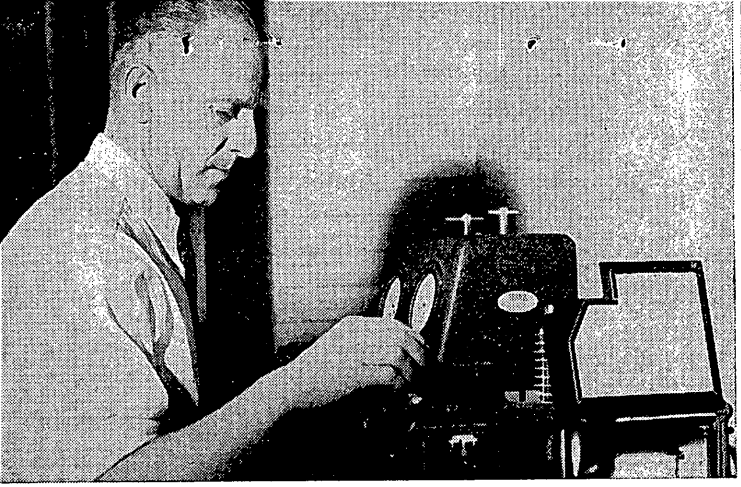
We would be interested in further information regarding the following research problems.....

.....

.....

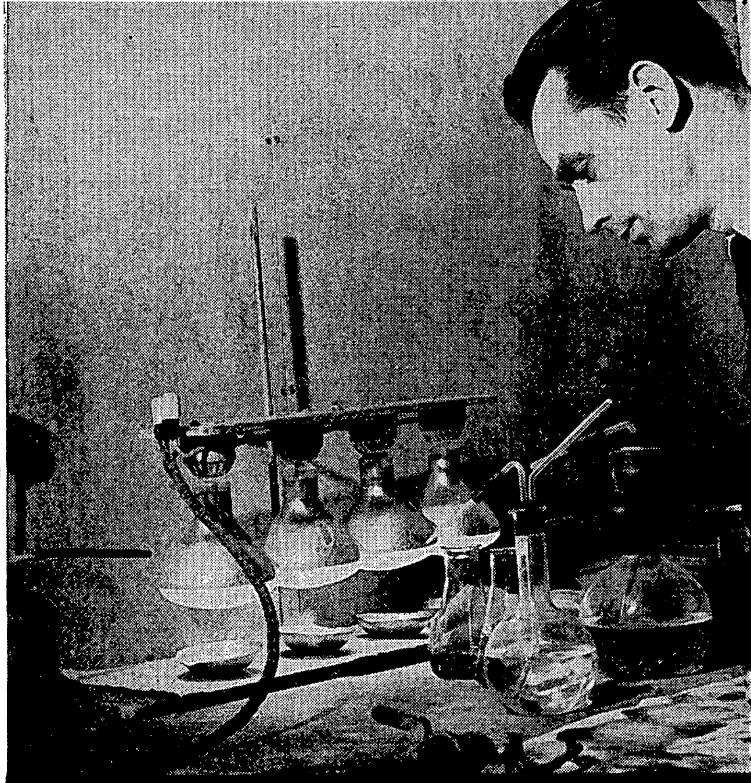
NAME.....

ADDRESS.....



A modern Spectrophotometer for rapid and accurate analysis of lithium, sodium, potassium and other metals difficult to determine by standard practice.

LAKEFIELD RESEARCH LIMITED



CUT ALONG DOTTED LINE

STAMP

LAKEFIELD RESEARCH LIMITED

P.O. Box 430

Lakefield, Ontario

Docket

RECEIVED
SEP 1 5 40 PM '55
SECTION OF ELECTRONICS
BUREAU OF ENGINEERING
DMP-COMMUNICATIONS

XDXXXXXX-151K

YWB076 WA SP 28 I-GS-G (DUPE AND CCT CPY)

SPOKANE WASH 9-1-55 1245P

GEORGE C SELFRIDGE CHAIRMAN DMEA OPERATING COMMITTEE

RECEIVED
SEP - 2 1955

DEPT OF THE INTERIOR

WA

RE DOCKET DMEA 3739 IDAHO METALLURGICAL INDUSTRIES INCORPORATED FOLLOWING CHANGES IN PROPOSED CONTRACT ARE SUGGESTED:(CLN)

1. IN ESTIMATED COSTS, CMM WORK ITEM 8, CMM "X FT. OF HOLE CEMENTED, CMM AND DRILL CEMENT, CMM OR REAMED AND CASED" INSTEAD OF "X FT. OF HOLE CEMENTED AND REAMED, CMM OR REAMED AND CASED."

2. IN ESTIMATED COSTS, CMM WORK ITEMS 4 AND 5 SHOULD BE COMBINED SO THAT $4300.00 IS AVAILABLE BUT DISTRIBUTION IS NOT SPECIFIED.

3. IN DESCRIPTION OF WORK, CMM ITEM 8, CMM OMIT "THE HOLES SHALL BE INCLINED AT MINIMUM ANGLES OF 45 DEGREES TO OBTAIN VERTICAL DEPTHS OF NOT LESS THAN 300 FT. " MINIMUM DEPTHS SHOULD DEPEND ON DEPTHS OF TOP OF SULPHIDE ZONE WHICH CAN ONLY BE DETERMINED BY EXPERIENCE.

4. ANNEX 2 PARAGRAPH C2 MIGHT NOT BE CLEAR TO AN ENGINEER. SUGGEST "SHALL BE SUPPLEMENTED BY A WORK SHEET SHOWING THE DISTRIBUTION OF THE COST COMPONENTS THAT MAKE UP THE VARIOUS ITEMS SET FORTH UNDER STAGES 1 AND 2 OF EXHIBIT A."

A E WEISSENBORN EXECUTIVE OFFICER DMEA FIELD TEAM

REGION I NORTHWEST DISTRICT SP

3739 1. 8 2. 4 5 $4300.00 3. 8 45 300 4. 2 C2 1 2

EKC 1250P/105P

AIRMAIL SPEC.

400 DOCKET SURNAME
Chapman
Kiilsgaard
Yoss
Talbot
Selfridge

AUG 29 1955

Mr. William C. Schmidt
Idaho Metallurgical Industries, Inc.
230 Park Avenue
New York 17, New York

Re: Docket No. DMEA 3739 - Cobalt and Copper
Tinkers Pride, et al., claims
Lemhi County, Idaho

Dear Mr. Schmidt:

Enclosed are the original and four copies of a proposed contract (unsigned for the Government), for an exploration program, together with Exhibit "A" (8 pages), Exhibit "B" (2 pages), Annex I (1 page), Annex II (1 page), and 2 maps.

one copy Good Oper & Finance Docket Cir

If any part of the proposed contract does not have your approval, the original and all copies are to be returned to this office, together with proposed changes for consideration.

If the contract meets with your approval, fill in the blank under Article 3, which states how soon you can begin work, sign all copies and return to this office for signature of the Administrator for the Government.

It will be necessary for you to furnish us with signed Consents to Lien forms from the three groups of Lessors.

Sincerely yours,

C. O. Mittendorf

Administrator

TLChapman:foc
8/26/55
cc to: Docket
Code 400
Adm. Read. File

Enclosures
Operating Comm.
FT. REG. I - NW DIST.
H. W. Davis, USBM
T. H. Kiilsgaard, USGS

R.C.G.

AIRMAIL

DOCKET
SURNAME
Chapman
400 Talbut
Selfridge
Mottendorf

AUG 29 1955

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I - Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 3739 - Cobalt and Copper
Idaho Metallurgical Industries, Inc.
Timkers Pride, et al., claims
Lemhi County, Idaho

Dear Mr. Weissenborn:

Enclosed is the unsigned extra copy of a proposed contract for an exploration program by the above referenced applicant, together with Exhibit "A" (8 pages), Exhibit "B" (2 pages), Annex I (1 page), Annex II (1 page), and 2 maps.

To expedite execution, we plan to send the contract unsigned directly to New York for review and execution if satisfactory. It will be appreciated, therefore, if you will wire or phone us your comments and recommendations and return the copy to us by air mail.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (S/B)

Enclosure

8-26-55
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. I - NW DIST
H. W. Davis, USBM
T. H. Kiilsgaard, USGS

APPROVED:

P. F. Yopes (S/B)
Member, Bureau of Mines

Thor H. Kiilsgaard (S/B)
Member, Geological Survey

R.C.S.

Rubin

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

AUG 26 1955

Memorandum

To: The Administrator, DMEA
Attention: Mr. T. L. Chapman

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3739, Idaho Metallurgical Industries, Inc. (cobalt-copper)

Pursuant to a memorandum dated August 23 from Mr. Chapman, we have prepared the attached contract.

Consents to Lien from three groups of lessors are required prior to the execution of the contract, and we have prepared the attached forms for such purpose.

It should be noted that the option agreements permit exploration and development of the land, and the extraction of samples therefrom; however, by inference, the sale of ore prior to the full exercise of the option by the operator is prohibited. As the operator is investing a substantial amount of its own money in connection with the project; as the options run for periods of from 6 and 7 years; and as the annual payments toward exercising the option agreement are not large, and could be rapidly accelerated in the event that a discovery or development is made; the lack of the immediate right to sell ore may be of small importance.

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

HCRubin/emd
Copy to: DMEA Docket
Solicitor's Docket
W. S. Martin (2)
J. L. Hofflund
H. C. Rubin
chron.

400 DOCKET
Surname:
Chapman

August 23, 1955

MEMORANDUM

To: Acting Assistant Solicitor, Defense Minerals

From: Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of proposed contract
Docket No. DMEA 3739 - Cobalt-Copper
Quebec Metallurgical Industries, Ltd.
Tinkers Pride, et al. claims
Lemhi County, Idaho

Transmitted herewith is a rough draft of a proposed contract for your use in preparing the final draft.

Thos. L. Chapman, Acting Chief
Iron and Ferro-Alloys Division

Attachment

cc: Docket
Code 400

TLChapman/ls

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

AUG 4 1955

Memorandum

To: The Administrator, DMEA
Attention: Mr. W. S. Martin

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3739, Idaho Metallurgical Industries, Ltd. (Subsidiary of Quebec Metallurgical Industries, Ltd.) Cobalt-copper

I return herewith without having drafted in final form a rough draft of the subject contract which was submitted to this office by a memorandum of the Chief, Iron and Ferro-Alloys Division, to me dated July 19, received here July 20. I have, however, indicated on the face of the rough draft submitted some necessary corrections. I also enclose a rough redraft of Annex I to supplant the rough draft that was submitted here. All of these papers should be returned to this office for our use when the contract is resubmitted to this office.

This action is pursuant to telephone conversation this morning with Mr. Martin. In addition to mere matters of organization and statement of the contract, the following two matters are for your consideration:

1. The application is from Quebec Metallurgical Industries, Ltd., a Canadian corporation, but there is in the docket file a letter dated July 11 from William C. Schmidt asking that the contract be made with Idaho Metallurgical Industries, Inc., an Idaho corporation, a wholly-owned subsidiary of the Canadian corporation. Under these circumstances you may wish to require the written guarantee of the Canadian corporation.

2. The description of the property in Annex I refers to three option agreements and supplements thereto and states that copies of all of them have been furnished to the Government. The fact is that I find no copy of the option agreement dated October 25, 1954, William Henry and Emma Infanger and Oscar and Edna Westfall to Daniel M. Stranahan. I assume that this option agreement is the same as the other two.

Matters requiring attention with respect to the statement of the contract are the following:

1. This is a large contract, the total estimated cost being $328,000, the fixed unit costs are most unusual in that some of the units are very large ($11,500, $7,000, $8,000, $12,000, $12,000) with practically no specification for the work to be accomplished. I doubt if it is practicable to state such large units as a basis for a unit-cost contract, at least without more careful and detailed specifications for the units of work to be performed.

2. The description of the work is set forth in two stages, but I believe to be understandable it is necessary to make three stages. Item 7 of Stage II starts with the words: "After a study of the geology . . . etc." some 5,000 feet of drilling may be performed. I think that Stage II should start with item 7 of the present Stage I.

3. The work is described in numbered items under the various stages, but it is difficult to correlate the fixed unit costs with the numbered items describing the work. The work should be so described, under numbered items, that the fixed unit costs need refer only to each item of described work. It should not be necessary to refer to the statement of fixed unit costs to find specifications for the work. For instance, the first item of Stage I under Fixed Unit Costs could be nothing but: "1. Bulldozing and trenching @ $4,000 per mile $12,000.00."

4. The second item of Fixed Unit Costs under Stage I refers to "600 samples to be assayed," but this item of work is nowhere specified in the description of the work, although other similar and larger items for assaying are so specified in the description of the work.

5. The tenth item of unit costs under Stage I refers to 5,000 feet of diamond drilling and the eleventh item to 1,000 feet of reaming and cementing; but no reference is made in the description of the work to reaming and cementing. The description of the work should contain a statement somewhat to this effect:

> It is estimated that not more than 1,000 feet of reaming and cementing may be required in connection with the 5,000 feet of diamond

drilling, and the Government will contribute to the cost of not in excess of 1,000 feet of reaming and cementing in connection with this item.

A similar specification is necessary with respect to Stage II.

6. Nowhere in the description of the work, except by inference, is there any statement that any drilling is to be performed.

7. Item 4 of Stage II provides for certain crosscuts, drifts, and shaft, without any specifications with respect to timbering. The only reference to timbering is in the last four items of the statement of fixed unit costs under Stage II. If the footage there allowed for timbering is intended to be the maximum to which the Government will contribute, it should be so stated in the description of the work--as in the case of reaming and cementing in connection with drilling.

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachment.

JLHofflund/emd

Copy to: DMEA Docket
Soliciter's Docket
W. S. Martin (2)
J. L. Hofflund
chron.

400 DOCKET SURNAME

Martin
Mathendorf

JUL 28 1955

Mr. William C. Schmidt
c/o Quebec Metallurgical Industries, Ltd.
230 Park Avenue
New York 17, New York

Re: Docket No. DMEA 3739 - Cobalt, Copper
Pinkerton Pride Claims
Lemhi County, Idaho

Dear Mr. Schmidt:

In our telephone conversation of July 27, 1955, you inquired whether work under a Defense Minerals Exploration Administration project could be applied to the assessment work requirements for mining claims held by location.

Upon investigation we find that your question should have been addressed more appropriately, to:

Mr. Edward Woodley, Director
Bureau of Land Management
Room 5660
Interior Building
Washington 25, D. C.

Sincerely yours,

W. S. Martin

W. S. Martin, Chief
Iron and Ferro-Alloys Division

WSMartin/foc
7-28-55
cc to: Docket
Code 400
Adm. Read. File

400

DOCKET
SURNAME
Chapman
Martin

July 19, 1955

MEMORANDUM

To: Acting Assistant Solicitor, Defense Minerals

From: Chief, Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of proposed contract
Docket No. DMEA 3739
Idaho Metallurgical Industries, Inc.
(Subsidiary of Quebec Metallurgical Industries, Ltd.)
Tinkers Pride et al. claims
Lemhi County, Idaho

Transmitted herewith is a rough draft of a proposed contract for your use in preparing the final draft.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

TLCHAPMAN:foc
7-19-55
cc to: Docket
Code 400
Adm. Read. File

EXPLORATION PROJECT CONTRACT
IDAHO METALLURGICAL INDUSTRIES, INC.
DOCKET NO. DMEA 3739

ANNEX I

Accompanying map, Fig. 2, shows location of claims and accompanying sheet shows claims owned by applicant through a Quit Claim Deed and claims under Option Agreements by Assignment.

An Option Agreement, dated October 25, 1954, with a Supplemental Agreement, dated June 17, 1955, by Elmer Robert Hagel and Elsie Hagel, husband and wife, of North Fork, Idaho, and Robert Franklin Hagel and Leah Hagel, husband and wife, of Gibbonsville, Idaho, first parties, and Daniel M. Strenahan, P. O. Box 1, Patagonia, Arizona, second party, for certain mining claims (accompanying sheets), located in the Blackbird Mining District, Lemhi County, Idaho. An Assignment, dated October 25, 1954, of the aforesaid Option Agreement, by Daniel M. Strenahan to the Idaho Metallurgical Industries, Inc. An Option Agreement, dated October 25, 1954, with a Supplemental Agreement, dated June 20, 1955, by Charles M. Harman of Felt, Idaho and Hugo A. Sini, ~~of~~ Yellow Jacket Mine, via Cobalt, Idaho, first parties, and Daniel M. Strenahan, P. O. Box 1, Patagonia, Arizona, second party, for certain mining claims (accompanying sheets), located in the Blackbird Mining District, Lemhi County, Idaho. An assignment dated October 25, 1954, of the aforesaid Option Agreement by Daniel M. Strenahan to the Idaho Metallurgical Industries, Inc.

An Option Agreement dated October 25, 1954 with a Supplemental Agreement dated June 21, 1955 by William Henry Infanger and Emma Infanger, husband and wife of Star Route, Salmon, Idaho, and Oscar Westfall and Edna Westfall, husband and wife, of North Fork Idaho, first parties, and

Daniel M. Strenahan, P. O. Box 1, Patagonia, Arizona, second party, for certain mining claims (accompanying sheets), located in the Blackbird Mining District, Lemhi County, Idaho. An Assignment, dated October 25, 1954, of the aforesaid Option Agreement by Daniel M. Strenahan to the Idaho Metallurgical Industries, Inc. A Quit Claim Deed dated May 20, 1955 between Daniel M. Strenahan, a widower, P. O. Box 1, Patagonia, party of the first part, and Idaho Metallurgical Industries, an Idaho Corporation, party of the second part, for certain mining claims (accompanying sheets), located in the Blackbird Mining District, Lemhi County, Idaho.

Draft

EXPLORATION PROJECT CONTRACT
IDAHO METALLURGICAL INDUSTRIES, INC.
DOCKET NO. DMEA 3739

EXHIBIT "A"

Maps accompanying this contract are as follows:

Fig. 1 - Index map showing location of property in Blackbird Mining District, Lemhi County, Idaho.

Fig. 2 - Claim map showing claims and area controlled by applicant and adjoining property.

The work will be divided in two stages as follows:

STAGE I

1. Bulldoze access roads and trenches. The access roads will be an extension of the Calera road from the south into the Tinkers Pride and Bonanza Copper areas which should require not to exceed 30 hours of bulldozing time. Bulldozer trenching shall be in area selected by the Operator and shall be agreed to by the Government. This work shall not exceed 8,000 linear feet of trenching and shall be carried out by an RD-7 bulldozer or equivalent. The time shall not exceed a total of 800 hours for roads and trenches.
2. Purchase tents, lumber and equipment necessary and install, for camp.
3. Make a self-potential survey along the structural zone, which shall cover an area approximately 12,000 feet long by 2,000 feet wide, extending southerly from the granite contact to the north of Indian Creek following the indicated shear zones to south boundary, south of Big Deer Creek. The easterly and westerly self potential lines shall be at intervals of approxi-

mately 400 feet, except that in cases where the survey so indicates, intervening lines may be run. A total of 30 to 40 lines should be run to cover the area with a total length of approximately 80,000 feet.

4. The above noted self-potential lines shall be soil-sampled for geo-chemical analysis at 50 feet intervals and every second sample shall be assayed for cobalt and copper, except that in areas where the assay results so justify, the intermediate samples shall be assayed. Approximately 1,500 samples shall be taken and 800 to 900 samples shall be analyzed.

5. A geological study shall be made of the approximate 1,300 acres included in the properties owned and under lease to the applicant and the results shall be mapped on a scale not less than 1 inch equals 200 feet.

6. A survey shall be made of all trenches, cuts, mine workings, geologic and geo-physical features and shall be mapped or plotted on a good working scale. All mineralized zones in trenches, cuts or outcrops shall be sampled and assayed for cobalt and copper requiring an estimated 500 samples.

7. After a study of the geology, the self-potential survey and trenching and with the approval of the Government points shall be selected for 8 to 10 diamond drill holes of AX size with a total length not to exceed 5,000 feet. These holes shall be inclined at angles from 45 to 60 degrees and attain vertical depths

of not less than 300 feet. The depth will be determined mainly by the depth of the sulphide zone. Sludge samples shall be taken at 5 foot intervals and core samples taken at 5 foot intervals and core samples taken of the better mineralized zone. This will necessitate approximately 950 sludge samples and 250 core samples to be assayed for cobalt and copper.

STAGE II

If in the opinion of the Government, based upon the results obtained in Stage I, further work is warranted and the Government approves it in advance, Stage II shall be performed.

1. In order to prepare for an all year operation it will be necessary to build an access road to Panther Creek, (Fig. 2). This road, involving a substantial footage of rock work, will be at a lower elevation, and will be approximately 3 miles in length.
2. An all year camp including a cook house, bunk houses, staff house and office, shall be established for approximately 20 men.
3. Points shall be selected for approximately 40 diamond drill holes which shall be inclined at angles of 45 to 60 degrees and shall reach vertical depths of not less than 300 feet and the total shall not exceed 20,000 feet. The depth will be determined mainly by the sulphide or primary zone. Sludge

samples will be taken at 5 feet intervals and core samples of the better mineralised zones. There should be approximately 3,600 sludge samples and 900 core samples.

4. At a point or points to be selected with the approval of the Government, crosscuts and drifts shall be driven to intersect the mineralised areas in the primary zone as indicated by diamond drill holes. The amount of this work shall be approximately 1,900 feet and all work shall be at least 4½ x 6½ feet in the clear. If it is found that sufficient depth can not be attained with an economical length of adit, then a shaft may be sunk to attain this depth. All mineralised zones shall be sampled at 5 foot intervals. Approximately 200 samples should be taken and assayed for cobalt and copper.

Estimated Cost of the Project

STAGE I

Fixed Unit Costs

Bulldozing access road and trenches, 800 hours at $14.00 per hour	$11,200.00	
600 samples to be assayed for cobalt and copper at $3.00 for each sample	1,800.00	
Purchasing supplies and establishing camp	2,000.00	
Self-potential survey with observations at 50 foot intervals, with necessary mapping	7,000.00	
1,500 soil samples to be taken at 50 foot intervals for geo-chemical analysis	1,500.00	
Analysis of 900 samples for cobalt and copper and possibly arsenic at $3.00 per sample	2,700.00	
Geological study and mapping	8,000.00	
Surveying and mapping of trenches, cuts and other features and sampling of mineralized areas	8,000.00	
Analysis of 500 samples for cobalt and copper at $3.00 per sample	1,500.00	
5,000 feet of diamond drilling at $6.50 per foot	32,500.00	
1,000 feet of reaming and cementing at $2.50 per foot	2,500.00	
Analysis of 1,200 samples for cobalt and copper at $3.00 per sample	3,600.00	
Estimated total for Stage I		$82,300.00

STAGE II

3 miles of access road, rock work and bulldozer at $4,000.00 per mile	$12,000.00	
Establish all year camp for 20 men	12,000.00	
20,000 feet of diamond drilling (Ax size) at $6.00 per foot	120,000.00	
4,000 feet of reaming and cementing at $2.00 per foot	8,000.00	
Analysis of 4,500 samples for cobalt and copper at $3.00 per sample	13,500.00	
1,500 feet of crosscutting and drifting at $45.00 per foot	67,500.00	
1,000 feet of normal timbering at $7.00 per foot	7,000.00	
300 feet of heavy timbering (additional) at $7.00 per foot	2,100.00	
150 feet of spilling (additional) at $20.00 per foot	3,000.00	
Analysis of 200 samples for cobalt and copper at $3.00 each	600.00	
Estimated total for Stage II		$245,700.00
Estimated total for Project		$328,000.00
Government participation 62½ percent		$205,000.00

230 PARK AVENUE
NEW YORK 17, N. Y.

July 11, 1955

Mr. Williams S. Martin
Defense Minerals Exploration Administration
Department of The Interior
Washington 25, D.C.

Re: Docket No. DMEA-3739
Quebec Metallurgical Industries Ltd.
Tinkers Pride et al Claims
Lemhi County, Idaho

Dear Mr. Martin:

Quebec Metallurgical Industries Ltd. has found it more convenient for the control of operations and legal matters in the State of Idaho to have a subsidiary company organized there.

For these purposes Idaho Metallurgical Industries, Inc. was incorporated in Idaho. This new corporation is a wholly owned subsidiary of Quebec Metallurgical Industries Ltd.

All of the Tinkers Pride et al claims are now owned or held under lease-option agreements by Idaho Metallurgical Industries, Inc.

In view of the above it is requested that the Application for Aid in an Exploration Project made in the name of Quebec Metallurgical Industries Ltd. dated March 28, 1955 be changed and now made in the name of Idaho Metallurgical Industries, Inc.

Trusting that this change will not cause any inconvenience and thanking you for your attention,

Yours very truly,

William C. Schmidt

William C. Schmidt

WCS:b

For copies of agreements & other legal documents see Special folder

The titles, names and addresses of the officers of Idaho Metallurgical Industries, Inc. are as follows:

President	Thayer Lindsley	230 Park Ave. New York 17, N.Y.
Vice-President	Lyall John Lichty	1992 Altavista Dr. Ottawa, Canada
Secretary	Bertram Phillip McCarron	1370 Orilia Street Ottawa, Canada
Treasurer	Bertram Phillip McCarron	1370 Orilia Street Ottawa, Canada

The titles, names and addresses of the officers of Quebec Metallurgical Industries, Ltd. are as follows:

President	Thayer Lindsley	230 Park Ave. New York 17, N.Y.
Vice-President & General Manager	Lyall J. Lichty	1992 Altavista Dr. Ottawa, Canada
Vice-President	J.M.Cunningham-Dunlop	25 King Street West Toronto, Canada
Vice-President	Neil O'Donnell	36 East 36th Street New York, N.Y.
Secretary	J. Ross Tolmie	597 Mariposa Street Ottawa, Canada
Asst. Secretary	Frank C.Sullivan	44 King Street West Toronto, Canada
Treasurer	B.P. McCarron	1370 Orilia Street Ottawa, Canada

3(c)

All mining claims shown on the list included in Exhibit A, are owned or held under lease-option agreements by Idaho Metallurgical Industries, Inc.

3(d)

Three agreements are attached with their respective Owners' Consents to Lien.

3(e)

There are no liens or encumbrances on any of the properties.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
July 11, 1955

RECEIVED
JUL 13 1955

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

VIA AIR MAIL

Re: Docket No. DMEA 3739 (cobalt-copper)
Quebec Metallurgical Industries, Ltd.
Tinkers Pride et al. claims
Lemhi County, Idaho

Dear Mr. Selfridge:

This is in reference to your teletype of June 27, 1955.

Mr. Ed Cenis, engineer for Montana Coal & Iron Co., was contacted and he stated that their drifting costs were between $6.00 and $7.00 per foot higher than the $34.50 per foot unit cost, or about $41.00 per foot for a 5'x7' bald drift as against Calera's costs of $46.67 per foot for a 6'x8' bald drift.

The operating conditions at Calera are obviously more difficult than those at Montana Coal and Iron. At Calera about 75 percent of the drift required normal timbering, 25 percent heavy timber, and 24 percent spiling as against Montana's Coal and Iron's 18 percent normal timbering.

We can only guess at the operating conditions that might be encountered at the Big Deer Creek project; however, in our opinion, Montana Coal & Iron Co.'s costs of $41.00 per foot for a 5'x7' drift or Calera's costs of $46.67 per foot for a 6'x8' drift is adequate.

The amount of timbering needed is estimated at 50 percent of the drift footage, and Calera's unit costs would be applicable.

By Field Team, Region I, NW District

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

Copy retained 400

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

cc: USGS (2)

Docket

IN REPLY REFER TO:

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

Copy retained 400

June 28, 1955

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: Thor H. Kiilsgaard, U. S. Geological Survey

Subject: Review of Field Team Memorandum, Docket No. DMEA-3739 (cobalt-copper), Idaho Metallurgical Industries, Inc., Lemhi County, Idaho.

In reviewing the cited docket I find the holdings of Northfield Mines, Inc. (Docket No. DMEA-2436), to have been taken over by Quebec Metallurgical Industries, Ltd., a Canadian company, which has in turn reorganized to form Idaho Metallurgical Industries. Officials of the Idaho company have met with the Field Team and decided to terminate the Northfield contract and to file a new application on holdings in the Big Deer Creek area, this area located about 3 miles north of the Northfield holdings. The Field Team recommends that the Northfield contract be certified as a discovery, and note that while they believe the Northfield property warrants more exploration they have no objections to the Operator giving exploration priority to the Big Deer Creek area.

On the basis of a thorough geologic study of the area by Shenon and Full, consulting geologists, the Operator has decided to cease work at the Northfield and move to the Big Deer Creek area. Shenon and Full in a report with attached maps point out several reasons why the Big Deer Creek area is more attractive. Their geophysical work and geologic mapping has indicated a likely target area and they believe that further work of this type will confine the target areas still more. To accomplish this purpose they have proposed an ambitious surface exploration program that has been expanded by the applicant to a two-stage program of surface and underground work, the total cost of which is estimated at $461,875.00.

The exploration proposed by Shenon and Full is geologically well founded. As noted by Shenon, the area is one of the best prospective cobalt-producing areas in North America, a fact long recognized by the Geological Survey. It might have been better had there been more surface drilling planned for; as it is the overhead technical costs in Stage I appear to be out of balance with actual physical exploration to be done. Technical services are expensive for this type of work but not as expensive as this application would indicate.

In Stage II drifting costs appear to be out of line. An estimate of probable costs could be made by studying costs incurred in the Northfield contract and at the nearby Calera mine. DMEA drifts in both of these mines have been in the same type of rock and under similar conditions to those that may be expected to be found in the proposed program. The cost per mile of temporary access road in Stage II also appears to be completely out of line. If DMEA is to participate in road costs, I suggest they have the Operator obtain bids of private contractors for this work the same as is done in diamond drilling contracts. A temporary access road should cost far less if this procedure is adopted.

I concur with the Field Team and recommend approval of the proposed program. The work could be done in two stages as proposed, or by an amendment to the contract with the second stage amendment approved only if first stage work indicates it is warranted. Costs of the first stage work could probably be reduced following a conference with a representative of the applicant who is headquartered in New York.

Thor H. Kiilsgaard

Thor H. Kiilsgaard
Geologist

DOCKET
Surname:
Rathbun
Martin
Kiilsgaard
Hedges
Selfridge
Gilbreath
Matthews

JUN 27 1955

Dept. of the Interior
Defense Minerals Exploration Administration
14X4401(01) Revolving Fund,
Defense Production Act,
Interior, (Allocated Working Fund to the Office of the Sec'y)

T E L E T Y P E

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I-Northwest District
South 157 Howard Street
Spokane 4, Washington

Reurlet June 22 comparing proposed costs Docket DMEA 3739-~~Tungsten~~ Cobalt-Copper Quebec Metallurgical Industries, with costs and operating conditions at Calera. Please also compare with costs/Docket DMEA 24[illegible], Montana Coal and Iron Company.

George C. Selfridge
Chairman, Operating Committee (WB)

cc: Docket
Adm. Read. File
Oper. Committee
Code 400
Thor Kiilsgaard, USGS
Robt. Holliday, USBM
FT, Reg. I-Spokane, confirmation

WSMartin/ls
6/24/55

R.C.G.

DI—17

SPECIAL

OPO

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
JUN 24 1955

June 22, 1955

8/17/55

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

VIA AIR MAIL

Copy retained 400

Re: Docket No. DMEA 3739 (cobalt-copper)
Quebec Metallurgical Industries, Ltd.
Tinkers Pride et al. claims
Lemhi County, Idaho

WSM

Dear Mr. Selfridge:

On Tuesday, June 14, the Field Team had a lengthy discussion with Mr. William C. Schmidt of Quebec Metallurgical Industries, Ltd., concerning the proposed new work in the Blackbird area. Mr. Roy P. Full of the consulting firm of Shenon and Full also attended the conference. Wing G. Agnew and Stephen Zoldok of the Bureau of Mines, and Verne C. Fryklund, J. S. Vhay, and A. E. Weissenborn of the Geological Survey were present at the conference.

The first thing that was discussed was the settlement of the existing contract with Northfield Mines, Inc., Idm-E334, Docket DMEA-2436. Mr. Schmidt reaffirmed the statement in his letter of June 2 to the Executive Officer in which he agreed to the evaluation placed by the DMEA upon the Government's equity in the property and installations, and agreed to send a check to cover the difference between the amount that the Government is withholding from unpaid vouchers and the amount due them from equities in the equipment. This amount is believed to be in the neighborhood of $106.31. The unpaid vouchers will be reviewed and a Report of Review written so that this can be verified and the matter settled. done?

Mr. Schmidt questioned why, in Amendment 8, the repay period was extended to 17 years. Review of the docket shows that by the terms of Amendment 7 the contract was extended to 15 years because of the additional time granted and because of the additional work that was to be performed under the terms of the Amended Contract. This was to consist of additional exploration of the Merle 5 zone and a crosscut to the Merle 3 zone. By the terms of Amendment 8 this time was increased two years more for a total of 17 years to compensate the Government for the extra time granted in the recess. This amendment has never been signed.

Since the contract is to be terminated and the additional work provided for in Amendment 7 is no longer to be undertaken, it seems unnecessary to extend the repay period the five years specified in Amendment 7. Under these circumstances the Field Team believes that a repay period of 12 years would be fair and reasonable.

The contract could be terminated by signing Amendment 8 but it was thought by the Field Team that it would be preferable for a number of reasons to terminate by a mutual agreement termination embodying essentially the same terms as Amendment 8 except that the possible repay period would extend only for 12 years. For this reason Amendment 8 is being returned to you unsigned.

With respect to the proposed new contract, Mr. Full gave a very complete resume of the results of the investigation which his firm had conducted in the district last summer for Northfield Mines. His discussion was illustrated by very complete geologic maps, cross sections, geophysical profiles, and isograd maps of the geochemical sampling results. Mr. Full stated that he had just completed one set of these maps the night previous to coming to Spokane, and that therefore the only set of maps currently available was the one in his possession. Undoubtedly other copies of the maps will be given to QMI and presumably can be made available for your inspection.

The Field Team is in accord with Shenon and Full that the Big Deer Creek area is worth exploring, but is not completely in accord with their negative recommendations concerning the Merle 3 zone. The geophysical results do seem to indicate a recognizable though broad anomaly; should nevertheless, it is recognized that Shenon and Full's recommendations have been made after careful thought and are based not only on their own opinion but upon the opinion of competent geophysicists. Therefore, we make no objection if the company prefers to give priority to the exploration of the Big Deer Creek area on Shenon and Full's recommendations. The DMEA work in the Stevenson area should be certified as a discovery as previously recommended. It is our opinion that if the exploration on the Tinker's Pride and other claims in the Big Deer Creek area is successful, there would be a strong incentive for further exploration in the district, including the Stevenson claims.

In the discussion that followed, the Field Team expressed the opinion that with only $10,000 allotted for diamond drilling, the proposed exploration was somewhat top heavy in regard to preliminary work. It was pointed out that no matter how essential or useful these might be, it would not be possible to certify a discovery on the basis of a geologic map or geophysical profile. It was suggested that some consideration might be given to a first stage which would include geological, geophysical and geochemical work, plus some drilling, to be followed by a second stage which would encompass additional work.

Mr. Schmidt then suggested that the company might be willing to undertake something like a maximum of 2000 feet of diamond drilling in the first stage of the contract, and if these results were successful, to be followed by a second stage comprising 20,000 feet of diamond drilling and 2500 feet of drifting and crosscutting. Mr. Schmidt agreed that the existing access road through the Calera property would be adequate for the exploration of Stage I of the contract, but he contended that Stage II, involving more diamond drilling and the underground exploration would require a temporary road down Big Deer Creek to the Panther Creek road, a distance of about three miles.

Consideration was then given as to how the contract might be set up, and it was thought that Shenon and Full, who will do the geological and geophysical work and who will supervise the project on a consulting basis, might do this as an independent contract. After some discussion it was thought that Stage I could be divided into (1) geophysical and geochemical exploration consisting of (a) self-potential surveys, and (b) collection of soil samples for geochemical analyses; (2) mapping and surveying consisting of (a) geologic mapping on a scale of no smaller than 1 inch equals 200 feet of an area of approximately 1,300 acres, and (b) surveying and mapping of all bulldozer trenches and cuts and all geological, geophysical, and geochemical features; (3) bulldozing; and (4) diamond drilling.

In the attached letter dated June 15, 1955, Mr. Schmidt has presented his estimate of the costs of doing this work which are offered for your consideration. These are the actual costs which will be paid the contractor. For such work as bulldozing and diamond drilling payment could be made monthly as the units of work are completed, but much of the rest of the work would have to be paid for on a "job" basis with payment being made only after the "job" was completed. An exception might be the 80,000 feet of geological profiles where payment might be made on completion of each 20,000 feet of geophysical line complete with the lines plotted in profile and their position indicated in plan.

It is our opinion that the drilling costs of $8.00 a foot may be somewhat high. A recent analysis of Calera drilling costs by Mr. Turner of the Contract and Audit Division shows about $5.88 per foot for a total drilling cost including some underground drilling. (See comments in next paragraph regarding the analysis.) Surface drilling costs probably are not far from $6.00 per foot. Supervision charges are abnormally low because Calera is an operating mine and the company has prorated little of the supervision costs to drilling. Therefore, with respect to the new contract, if assaying is included in the drilling cost, an allowance of $7.00 per foot probably would not be out of line. Since the diamond drilling would be done as an independent contract on an actual cost basis by contracting with some diamond drill contractor

it never should

such as Nichols and Thompson, the Government would pay only the actual cost billed. The contract with Nichols and Thompson, which is attached to the Northfield Mines contract, Idm-E334, might also be used as a guide.

Mr. Schmidt has also submitted his estimate of the cost of the proposed Stage II, which is likewise attached. The cost of crosscutting and drifting requested by Mr. Schmidt is high, even in the light of the bad ground that was encountered in the Northfield project. Comparison with Northfield costs is not regarded as valid because of our belief that these costs were abnormally high. However, Mr. Turner has just completed an analysis of the Calera drifting costs which we think gives a good indication of what the cost of drifting in the Blackbird area can be expected to be. This analysis is in the process of being typed and therefore has not been submitted; it should reach the Contract Administration and Audit Division by next week and then be available to you for reference.

actual costs or maximum best

Turner's analysis covers 1,238 feet of drifting under Contract Idm-E645 (Calera Mining Co.). Total cost was $84,529.93 or $68.28 per foot. Drifting alone amounted to $57,772.86 or $46.67 per foot; timbering cost $26,757.07 or $21.61 per foot of total drift. A total of 994.3 feet of the drift required timbering. Of this, 383.8 feet was "normal" timbering, 313.5 feet was "heavy" timbering, and 297.0 feet required spiling. Only 243.7 feet required no timbering. These figures show a close accord with Schmidt's estimates and indicate that because of bad ground actual costs were considerably higher than estimated in either the Northfield or the Calera contracts. If drifting is approved, we recommend that it be set up much as the Calera contract was, with an allowance for drifting plus additional allowances for "normal" timbering, "heavy" timbering, and spiling as required.

The Field Team agrees that if Stage II is undertaken an access road down Big Deer Creek is a necessity, but we feel that the bulldozing of this access road should be on an hourly basis with a fixed maximum allowable per mile which cannot be exceeded.

It would seem that the $25,000 amount for camp facilities for the increased labor and staff should be mostly included under the costs of driving the drift, although perhaps specific allowances could be given for specific items. We are unable to do this as Mr. Schmidt did not give us the information, but we suggest that this might be worked out with him. Likewise, there should be an allowance for engineering and geologic consulting during Stage II but we think that the amount that Mr. Schmidt has requested is much too high, and about half this amount would appear more in line. We likewise suggest that this be discussed with him.

Rights O.K.

It is, of course, not absolutely essential to work out Stage II at this time, and perhaps there would be some advantage to postponing this until a somewhat clearer idea can be had as to just exactly what is to be done and perhaps a better knowledge of ground conditions from drilling. On the other hand, there are advantages to including a definite Stage II in the program, provided the results of Stage I so warrant and, if it is feasible to do so, the Field Team would be glad to see this included.

We hope that the attempt to break the contract into its component parts, particularly in Stage I, will be acceptable to you. Because the principals of the company are in New York, we suggest that any questions you may have can be discussed with the New York representatives of the company, as there is no one out here with whom the Field Team can deal except Shenon and Full, who are, after all, only contractors. They can give us technical information but cannot make decisions. We will be glad to give you any further information we can, but trust that you now have enough to reach a decision and if it is a favorable one to start processing the contract.

Enclosed also are three copies of a map showing the individual claims which are to be covered in the contract.

By Field Team, Region I, NW District

A. E. Weissenborn

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

Wing G. Agnew

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

Enclosures

cc: USBM (2)
Nickelson

RECEIVED
JUN 24 1955

230 Park Avenue
New York 17, New York
June 15, 1955

Mr. A. E. Weissenborn, Executive Officer
Defense Minerals Exploration Administration
S. 157 Howard Street
Spokane 4, Washington

RE: DOCKET NO. DMEA-3739 (Cobalt-Copper)
Quebec Metallurgical Industries, Ltd.
Tinkers Pride Et Al Claims
Lemhi County, Idaho

Dear Mr. Weissenborn:

Enclosed herewith in quadruplicate is revised estimate of cost of Stage I of exploration work planned for the present season at the subject properties.

For the following seasons an estimate is added for Stage 2 which will be contingent upon the results obtained in Stage I.

Both estimates have been prepared by Mr. Roy P. Full of the firm of Shenon and Full of Salt Lake City who will direct and carry out the work under contract with us.

We believe these estimates to be in accordance with the thoughts expressed at the conference between you, your associates, Mr. Full and me yesterday, June 14, 1955.

Yours very truly,

William C. Schmidt

WILLIAM C. SCHMIDT

WCS:CO
Enclosure

COST ESTIMATE
EXPLORATION WORK
TINKER'S PRIDE ETAL CLAIMS
LEMHI COUNTY, IDAHO

STAGE I

(a) Geophysical and Geochemical Exploration consisting of:

1. Self-potential surveys along the structural zone with a minimum total of 80,000 feet of profiles with observations at 50-foot intervals on parallel profiles spaced at approximately 400 feet except where closer spacing of profiles is indicated by results as being necessary.
2. Collection of soil samples for geochemical analyses at 50-foot intervals along each cross line and analyzing them for copper and cobalt. Only alternate samples will be analyzed unless more specific data requirements demand closer spaced results.

$12,000.00

(b) Mapping and Surveying consisting of:

1. Geologic maps on a scale no smaller than 1 inch = 200 feet extending over an area of approximately 1,300 acres within the limits of the claims listed under paragraph 3 (a) of DMEA application as Exhibit A.
2. Surveying and Mapping of all bulldozer trenches and cuts and all geological, geophysical and geochemical features located in their positions relative to property limits. Map folio will be accompanied by report covering diamond-drill logs, geological, geophysical and geochemical data.

$20,675.00

(c) Bulldozing:

One (1) Bulldozer for 100 eight-hour days at $14.00 per hour — $11,200.00

(d) Diamond-drilling:

Maximum of 2,000 feet of drilling at $8.00 per foot — $16,000.00

GRAND TOTAL — $59,875.00

Note: Cost estimates for (a) and (b) include cost of establishing field camp in an isolated area, transportation, subsistence and supervision of project.

Cost Estimate - Exploration Work (Cont.)
Tinker's Pride etal Claims
Lemhi County, Idaho

STAGE II (Contingent upon results of Stage I)

(a)	Diamond-drilling:	
	20,000 feet at $7.00 per foot	$140,000.00
(b)	Underground Exploration:	
	2,500 feet drifting and crosscutting at $70.00 per foot	175,000.00
(c)	Temporary access road to Panther Creek 3 miles at $4,000.00 per mile	12,000.00
(d)	Expansion of camp facilities for increased exploration labor and staff	25,000.00
(e)	Technical Direction (Two Years)	50,000.00
	GRAND TOTAL	$402,000.00

Note: STAGE II estimate subject to revision and specifications upon completion of Stage I.

JUN 20 1955

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I-Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 3739 (cobalt-copper)
Quebec Metallurgical Industries, Ltd.
Tinkers Pride claims
Lemhi County, Idaho

Dear Mr. Weissenborn:

This will acknowledge receipt of your letter of June 8, 1955, regarding the subject application.

Apparently most of the questions raised by your letter have already been thoroughly discussed in your conferences here with our Iron and Ferro-Alloys Division last week. We believe that it should be made clear, however, that we would prefer not to discuss this matter with the applicant's New York office until the applicant's consultants, with your assistance, have been able to present a more specific program. From our conversations with you, it does not seem likely that such a program would then require any extensive revisions here.

Because of your familiarity with local conditions, it should not be necessary for us to express the desirability of obtaining a specific program as promptly as possible so that full advantage can be taken of the short field season.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

J. H. Hedges (JHB)

Member, Bureau of Mines

Thor H. Kiilsgaard (THK)

Member, Geological Survey

cc: Docket
Adm. Read. File
Code 400
Oper. Comm.
Thor Kiilsgaard, USGS
H. W. Davis, USBM
FT, Reg. I-NW Dist.

WSMartin/ls
6/15/55

R.C.S.

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

June 8, 1955

Air Mail

Copy retained 400

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

Re: Docket No. DMEA 3739 (cobalt-copper)
Quebec Metallurgical Industries, Ltd.
Tinkers Pride Claims
Lemhi County, Idaho

WSM

Dear Mr. Selfridge:

We have received from Mr. R. P. Full, of the consulting firm of Shenon and Full, a folio of maps and a pamphlet containing information in support of the company's application for additional work in the Blackbird area. In a letter of June 1, 1955, Mr. Schmidt states that three copies of these documents had been furnished to Washington.

Mr. R. P. Full also called at the office in Spokane and spent some time discussing the proposal with the Executive Officer. Full states that the bulldozing and trenching they have done suggests very strongly that the mineralization in the Merle 5 zone weakens rapidly to the north in the Merle 3 zone. He states that the gossan remains strong but points out that the drilling results were disappointing in that they showed deep oxidation and very little cobalt. Based on geophysical surveys which he has run over the Calera ore bodies and over the Merle 3 zone he believes that if there is any ore in the Merle 3 zone it will be below the level of the proposed crosscut adit that was to be driven from the Merle 5 zone as part of the Northfield amended contract. On the other hand, self-potential profiles which he has run across the extension of the Calera zone and the Big Deer Creek area on the Tinkers Pride group of claims suggests to him that the ore in this area will lie at a shallower depth. Because of this and also based on the geological mapping which Shenon and Full did last summer, Full believes that the company should postpone work indefinitely on the Merle 3 and Merle 5 zones in the Stevenson area in favor of exploration on the Tinkers Pride group of claims.

ON-SITE EXAM.

We believe it a fair statement that one of the most promising areas for finding further additional deposits of cobalt is in the Blackbird district and its environs. We are perhaps somewhat more optimistic than Shenon and Full regarding the discovery in the Merle 5 zone and the possibility of discovery in the Merle 3 zone; we do not know how reliable the interpretations of self-potential data can be considered. Nevertheless, should the company prefer to recess this work indefinitely and begin exploration in the Big Deer Creek area, we see no reason why the DMEA

could not support the project provided that the company agreed to reimburse the Government for any production that might come from the area of the prior contract; in fact, as we have pointed out in previous letters, although we cannot in good conscience certify a discovery on the Merle 3 zone we have, we believe, ample evidence for a discovery on the Merle 5 zone.

The work proposed by Shenon and Full in behalf of the company is expressed in somewhat too general terms. It consists of bulldozing, geologic mapping, geochemical sampling, and the running of additional and more detailed self-potential traverses. A small amount of diamond drilling is proposed to test the results of the work.

The proposed work is a logical first step for the exploration of the Big Deer Creek area. In part it might verge more toward the prospecting side than is customary with many DMEA projects. We have undertaken a few projects in this region of this type. The results, unfortunately, have not been too satisfactory, the chief reason being the lack of proper geologic and engineering guidance for the work and the fact that the DMEA cannot, nor as they supposed to, maintain men on the property nearly continuously in order to follow the work closely. In this case, however, we are dealing with a competent and reliable firm of consulting geologists and mining engineers, and we believe that these objections do not pertain in this case; therefore, we see no reason why the DMEA should not be able to undertake the program as proposed.

In the cost estimate, however, there are some points which we must call to your attention. In the first place we note that P. J. Shenon has been put down for $3,500.00 as part of his consulting fee. This is, of course, a legitimate charge and one which the company will have to pay if they employ the firm of Shenon and Full. This is presumably in order to have the advantage of the advice of Mr. Shenon on the problems of the project as they develop; it is a retaining fee which is not contingent on the actual amount of time that Mr. Shenon puts in the field on this project although he will, of course, put in some time. We are inclined to believe that a good part of this fee might well come under the category of overhead and not be a cost to which the DMEA could contribute. As the circumstances are somewhat unusual, we ask for your advice on this matter.

We also note that in addition to Mr. Full who will devote 5 months in the field to the project and 2 months in the office, there will be an engineer for 3 months and an engineer's helper for 3 months, two geologists for 5 months, plus 4 months in the field for each, and one junior geologist for 3 months. There will also be a draftsman for 4 months, presumably to work on the maps for the report. If the area is to be mapped as thoroughly as Shenon and Full propose and in addition to the diamond drilling there is to be geochemical sampling and geophysical studies, we

do not think that the amount of technical help is excessive; in fact, we believe on a project of this sort there should be ample technical services available. We realize that after the work is finished the results have to be worked up and a report and recommendations made and that this takes time. We wonder, however, whether or not the 4 months allotted to the two geologists is not more than the DMEA can contribute to.

We also note that there is an item of $700.00 allotted for the preparation of maps and reports, and we wonder if this is not indeed a duplication of some of the office costs which have already been listed.

Because of the unusual nature of this proposal and because the headquarters of the company are in New York, so that the company officials could very readily come to Washington to discuss these matters with you, we suggest that these matters be thrashed out with the company officials and a policy determined as to how much the Government can contribute in a project of this sort. This seems to be a policy decision which is outside the authority of the Field Team. In brief then, we believe that the project is very much worthwhile doing but there are matters which must be referred to you before we can proceed further. In the meantime we understand that Mr. Full will be in this area very shortly and we will discuss these matters further with him in the light of the comments which we have made.

This part requires our answer WSA

We note that the book and page number of the various claims has been carefully listed and the outlines of the claims have been plotted on the maps presented by Shenon and Full; however, the individual claims are not shown and we presume that these will be necessary. We will request this information from Shenon and Full. We also note that the diamond drilling has been put down merely as $10,000.00. We shall obtain from Shenon and Full an estimate as to the cost per foot of this diamond drilling.

In summation we wish to point out that for the amount of effective exploration work that will be done the application is topheavy costwise for technical and geological services. In addition, of the $11,200.00 requested for bulldozing, $8,000.00 would be for access roads and $3,200.00 for trenching. The $10,000.00 requested for diamond drilling would be sufficient for only about 1,250 feet of hole. A program of this sort should envisage 5,000 to 10,000 feet of diamond drilling and considerably more effective bulldozer trenching if we are to obtain more than a geological map for our money.

By Field Team, Region I, NW District

A. E. Weissenborn (O.E.)

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

cc: USBM (2)
Nickelson

Thomas E. Howard

Thomas E. Howard
for: Wing G. Agnew, Member
U. S. Bureau of Mines

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
JUN 10 1955

June 7, 1955

Mr. William C. Schmidt
c/o Quebec Metallurgical Industries, Ltd.
230 Park Avenue
New York 17, New York

Copy retained 400

WGM

Re: Docket No. DMEA-3739 (cobalt-copper)
Quebec Metallurgical Industries, Ltd.
Tinkers Pride Claims
Lemhi County, Idaho

Dear Mr. Schmidt:

In reply to your letter of June 1, 1955, I have received a copy of a folio of maps and accompanying report from R. P. Full. Although we may need some additional details, I believe that we have the essential information for making our recommendations, and we are now engaged in preparing a review of the proposal for our Washington office. If more information is required, we shall contact you or Mr. Full.

Sincerely yours,

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

cc: DMEA(2)
USBM(2)
Nickelson

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
JUN 10 1955

Copy retained 400

June 4, 1955

Air Mail

WSM

Mr. Roy P. Full
3046 E. 11th E.
Salt Lake City 7, Utah

Re: Docket No. DMA-3737 (cobalt-copper)
Quebec Metallurgical Industries, Ltd.
Tinkers Pride, et al. claims
Lemhi County, Idaho

Dear Roy:

We have received the report and folio of maps which you sent to us in support of the proposed project by Quebec Metallurgical Industries, Ltd., in the Big Bear Creek area. On the basis of this information we have prepared a letter which we are sending to the Washington office of the DMEA. We note that your maps show only the group of claims but do not show the individual claims which make up the block of ground controlled by QMI, although you do list these claims with the book and page number in your accompanying report.

We believe that the DMEA will require a map showing the individual claims in the QMI area and would appreciate it if you could send this to us. This need not be any fancy affair, and it need not be colored. It could, in fact, be a pencilled tracing on velum or could, of course, be ozalid prints if you happen to have a map that shows the claims. We should have four copies.

We also note that the diamond drilling is merely listed as $20,000 worth of diamond drilling. Would you please give us an estimate of the approximate cost per foot which you expect the diamond drilling to be. If you are in the vicinity, we will be glad to have you drop in and discuss this matter further with us. I may not be here, but Jack Vhay and Verne Tryklund will be.

Sincerely yours,

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

cc: DMEA(2)
USBM(2)
Nickelson
AEW/mls

230 PARK AVENUE
NEW YORK 17, N. Y.

Jack
Verne
Nick

June 2, 1955

DMEA

Mr. A. E. Weissenborn, Executive Officer
U.S. Geological Survey
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
JUN 24 1955

Re: Docket No. DMEA-2436 (Cobalt-Copper)
Northfield Mines, Inc.
Lemhi County, Idaho
Contract No. Idm-E334

Dear Mr. Weissenborn:

In the following I will try to clear up the problems that have come up in reference to the last paragraph of your letter of May 25, 1955.

Inasmuch as Northfield Mines, Inc., an American company, and Quebec Metallurgical Industries, Ltd., a Canadian company are two distinct entities with different boards of directors, officers and shareholders and different head offices, it is necessary for us to keep the operations of each entirely separate. In addition to this there has been organized in Idaho an American wholly owned subsidiary of Quebec Metallurgical Industries, Ltd., known as Idaho Metallurgical Industries, Inc. which, of course, is fully qualified to operate in Idaho. At present the properties in the Deer Creek area are in the name of this Idaho corporation and it is our intention to request that the application made in the name of Quebec Metallurgical Industries, Ltd. be changed to Idaho Metallurgical Industries, Inc. so that one company will be handling all the work in that area. There are also certain tax problems that make it advisable to keep matters relating to the individual companies entirely distinct.

In reference to Amendment 8 to Contract Idm-E334 which accompanied your letter of November 10, 1955 we had delayed having it signed while awaiting the Shenon & Full report on the Stevenson property. When it was received some time later it was found to be unfavorable toward further work (especially as it was Shenon & Full's opinion that the Deer Creek area was a much better bet). After much discussion here we finally decided to ask for termination of Contract No. Idm-E334 between Northfield and DMEA. To this end, Mr. Neil O'Donnell and I went to Washington, D.C. on March 1st, 1955 and presented the matter to Messrs.

RECEIVED
air mail
JUN 3 1955
U. S. G. S.
SPOKANE, WASH.

Mittendorf and Martin and shortly thereafter had further discussions with Messrs. Martin, Selfridge and Chapman. This request for cancellation was confirmed officially by letter of March 8th, 1955, copy of which is attached, and we understood was to be submitted to you. We have not received word of the decision in this matter.

In view of this request for cancellation, it was our belief that the terms for cancellation when arrived at would replace the terms of Amendment No. 8. We are keeping the property in good order and it is our intention to continue doing so. Our lawyer in Salmon, Idaho has presented the required affidavit covering the assessment work based on work done by Shenon & Full under our contract with them. This covered all claims except the two Duffy claims which are at a distance from the main Stevenson group. Arrangements were made some time ago through Mr. Herndon to have the assessment work done on these two Duffy claims.

In the event that Paragraph 6 of Amendment 8 should be considered sufficient for the purposes of cancellation of this contract as indicated under sub-paragraph (a), we would want to discuss some of the conditions imposed. For example, sub-paragraph (e) increases the maximum lien period to seventeen (17) years. We are at a loss to find any explanation for this increase, in fact, in our letter of March 8th, 1955 we expressed the opinion that cancellation should be without lien for the reasons given therein. Shall we return the five copies of Amendment 8 to you or hold them until a decision is reached? We now have under consideration the matter of giving up the Stevenson option and thus returning the properties to the Stevensons. In this event, we feel that returning the properties with a lien on them would be a very strong deterrent toward Stevensons obtaining financing from other sources for any further exploration work.

In reference to the Government's equity in property and installations, we are in agreement with the amounts stated in your letter of January 11, 1955 addressed to Mr. A.J. O'Connell, copy of which was received here, and in which the balance due the Government is stated as $106.31. If you will advise me as to whom the check should be made payable, this matter can be cleared up at once.

Thanking you for your many attentions in this matter.

Yours sincerely,

William C. Schmidt

William C. Schmidt

WCS:b

(5)

DMEA

230 PARK AVENUE
NEW YORK 17, N. Y.

ACTION | NOTED

cc Jack Nick

June 1, 1955

Mr. A. E. Weissenborn, Executive Officer
U.S. Geological Survey
So. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3739 (Cobalt-Copper)
Quebec Metallurgical Industries Ltd.
Tinkers Pride, et al, Claims
Lemhi County, Idaho

RECEIVED
JUN 10 1955

Dear Mr. Weissenborn:

Thank you for yours of the 25th inst. especially as it points the way toward helping us to reach a quick decision on this project. Probably no one knows better than you how necessary that is at this season for the area under consideration.

In a recent 'phone call Mr. Full indicated that he had spoken to you on this subject and was forwarding to you a set of maps with covering report, list of claims, and estimate of cost. I suppose that these items have reached you by now and will be of considerable assistance to you and Mr. Vhay in forming your opinions inasmuch as you both know the area so well. Copies of the items abovementioned in triplicate have been supplied to Mr. Martin in Washington, D.C.

If there is anything further that we can do on this end, please do not hesitate to telephone collect to LExington 2-3900, New York, N.Y.

Thanking you for your attention,

Yours sincerely,

William C. Schmidt

William C. Schmidt

WCS:b

RECEIVED
air mail

Docket

230 PARK AVENUE
NEW YORK 17, N. Y.

RECEIVED

June 1, 1955

Mr. Williams S. Martin
Defense Minerals Exploration Administration
Department of The Interior
Washington 25, D.C.

WSM

Re: Docket No. DMEA-3739
Quebec Metallurgical Industries Ltd.
Tinkers Pride et al Claims
Lemhi County, Idaho

Dear Mr. Martin:

Further to our conversation of May 26, 1955, enclosed herewith is one additional copy of the set of maps and the accompanying report in which is incorporated the list of claims and the estimate of the cost of this project.

Mr. Roy Full has sent a duplicate of these items to Mr. A. E. Weissenborn in Spokane for his and Mr. Vhay's study.

I am writing to Mr. Weissenborn in answer to his of May 25th on this matter and the Northfield termination matter.

Thanking you for your kind attention.

Yours sincerely,

William C. Schmidt

William C. Schmidt

Copy sent to G. S.
"Keep"
LS 6/3/55.

WCS:b
Encls.

Docket
3739

1(c)

The titles, names and addresses of the officers of Quebec Metallurgical Industries, Ltd. are as follows:

President	Thayer Lindsley	230 Park Ave. New York 17, N.Y.
Vice-President & General Manager	Lyall J. Lichty	1992 Altovista Dr. Ottawa, Canada
Vice-President	J.M. Cunningham-Dunlop	25 King Street West Toronto, Canada
Vice-President	Neil O'Donnell	36 East 36th Street New York, N.Y.
Secretary	J. Ross Tolmie	597 Mariposa Street Ottawa, Canada
Assistant Secretary	Frank C.Sullivan	44 King Street West Toronto, Canada
Treasurer	B.P. McCarron	1370 Orilia Street Ottawa, Canada

Docket
3729

3(c)

All mining claims shown on the list included in Exhibit A, except those shown on attached three agreements, are owned by Idaho Metallurgical Industries, Inc. a wholly owned subsidiary of Quebec Metallurgical Industries, Ltd.

3(d)

Three agreements attached Owners' Consents to Lien are being obtained.

3(e)

There are no liens or encumbrances on any of the properties.

5/26 400 copy Circulated to G.S.-(Ruhgaard) to review

The Big Deer Creek and Indian Creek area has been prospected since prior to 1900 and numerous cuts and short tunnels have been driven. Most of these are now inaccessible and only those workings which are shown on Plates 3 and 4 (Exhibit B) are open. All of these workings are now on the property which is held by Q.M.I.

Docket

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
Mineral Administration
RECEIVED
MAY 31 1955

May 25, 1955

WSM

Copy retained 400

Copy retained 400

Mr. William C. Schmidt
c/o Quebec Metallurgical Industries, Ltd.
230 Park Avenue
New York 17, New York

Re: Docket No. DMEA-3739 (cobalt-copper)
Quebec Metallurgical Industries, Ltd.
Tinkers Pride Claims
Lemhi County, Idaho
and
Docket No. DMEA-2436 (cobalt-copper)
Northfield Mines, Inc.
Lemhi County, Idaho
Contract No. Idm-E334

Dear Mr. Schmidt:

This office has received from Washington a carbon copy of an application for DMEA participation in an exploration project on the Tinkers Pride claims and area, Docket No. DMEA-3739 (cobalt-copper), together with a letter from you to Mr. Mittendorf, a letter from Mr. Shenon to Mr. O'Donnell, and a preliminary report by Shenon and Full on the Big Deer Creek area, Lemhi County, Idaho. Mr. J. S. Vhay of the Geological Survey who is familiar with the Blackbird district is in general agreement with Shenon and Full that the Big Deer Creek area is probably worth further attention, but until we have received more details on the proposed project we are not in a position to render an opinion of its suitability as a project to which DMEA would contribute.

When further information which you indicate will be presented is available we can then determine whether or not a field examination will be necessary. If your information is complete enough a field examination may not be required as this office is already quite familiar with the area.

We would like to call your attention, however, to the fact that we have never received the copies of Amendment No. 8 to Contract Idm-E334 which was sent to you for signature on November 10, 1954.

If you would prefer, instead of signing the amendment, to have substantially the same provisions incorporated in the proposed termination agreement, please return all copies of the amendment to this office.

By Field Team, Region I, NW District

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

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

cc: DMEA (2)
USBM (2)
Nicholson

DOCKET
DMEA 3739

Martin
Johnson
Selfridge
J. Johnson
Wheeler

MAY 12 1955

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I-Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 3739 (Cobalt-copper)
Quebec Metallurgical Industries, Ltd.
Tinkers Pride claims
Lemhi County, Idaho
and
Docket No. DMEA 2436 (Cobalt-copper)
Northfield Mines, Inc.
Stevenson property
Lemhi County, Idaho
Contract No. Idm-E334

Dear Mr. Weissenborn:

This will acknowledge receipt of your letter of April 27, 1955, enclosing a proposed letter to be sent to Mr. William C. Schmidt regarding the subject properties.

The proposed letter is returned herewith to be sent by you to Mr. Schmidt after deleting all that part of the third paragraph which follows the date, "November 10, 1954," and substituting therefor the sentence: "If you would prefer, instead of signing the amendment, to have substantially the same provisions incorporated in the proposed termination agreement, please return all copies of the amendment to this office."

For our information, please send us, without waiting to prepare a formal and complete report, a short summary expression of your recommendations for certification or non-certification of a discovery or development at the captioned project of the Northfield Mines, Inc.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosure

APPROVED:

/s/ C. H. Johnson (GHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (GHB)
Member, Geological Survey

cc: Docket DMEA 3739
Docket DMEA 2436
Code 400
Operating Committee
Adm. Reading File
Thor Kiilsgaard, USGS
H. W. Davis, USBM
Field Team, Reg.I-Spokane

WSMartin/ls
5/10/55

P.S.--We note from your letter of May 6 that Mr. Vhay is now studying this matter. Please give us his preliminary conclusions as soon as available.

DRAFT 5/4/55
WSMartin/ls

Save for 400 Files

Martin 400
Rubin FILE

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I-Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 3739 (cobalt-copper)
Quebec Metallurgical Industries, Ltd.
Tinkers Pride claims
Lemhi County, Idaho
and
Docket No. DMEA 2436 (cobalt-copper)
Northfield Mines, Inc.
Stevenson property
Lemhi County, Idaho
Contract No. Idm-E334

Dear Mr. Weissenborn:

This will acknowledge receipt of your letter of April 27, 1955, enclosing a proposed letter to be sent to Mr. William C. Schmidt regarding the subject properties.

The proposed letter is returned herewith to be sent by you to Mr. Schmidt after deleting all that part of the third paragraph which follows the date, "November 10, 1954," and substituting therefor the sentence: "If you would prefer, instead of signing the amendment, to have substantially the same provisions incorporated in the proposed termination agreement, please return all copies of the amendment to this office."

For our information, please send us, without waiting to prepare a formal and complete report, a short summary expression of your recommendations for certification or non-certification of a discovery or development at the captioned project of the Northfield Mines, Inc.

Sincerely yours,

Chairman, Operating Committee

Enclosure

RECEIVED
MAY - 4 1955
DEFENSE MINERALS ADMINISTRATION

APPROVED:

etc.

400
file

No. 157 Howard Street
Spokane 4, Washington

April 27, 1955

WSM

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

Re: Docket No. DMEA-3739 (cobalt-copper)
Quebec Metallurgical Industries, Ltd.
Timbers Pride Claims
Lemhi County, Idaho
and
Docket No. DMEA-2436 (cobalt-copper)
Northfield Mines, Inc.
Lemhi County, Idaho
Contract No. Idm-2334

Dear Mr. Selfridge:

Enclosed is a proposed Field Team letter (undated) which, if satisfactory to you, should be forwarded to Mr. William C. Schmidt. We are sending it to you for clearance because it is evident from the correspondence that Mr. Schmidt and the Quebec Metallurgical Industries, Ltd., have had several conferences with you and we want to be sure that nothing we have said in the letter is contrary to any understanding that may have been reached between you and the Quebec Metallurgical Industries, Ltd. If there is any part of the letter which is in conflict we suggest that you rewrite the letter and send it under the Administrator's signature to Quebec Metallurgical Industries, Ltd.

By Field Team, Region I, NW District

.. L. Weissenborn, Executive Officer
U. S. Geological Survey

.ing G. .gnew, Member
U. S. Bureau of Mines

Enclosure
cc: USBM (2)
Nicholson

P.S. We have not cated the letter to Schmidt. If the letter is acceptable, would you please do so and return the two copies marked for us.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
~~[illegible]~~
So. 157 Howard Street
Spokane 4, Washington

400 file

Orig + other copies not mailed
Returned to F.T.
with recommendations
for revision

Mr. William C. Schmidt
c/o Quebec Metallurgical Industries, Ltd.
230 Park Avenue
New York 17, New York

Re: Docket No. DMEA-3739 (cobalt-copper)
Quebec Metallurgical Industries, Ltd.
Tinkers Pride Claims
Lemhi County, Idaho
and
Docket No. DMEA-2436 (cobalt-copper)
Northfield Mines, Inc.
Lemhi County, Idaho
Contract No. Idm-E334

Dear Mr. Schmidt:

This office has received from Washington a carbon copy of an application for DMEA participation in an exploration project on the Tinkers Pride claims and area, Docket No. DMEA-3739 (cobalt-copper), together with a letter from you to Mr. Mittendorf, a letter from Mr. Shenon to Mr. O'Donnell, and a preliminary report by Shenon and Full on the Big Deer Creek area, Lemhi County, Idaho. Mr. J. S. Vhay of the Geological Survey who is familiar with the Blackbird district is in general agreement with Shenon and Full that the Big Deer Creek area is probably worth further attention, but until we have received more details on the proposed project we are not in a position to render an opinion of its suitability as a project to which DMEA would contribute.

When further information which you indicate will be presented is available we can then determine whether or not a field examination will be necessary. If your information is complete enough a field examination may not be required as this office is already quite familiar with the area.

We would like to call your attention, however, to the fact that we have never received the copies of Amendment No. 8 to Contract Idm-E334 which was sent to you for signature on November 10, 1954. We would also like to have from you a statement of your plans

concerning the future work on this contract on the Stevenson property. We feel that these matters should be settled before considering another DMEA contract in the same area.

My Field Team, Region I, NW District

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

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

cc: DMEA (2)
USBM (2)
Nickelson
F. T. Region I, NW Dist. (2)

(Dictated April 25, 1955)

DOCKET
SURNAME
Chapman
Rutledge
Selfridge
Johnson

400

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region 1, Northwest District
South 157 Howard Street
Spokane 1, Washington

APR 1 8 1955

Re: Docket No. DMEA NW - Cobalt,
Copper
Quebec Metallurgical Industries, Ltd.
Tadanac Mining Claims
Lake Chapleau, Ontario

Dear Mr. Weissenborn:

The above docketed application for exploration assistance is being referred to your office for a review and a field examination if necessary.

Two copies of a relevant memorandum dated April 5, 1955, by E. L. Kennedy, Geological Survey, and two copies of a memorandum dated April 11, 1955, by H. W. Davis, Bureau of Mines, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Enclosure

APPROVED:

J. H. Hedges (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

TLChapman:fcc
4-18-55
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. HQ. I - MMD
Messrs. H. W. Davis, USBM
Thor H. Kiilsgaard, USGS

R.C.J.

DOCKET
SURNAME

400

Chapman
Rutledge
Hedges
Kiilsgaard
Selfridge

APR 1 8 1955

Quebec Metallurgical Industries, LTD.
c/o Mr. William C. Schmidt
230 Park Avenue
New York 17, New York

Re: Docket No. DMEA 3739 - Cobalt,
Copper
Timberg Pride Claims
Lemhi County, Idaho

Gentlemen:

The above docketed application for exploration assistance for cobalt and copper has been reviewed by the Iron and Ferro Alloys Division of the Defense Minerals Exploration Administration and referred to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I - Northwest District, South 157 Howard Street, Spokane 4, Washington for review and a field examination if necessary.

Should a field examination be required any assistance that you can render the examining engineers will be appreciated.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

TLChapman:foc
4-18-55
cc to: Docket
Code 400
Admr. Read. File
Operating Comm.
FT. REG. I - NWD
Messrs. H. W. Davis, USBM
Thor H. Kiilsgaard, USGS

R.C.h.

Docket

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

Defense Minerals Administration
RECEIVED
APR 12 1955

April 11, 1955

Memorandum

WSM

To: W. S. Martin, Defense Minerals Exploration Administration

From: H. W. Davis, Branch of Ferrous Metals and Ferroalloys

Subject: DMEA-3739, Quebec Metallurgical Industries, Ltd. (Tinkers Price Claims), Lemhi County, Idaho $53,875 - Cobalt-Copper

Inasmuch as the proposed exploration area is known to have considerable promise for the successful discovery of cobalt and copper deposits, I agree with Mr. Newcomb that the application should be reviewed by J. S. Vhay, of the Spokane DMEA Office, and that it also be referred to the Field Team for its review and recommendations.

H. W. Davis

H. W. Davis

Copy retained 400

IN REPLY REFER TO:

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

April 5, 1955

Re: DMEA-3739
Quebec Metallurgical
Industries, Ltd.
(Tinkers Pride Claims)
Lemhi County, Idaho
$53,875 - Cobalt-Copper

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of application

The applicant's proposal involves considerable geological and geochemical work to determine the amount and type of exploration required to delineate possible significant amounts of cobalt and copper ore. It is presently planned to diamond drill several holes in the most favorable target areas.

Although the application is not complete at the present time, the proposed exploration area is known to have considerable promise for the successful discovery of cobalt and copper deposits. Mr. J. S. Vhay, of the Spokane DMEA office, is very familiar with the geology of the Blackbird district (includes Tinkers Pride claims) and, should be requested to review this proposal with the applicant. The operator's consultants, Shenon and Full, are well known to the Spokane DMEA staff and are highly regarded as competent mining geologists.

I recommend this application be referred to the Field Team for their review and recommendations.

E. L. Newcomb
E. L. Newcomb

Docket

230 PARK AVENUE
NEW YORK 17, N. Y.

March 30, 1955

Mr. Williams S. Martin
Defense Minerals Exploration Administration
Department of The Interior
Washington 25, D.C.

WSM

Re: DMEA 3739
Tinkers Pride Claims et al

Dear Mr. Martin:

In accordance with the requirements for additional copies of our letter of application for financial assistance in the subject matter as mentioned in our conversation of March 28, 1955, enclosed herewith are two more copies. Maps showing the claims are being prepared.

The information indicated on form MF 103 as to be supplied later is now being put together. It should go forward shortly.

Thanking you for your kind attention,

Yours sincerely,

William C. Schmidt

William C. Schmidt

WCS:b

A copy of enclosed material to accompany MF-103 forms rec'd from Dept. Mines & Geol. for survey. 4/1/54 L.S.

Quebec Metallurgical Industries, Ltd.
C/o Mr. William C. Schmidt
230 Park Avenue
New York 17, New York

March 28, 1955
Subject: DMEA 3739
Re: Exploration Assistance
Tinkers Pride claims,
et al.

Dear Mr. Schmidt:

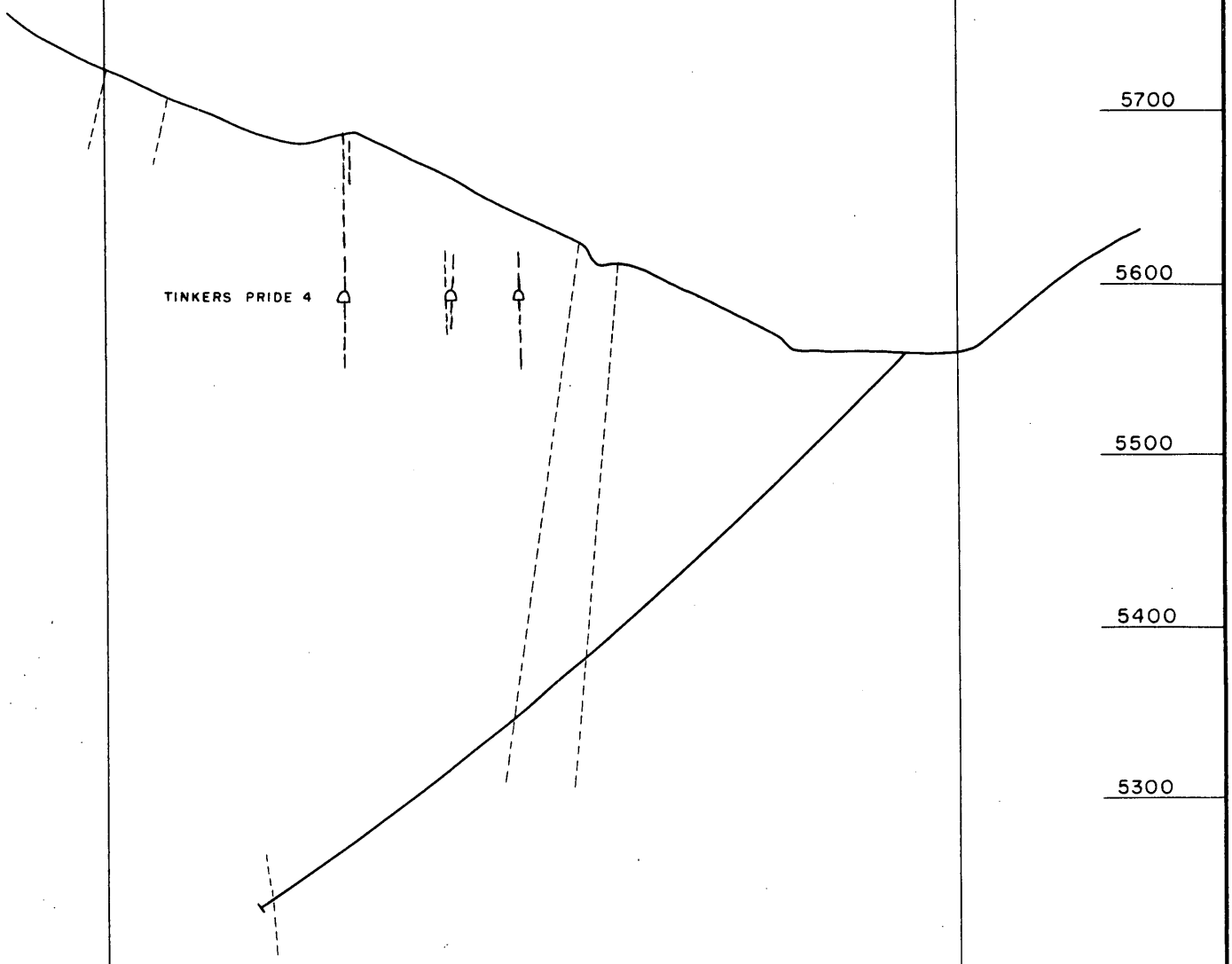
The receipt of your application dated March 28, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3739 and referred to the Iron and Ferro-Alloys Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division



D.D.H. NO. 7

S85°W -45° 500'

TINKERS PRIDE NO.4 ZONE

DOCKET NO. DMEA-3739

PROGRESS REPORT

IDAHO METALLURGICAL INDUSTRIES INC.

BIG DEER CREEK AREA

LEMHI CO., IDAHO

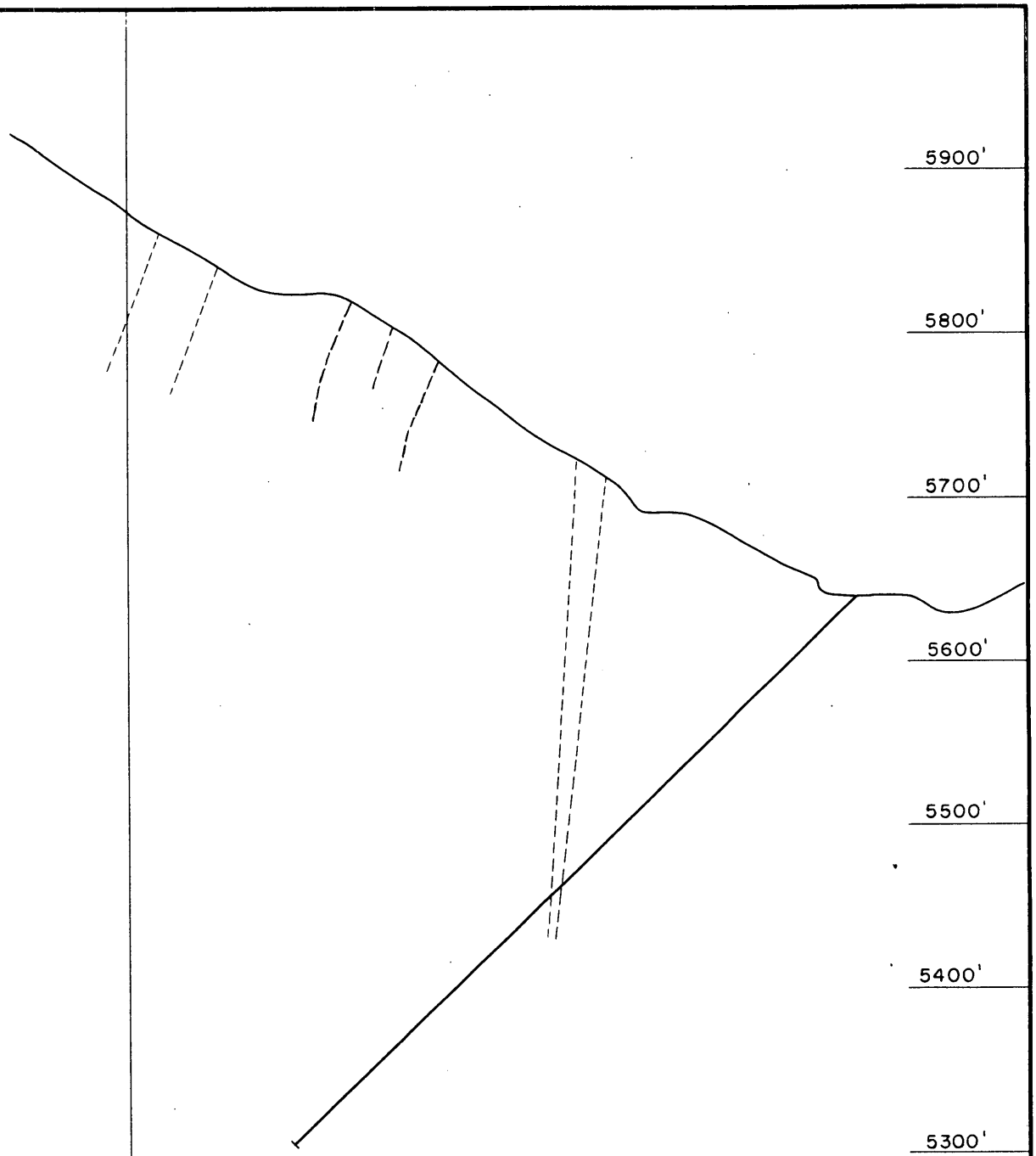
Scale: 1" = 100'

November 30, 1955

94,500 E

95,000 E

PLATE 8



D.D.H. NO. 6

N 80° W - 40° 487'

TINKERS PRIDE NO. 4 ZONE

DOCKET NO. DMEA-3739

PROGRESS REPORT

IDAHO METALLURGICAL INDUSTRIES INC.

BIG DEER CREEK AREA

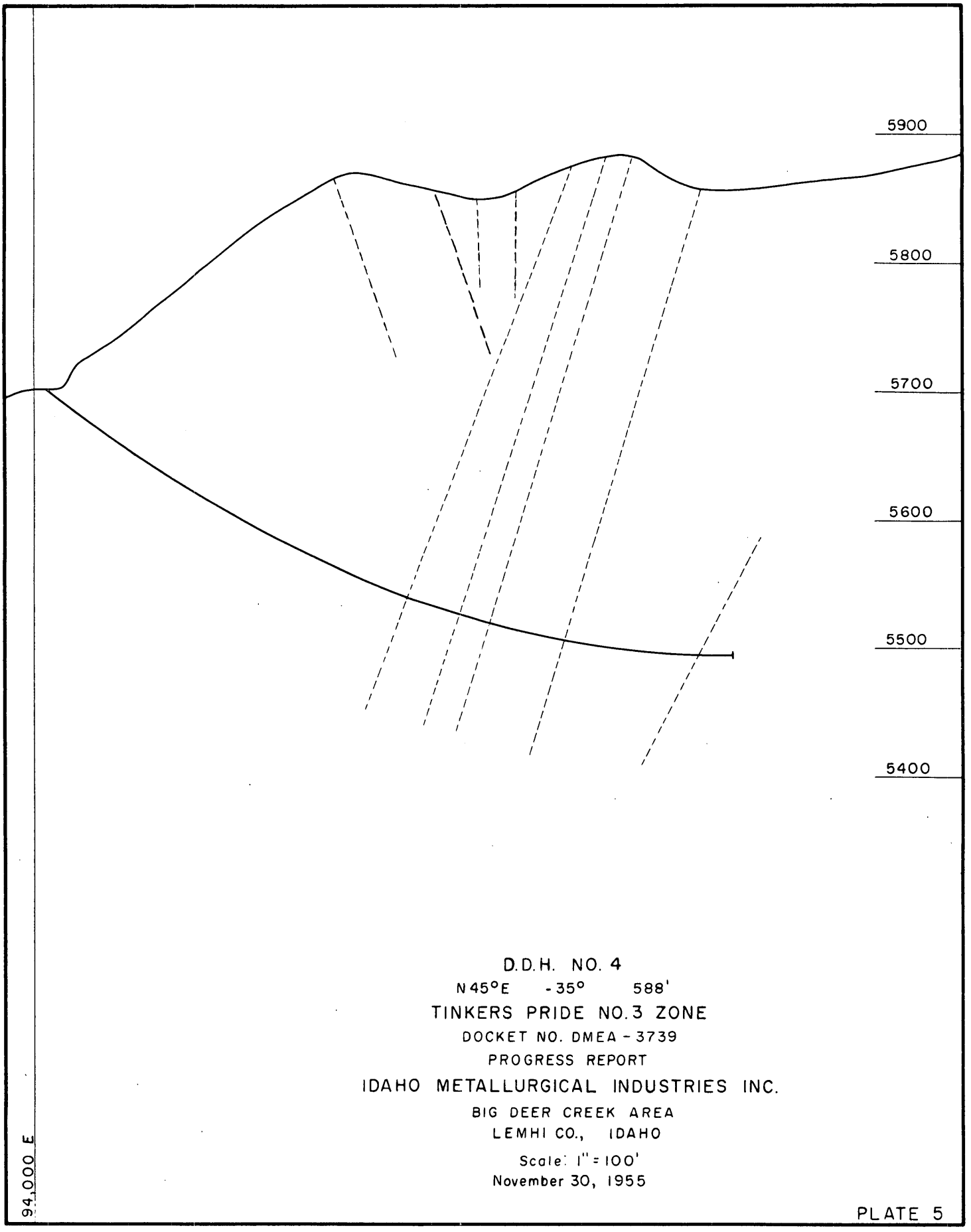
LEMHI CO., IDAHO

Scale: 1" = 100'

November 30, 1955

94,500 E

PLATE 7



D.D.H. NO. 4

N45°E -35° 588'

TINKERS PRIDE NO.3 ZONE

DOCKET NO. DMEA - 3739

PROGRESS REPORT

IDAHO METALLURGICAL INDUSTRIES INC.

BIG DEER CREEK AREA

LEMHI CO., IDAHO

Scale: 1" = 100'

November 30, 1955

PLATE 5

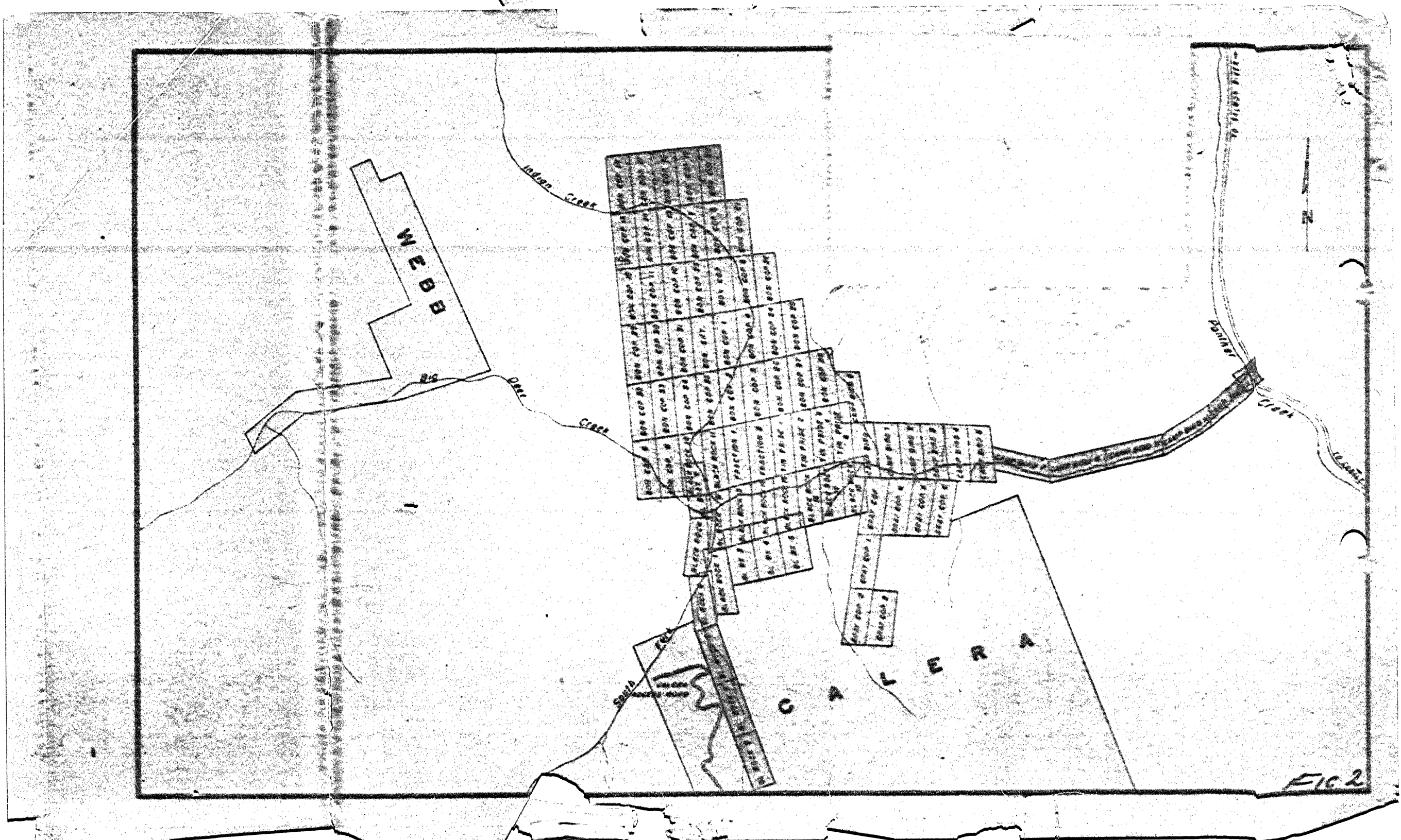
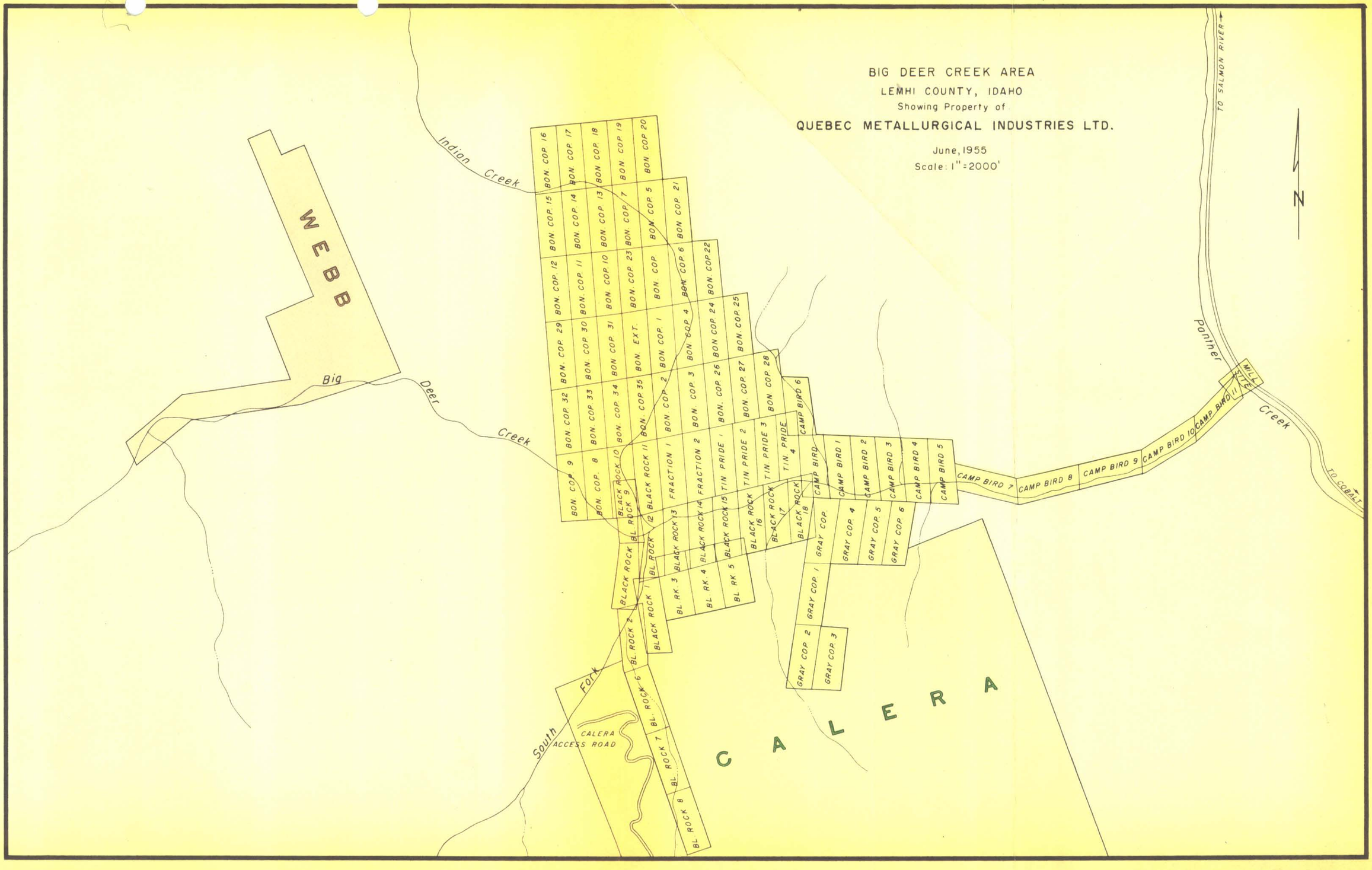

WEBB
Indian Creek
Big Deer Creek
South Fork
CALERA
Pescadero Creek
N

FIG 2


BIG DEER CREEK AREA
LEMHI COUNTY, IDAHO
Showing Property of
QUEBEC METALLURGICAL INDUSTRIES LTD.
June, 1955
Scale: 1" = 2000'
N
TO SALMON RIVER
TO COBALT
WEBB
CALERA
Indian Creek
Big Deer Creek
South Fork
Panther Creek
CALERA ACCESS ROAD
MILL SITE
BON. COP. 1
BON. COP. 2
BON. COP. 3
BON. COP. 4
BON. COP. 5
BON. COP. 6
BON. COP. 7
BON. COP. 8
BON. COP. 9
BON. COP. 10
BON. COP. 11
BON. COP. 12
BON. COP. 13
BON. COP. 14
BON. COP. 15
BON. COP. 16
BON. COP. 17
BON. COP. 18
BON. COP. 19
BON. COP. 20
BON. COP. 21
BON. COP. 22
BON. COP. 23
BON. COP. 24
BON. COP. 25
BON. COP. 26
BON. COP. 27
BON. COP. 28
BON. COP. 29
BON. COP. 30
BON. COP. 31
BON. COP. 32
BON. COP. 33
BON. COP. 34
BON. COP. 35
BON. EXT.
FRACTION 1
FRACTION 2
TIN PRIDE 1
TIN PRIDE 2
TIN PRIDE 3
TIN PRIDE 4
CAMP BIRD 1
CAMP BIRD 2
CAMP BIRD 3
CAMP BIRD 4
CAMP BIRD 5
CAMP BIRD 6
CAMP BIRD 7
CAMP BIRD 8
CAMP BIRD 9
CAMP BIRD 10
CAMP BIRD 11
BLACK ROCK 1
BLACK ROCK 2
BLACK ROCK 3
BLACK ROCK 4
BLACK ROCK 5
BLACK ROCK 6
BLACK ROCK 7
BLACK ROCK 8
BLACK ROCK 9
BLACK ROCK 10
BLACK ROCK 11
BLACK ROCK 12
BLACK ROCK 13
BLACK ROCK 14
BLACK ROCK 15
BLACK ROCK 16
BLACK ROCK 17
BLACK ROCK 18
GRAY COP. 1
GRAY COP. 2
GRAY COP. 3
GRAY COP. 4
GRAY COP. 5
GRAY COP. 6

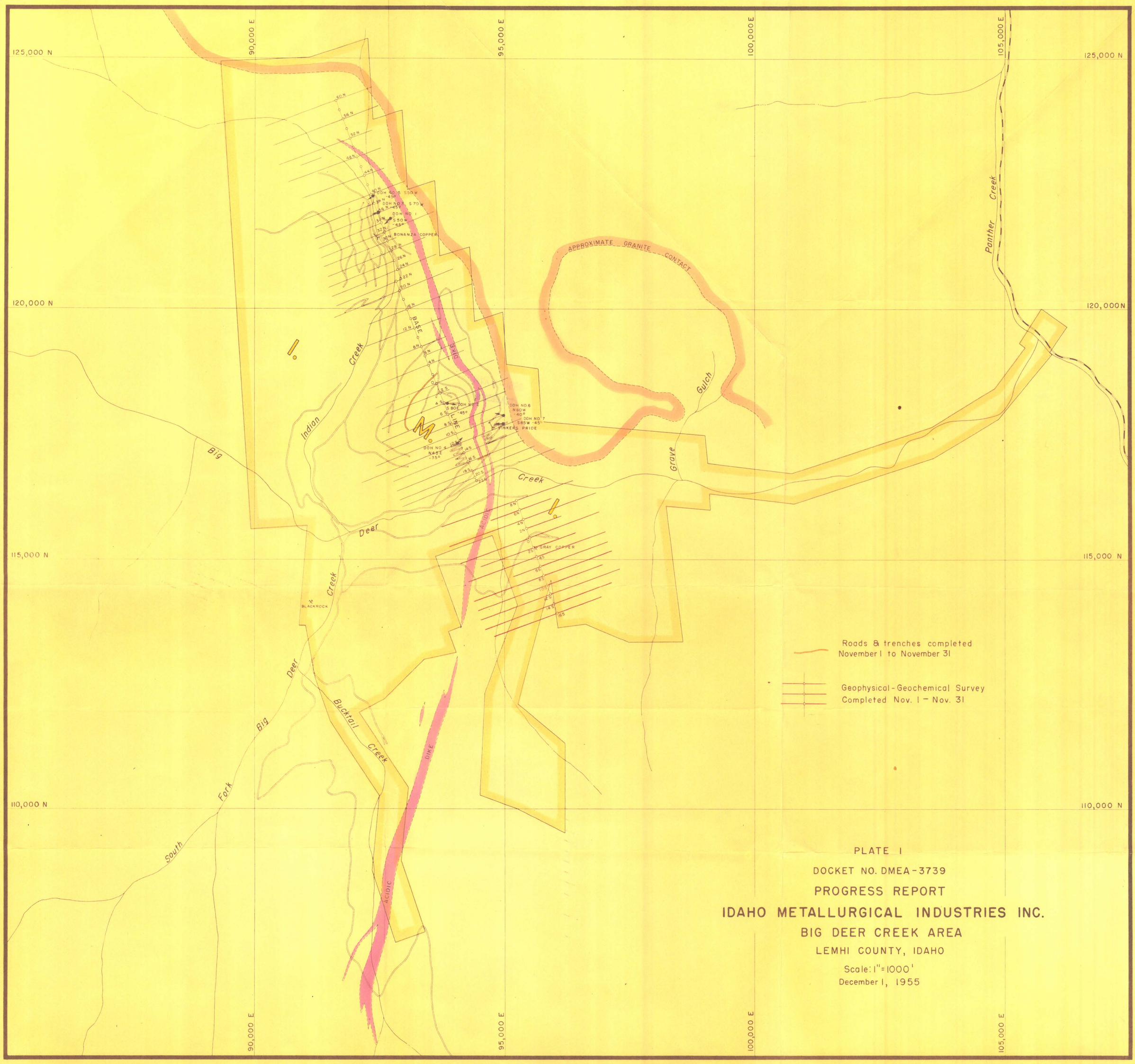


PLATE I

DOCKET NO. DMEA-3739

PROGRESS REPORT

IDAHO METALLURGICAL INDUSTRIES INC.

BIG DEER CREEK AREA

LEMHI COUNTY, IDAHO

Scale: 1" = 1000'

December 1, 1955