DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMEA XXXX Docket No. 2323

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

EXPLORATION PROJECT

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip
(ONE COPY TO USGS & ONE TO USBM)

	To: CODE 700 Rm. 4070-A	Date	1-11-52
	To: Legal	Date	1-21-52
	To: Mr. Ellis	Date	2/1/52
1	To: Mr. C. H. Johnson	Date	2/1/52
2	To: Mr. Ned Nelson	Date	
3	To: Operating Com.	Date	2-3-52
	To:	Date	
	To:	Date	
	To:	Date	
	To:	Date	
	To:	Date	
	To:	Date	
	To:	Date	
	To:	Date	
	To:	Date	

DO NOT DETACH

CONTROLLED DOCUMENT

MF-200
(June 1951)

Docket No. DMR
Commodity Copper

[redacted] OF AMERICA
[redacted] OF THE INTERIOR
DEFE[redacted] MINERALS ADMINISTRATION

Finance Office's copy

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Canyon Lode Mining Co., a corporation
425 Edith Street, Missoula, Montana

hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Deer Lodge described as follows: [3] Cable Loded Patented Claim, Survey No. 1220, in T 5 N, R 13 W, of the Montana Principal Meridian.

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

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

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

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

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

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

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

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

7. *Title to and disposition of property.* [illegible]ll facilit[illegible] [illegible]ther items costing more than $50 each, paid for or purchased with funds contributed jointly by [illegible]ment, shall belong to the Operator and the Government jointly, in proportion to their respective contribu[illegible]nination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the [illegible]ing, waives its interest in any such items. The Government may require the dismantling, severance from land, and [illegible]ny such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

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

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

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

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

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $12,355.00, which is 50 percent of the agreed estimated total cost of this project, $24,710.00.

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

Canyon Lode Mining Company
(Operator)

By

THE UNITED STATES OF AMERICA

By
Acting Administrator, Defense Minerals Exploration Administratio

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

EXPLORATION PROJECT CONTRACT
CANYON LODE MINING COMPANY
DOCKET NO. DMRA-2323

EXHIBIT "A"

Statement of the Work

The purpose of this project is to unwater and rehabilitate that portion of the Cable mine below the main adit level and to diamond drill ore blocks A-3 and A-4 as shown on the attached maps. The program will provide access to the 65-foot, 140-foot, 214-foot, and 300-foot levels for geologic mapping and sampling and to the 140-foot and 214-foot levels for diamond drilling to determine if ore bodies outlined by previous operators contain copper values in economic quantities.

Eight vertical diamond drill holes will be drilled from the 140-foot level to the 214-foot level to explore block A-3, and twelve vertical diamond drill holes from the 214-foot level to the 300-foot level to explore block A-4, at locations shown on the attached maps for a total of 1500 feet. Diamond drill holes shall be of AX size.

Summary of Estimated Costs

Labor--(reopening, rehabilitation and pumping)	$ 6,250.00	
Supplies	1,900.00	
Drilling--1,500 feet of AX hole at $7.00/ft.	10,500.00	
Equipment	1,860.00	
Engineering and assaying	1,700.00	
Accounting	1,000.00	
Power	500.00	
Contingencies	1,000.00	
Total		$24,710.00

Estimated Time Schedule

1st and 2nd months: Repair adit, install hoist and pumps, and unwater shaft.

3rd, 4th, and 5th months: Diamond drill ore blocks A-3 and A-4.

Estimate of Costs

Fixtures and Improvements

None

Operating Equipment

To be purchased

None

To be rented

Large pump for dewatering shaft - 2 mos. @ $300/mo.	$ 600.00	
Station pump - 4 mos. at $50/mo.	200.00	
Hoist - 5 mos. at $100/mo.	500.00	$ 1,300.00

To be furnished by Operator

Compressor-4 mos. depreciation at $65/mo.	260.00	
Tools, equipment, etc. (electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools)	300.00	560.00

Labor and Supervision

1 supervisor at $450/mo. for 5 mos.	2,250.00	
3 pumpmen at $14/day (including taxes, etc.) for 2 mos.	2,400.00	
2 miners (repairman, etc.) at $14/day (including taxes, etc.) for 2 mos.	1,600.00	6,250.00

Rehabilitation and Repairs

None

Miscellaneous

Engineering and assaying	$ 1,700.00	
Accounting	500.00	
Power	1,000.00	
Supplies (1900 feet of armored cable)	1,900.00	
Contingency	1,000.00	$ 6,100.00

Independent Contractor

Drilling--1,500 feet of AX hole at $7.00/ft.	10,500.00
Total estimate	$24,710.00

Underground maps showing the monthly progress of exploration with assays of samples taken concurrently with the advance where warranted are to be included in the progress report required under Section 12 of the project contract.

4/14/52 gla
Noted Com
" by FEJ
& EHE

CANYON LODE MINING CO.

BYRNE GROUP, SILVER. LEAD PROPERTY
4TH OF JULY CANYON, IDAHO

CABLE, GOLD, COPPER PROPERTY
ANACONDA, MONTANA

~~WALLA WALLA, WASHINGTON~~
Cable Mine Box 48
Anaconda, Montana
April 5, 1952

DMA-2323

Mr. C. O. Mittendorf
Acting Administrator
Defense Minerals Exploration Administration
Washington D. C.

Dear Mr. Mittendorf:

Your letter of March 31 received informing me of the denial of the $24,710 copper participation loan. Thank you for going into details as to why it was denied.

Of course I only see things from a miner's point of view, but I can not understand why a production loan could be turned down on a property due to the undetermined grade of ore and then not considered exploration to establish grade. We cannot intelligently substantiate the grade with our present data on the copper ore and have no information of any kind on the tungsten that may be on the lower levels. It is becoming clear to me that we will have to struggle along with a small production of gold and tungsten ore from the upper levels.

As to my interest in copper production for National Defense, I do, as a citizen have a very large interest, but perhaps I should go back into the Marine Corps where my efforts were appreciated.

Yours truly,

R R Wallace

R. R. Wallace, President
Canyon Lode Mining Company

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 14 1952

FILE COPY
SURNAME:
700

FEJohnson

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

Mr. R. R. Wallace, President
Canyon Lode Mining Company
425 Edith Street
Missoula, Montana

Re: DMEA Docket No. 2323 (Copper)
Cable Mine
Deer Lodge County, Montana

Dear Mr. Wallace:

Your application for an exploration contract in the amount of $24,710 for your Cable mine has been carefully reviewed by the Defense Minerals Exploration Administration.

It is our opinion that the ore bodies in question, block A-3 between the 140 and 214-foot levels and block A-4 between the 214 and 300-foot levels, have been sufficiently developed by drifts, crosscuts, and diamond drill holes so that the proposed project cannot qualify as an Exploration Project as defined in section 7(a) of MO-5 as amended (Regulations Governing Government Aid in Defense Exploration Projects). Under the circumstances, we regret to inform you that your application for an exploration contract is denied.

In view of the proven mineralization and your original application for a production loan, we are referring this application to the Defense Materials Procurement Agency for their consideration. Should you decide to reopen your application for a development and production loan, it is suggested that you advise Defense Materials Procurement Agency accordingly.

It has been noted that 90 percent of the diamond drill cores drilled in 1903, 1905, 1906, and 1907, (21,909 feet), are still stored on the property in numbered boxes. You have stated that assay maps and diamond drill logs are also available. It is possible that analyses of the drill cores from the sections pertaining to blocks A-3 and A-4 with the other data available may substantiate your ore reserves in the application for a production loan.

We appreciate your calling this property to our attention and your interest in the production of copper for National Defense.

Sincerely yours,

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

Acting Administrator
Defense Minerals Exploration
Administration

FRutledge/FEJohnson/jem/bih 3/4/52
Docket Admr's. Reading File Operating Comm.
Ned Nelson R-4216 GSA CHJohnson R-3621
Ellis - Rutledge - FEJohnson Region II (2)

Howard Y

FILE COPY
SURNAME:

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

Rutledge
Ellis
Johnson
Nelson
Hedges
Thayer
Hughes

In Reply Refer to:

Mr. R. [illegible] Wallace, President
Canyon Lode Mining Company
425 Edith Street
Missoula, Montana

Re: Docket No. [illegible]-2323 (Copper)
Cable Mine
Deer Lodge County, Montana

Dear Mr. Wallace:

Your application for an exploration contract in the amount of $2[illegible],710.00 for your Cable mine has been extensively reviewed by the Defense Minerals Exploration Administration. It is our opinion that the ore bodies in question, block A-3 between the 140- and 214-foot levels and block A-4 between the 214- and 300-foot levels, have been sufficiently developed by drifts, crosscuts, and diamond drill holes so that the proposed project can not be qualified under exploration as defined in section 7(a) of PL-5 as amended (Regulations Governing Government Aid in Defense Exploration Projects).

Under the circumstances, we regret to inform you that your application for an exploration contract is denied. In view of the proven mineralization and your original application for a production loan, we are referring this application to the Defense Minerals Production Administration for their consideration.

It has been noted that [illegible] percent of the diamond drill cores drilled in 1903, 1905, 1906, and 19[illegible], (21,9[illegible]9 feet), are still stored on the property in numbered boxes. You have stated that assay maps and diamond drill logs are also available. It is possible that analyses of the drill cores from the sections pertaining to blocks A-3 and A-4 with the other data available may question if the your ore reserves in the application for a production loan.

We appreciate your calling this property to our attention and your interest in the production of copper for National Defense.

Sincerely yours,

Acting Administrator
Defense Minerals Exploration
Administration

APPROVED:

~~Member, Bureau of Mines~~

Member, Geological Survey

FRutledge/jem 2/1[illegible]/52 cc to: Adm. Reading
Docket Messrs. Johnson, CH Rm. 3621
Nelson, Ned Rm. 4216 GS Ellis
Rutledge Region II Field Team (2)
Howard Young

Chronological History of Docket DMA-2323 (Copper)
Canyon Lode Mining Company

Jan. 24, 1951 (Date of Applic.)	Original production application requesting $70,000.00 as follows:

Mine equipment	$15,000.00
Pumping shaft & rehb.	5,000.00
Mill equipment & rehb.	9,750.00
Underground development	28,000.00
Operating capital	12,250.00
	70,000.00

Jan. 30, 1951	Weissenborn to Boyd - transmission of application. Mention made of data at mine including 90 percent of old drill cores in numbered boxes.
Feb. 6, 1951	Application rec'd by DMA
Feb. 9, 1951	Memo to DMA Field Team, Region II assigning docket number DMA-594
Feb. 9, 1951	Request from J. K. Richardson, Chief, copper branch to Mr. R. R. Wallace, Canyon Lode Mining Co. for additional information
Feb. 20, 1951	Letter from Tom Lyon to Wallace notifying him that a field study of his property has been requested.
Feb. 20, 1951	Request to DMA Field Team for investigation and report on property
Feb. 26, 1951	Letter from Fisher, Sec.-Treas. to Richardson, DMA, that information already transmitted to Weissenborn
March 16, 1951	Tom Lyon to Fisher notifying him of meeting with Weissenborn
April 5-6, 1951	Field Team examination of property by Thurston, U.S.G.S. and McNabb, U.S.B.M.
	Recommended that the applicant be granted a production loan of $72,450.00 which would have been repaided in three years on a 10 percent of net smelter returns.
(?)	Report reviewed by Glenn Reed of the Bureau of Mines. No date or data in file. Results that since no ore reserves could be substantiated and that therefore DMA would be unlikely to approve loan. He investigated reports of scheelite in old stope gob and mine dumps.

June 27, 1951	Field Team report. In it Weissenborn mentions that the company has mill in experimental operation on mill tailings and has decided to withdraw his original application pending results of preliminary mill run. After discussion of the problem, an application for tungsten is being prepared.
June 23, 1951	Application for exploration as Tungsten-copper project. Open line DMA-594X $38,670 total government percentage 75 percent
June 29, 1951	Weissenborn to DMA. Transmission of above application
August 9, 1951	Memo from D. M. Lemmon, U.S.G.S. to Tungsten Branch, DMA, recommending that tungsten exploration be denied and application be returned to Copper Branch for whatever consideration it may merit for copper.
Sept. 28, 1951	Memo from Elton A. Youngberg, U.S.G.S. to Weissenborn. New examination of property. Tungsten showings too small and limited in extent to warrant exploration for tungsten.
Oct. 2, 1951	Memo from Field Team to J. G. Gowan, Copper Branch, DMA. Recommendation that tungsten application be denied. Also stated that applicant did not wish mine to be considered for a copper exploration contract at this time. Conclusions: " he property should not be considered further for tungsten or copper exploration unless the work in the Uncle Billy shaft reveals a feasible tungsten target or the company request aid to explore for copper.
Oct. 9, 1951	Memo from Gowen, Copper Branch, to Reports and Records that the application has been withdrawn by the applicant.
Nov. 9, 1951 (Applic. Date)	New application for exploration contract for copper-gold tungsten dated this date. Project totals $24,860.00 for dewatering, rehb., and diamond drilling. New docket number assigned, DMEA-2323.
Dec. 4, 1951	Letter from Gowen, Copper Branch, DMA, to Canyon Lode Mining Co. Stated since the exploration loan had been withdrawn did they still want a production loan considered.
Dec. 10, 1951	Letter from Fisher, Canyon Lode Mining Co. to Gowen. Notification that revised application had been submitted for exploration contract.

Dec. 28, 1951	Memo from DMEA Field Team to G. O. Mittendorf transmitting above application. Recommendation that favorable consideration be given.
Jan. 11, 1952	Application received by DMEA
Jan. 14, 1952	Application given to Feitler
Jan. 18, 1952	Field Team report by Youngberg, U.S.G.S. recommending contract. Assay maps and diamond drill logs that have been obtained by the Canyon Lode Mining Co. from previous operators indicate that significant tonnages of copper-gold ore may exist in several ore bodies below the main adit level of the Cable mine.
Jan. 21, 1952	Docket to Legal Div. with contract copies and suggested changes by Mr. Ellis.
Jan. 24, 1952	Report mentioned in report of 1-18-52 finally received.
Jan. 25, 1952	Report by Nelson, U.S.G.S. recd. Favorable consideration of this application is warranted but suggested angle draft holes instead of vertical holes.
Jan. 28, 1952	Docket and contract draft returned by Legal section. Statement of the work and Exh. "A" unsatisfactory. Assigned to Rutledge.
Jan. 29, 1952	Exh. "A" rewritten and docket and contracts returned to Legal.
Feb. 1, 1952	Docket and contracts returned from Legal.
Feb. 1, 1952	Letter to Weissenborn sending copies of contract for signature.
Feb. 9, 1952	Letter to Ellis, DMEA, from G. H. Johnson, B of M Recommendation that diamond drilling is unnecessary. Believe that only rehb. and sampling is necessary.

FILE COPY
SURNAME:

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

BL

AIR MAIL

MAR 31 1952

Mr. R. R. Wallace, President
Canyon Lode Mining Company
425 Edith Street
Missoula, Montana

Re: DMEA Docket No. 2323 (Copper)
Cable Mine
Deer Lodge County, Montana

Dear Mr. Wallace:

Your application for an exploration contract in the amount of $24,710 for your Cable mine has been carefully reviewed by the Defense Minerals Exploration Administration.

It is our opinion that the ore bodies in question, block A-3 between the 140 - and 214-foot levels and block A-4 between the 214 - and 300-foot levels, have been sufficiently developed by drifts, crosscuts, and diamond drill holes so that the proposed project cannot qualify as an exploration project as defined in section 7(a) of MO-5 as amended (Regulations Governing Government Aid in Defense Exploration Projects). Under the circumstances, we regret to inform you that your application for an exploration contract is denied.

In view of this action, and for the reason that your original application was for a production loan we are advising the Defense Materials Procurement Agency of our decision with regard to the captioned exploration application.

It has been noted that 90 percent of the diamond drill cores drilled in 1903, 1905, 1906, and 1907 (21,909 feet) are still stored on the property in numbered boxes. You have stated that assay maps and diamond drill logs are also available. It is possible that analyses of the drill cores from the sections pertaining to blocks A-3 and A-4 with the other data available may substantiate your ore reserves in the application for a production loan. Should you decide to reopen your application for a development and production loan, it is suggested that you advise DMEA accordingly.

We appreciate your calling this property to our attention and your interest in the production of copper for National Defense.

Sincerely yours,

C.O. Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

FRutledge/FEJohnson/COMittndorf/jem/bih 3/31/52 Docket, Admr's. Reading Fil
Operating Comm. Mad Nelson R-4216, GSA CHJohnson R-3621 Mr. Larson, DMPA
Mr. Ellis. Mr. Rutledge. F. E. Johnson Region II (2)

Chronological History of Docket DMEA-2323 (Copper)
Canyon Lode Mining Company

Jan. 24, 1951 (Date of Applic.)	Original production application requestion $70,000.00 as follows:

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Pumping shaft & rehb.	5,000.00
Mill equipment & rehb.	9,750.00
Underground development	28,000.00
Operating capital	12,250.00
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Feb. 9, 1951	Request from J. K. Richardson, Chief, copper branch to Mr. R. R. Wallace, Canyon Lode Mining Co. for additional information
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Oct. 9, 1951	Memo from Gowen, Copper Branch, to Reports and Records that the application has been withdrawn by the applicant.
Nov. 9, 1951 (Applic. Date)	New application for exploration contract for copper-gold-tungsten dated this date. Project totals $24,860.00 for dewatering, rehb., and diamond drilling. New docket number assigned, DMEA-2323.
Dec. 4, 1951	Letter from Gowen, Copper Branch, DMA, to Canyon Lode Mining Co. Stated since the exploration loan had been withdrawn did they still want a production loan considered.
Dec. 10, 1951	Letter from Fisher, Canyon Lode Mining Co. to Gowen. Notification that revised application had been submitted for exploration contract.

Dec. 28, 1951	Memo from DMEA Field Team to C. O. Mittendorf transmitting above application. Recommendation that favorable consideration be given.
Jan. 11, 1952	Application received by DMEA
Jan. 14, 1952	Application given to Feitler
Jan. 18, 1952	Field Team report by Youngberg, U.S.G.S. recommending contract. Assay maps and diamond drill logs that have been obtained by the Canyon Lode Mining Co. from previous operators indicate that significant tonnages of copper-gold ore may exist in several ore bodies below the main adit level of the Cable mine.
Jan. 21, 1952	Docket to Legal Div. with contract copies and suggested changes by Mr. Ellis.
Jan. 24, 1952	Report mentioned in report of 1-18-52 finally received.
Jan. 25, 1952	Report by Nelson, U.S.G.S. recd. Favorable consideration of this application is warranted but suggested angle draft holes instead of vertical holes.
Jan. 28, 1952	Docket and contract draft returned by Legal section. Statement of the work and Exh. "A" unsatisfactory. Assigned to Rutledge.
Jan. 29, 1952	Exh. "A" rewritten and docket and contracts returned to Legal.
Feb. 1, 1952	Docket and contracts returned from Legal.
Feb. 1, 1952	Letter to Weissenborn sending copies of contract for signature.
Feb. 9, 1952	Letter to Ellis, DMEA, from G. H. Johnson, B of M Recommendation that diamond drilling is unnecessary. Believe that only rehb. and sampling is necessary.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 2/15/52

REFERRED TO:

DMEA-2323

1. ~~Mr. C. H[illegible] Rm. 3601~~
2. ~~Mr. Ned Nelson, Rm. 4216~~ GS
3. ~~Operating Committee Rm. 462~~
4. Mr. Mittendorf
5. Hazel Berry
6. Mails & Files Branch

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	X Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS:

Please Surname

O.K. approved, subject to
[illegible] & [illegible]

Check (X) before the items needing attention.

[illegible] the [illegible]
[illegible] items [illegible]

E.W.E. Rm. 4640
Initials of sender.

GPO 16—63815-1

For presentation to the
Coordinating Committee
on Office accommodation.

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

February 8, 1952

Memorandum

To: E. W. Ellis, DMEA

From: C. H. Johnson, Bureau of Mines

Subject: DMEA 2323 (DMA 594) Canyon Lode Mining Company, Cable Mine, Deer Lodge County, Montana (Copper)

I have reviewed the subject application and the field team report as well as the field team report on the earlier production loan application (DMA-594) which I understand is still pending.

I regret very much differing with the proposal at this late stage, but after discussing the matter with Mr. Nelson and Mr. Rutledge, I believe that the orebody already has been sufficiently explored and that no further holes need to be made in it. What is needed is to unwater and sample the openings systematically.

There are four levels, 60 to 75 feet apart. The orebody is almost completely silled out on the top or 65 foot level. There is 300 feet of drifting on the second or 140 level where the orebody has a horizontal section about 50 by 150 feet. There is 350 feet of drift on the third or 210 level in an area about 60 by 150. On the bottom or 300 level where the orebody has pinched down to about 60 feet in diameter there are two crossing drifts totalling about 125 feet. If there is an orebody of any consequence in this block of ground it will be shown clearly enough for any practical purposes by sampling the walls, backs and floors of the existing drifts. The drilling is unnecessary.

I trust the DMEA can in some way justify participation in an unwatering and sampling program. I should think, perhaps, it would be profitable to confer with the Copper Branch of the DMPA to see whether or not a production loan could be made if the supposed grade and tonnage of the orebody were definitely established.

C. H. Johnson
C.H. Johnson

Copy to: Mr. Nelson - GS
Minerals Division
C.H.Johnson
Files

FILE COPY
SURNAME:

Rutledge
Ellis

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

AIR MAIL

Mr. A. W. Eisenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMEA-2323 (Copper)
Cam on Iode Mining, a Corporation
Exploration Project Contract

Dear Mr. Eisenborn:

We are enclosing two original and five copies of the above project contract, signed by this office for the Government, together with exhibit "A" (3 pages) and two maps.

If the terms and conditions of this contract meet with your approval and are satisfactory to the Operator, all six copies should be signed by a duly authorized official of the Company. One copy should be given to the Operator, one copy retained by your office, and the original and three copies returned to this office. However, if there are any changes required which cannot be made by amending the contract by authority delegated to you, all the contract copies should be returned to this office with your comments regarding the proposed changes.

Sincerely yours,

Chairman, Operating Committee
Defense Minerals Exploration
Administration

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

FARutledge/jem 2/1/52
cc to: Adm. Reading File
Docket
Messrs. Johnson, C.d. Rm. 3621
Nelson, Ned Rm. 4216 G.S.
Ellis
Rutledge
Field Team, Region II

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

AIR MAIL

Mr. A. E. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMEA-2323 (Copper)
Canyon Lode Mining, a corporation
Exploration Project Contract

Dear Mr. Weissenborn:

We are enclosing the original and five copies of the above subject contract, signed by this office for the Government, together with Exhibit "A" (3 pages) and two maps.

If the terms and conditions of this contract meet with your approval and are satisfactory to the Operator, all six copies should be signed by a duly authorized official of the Company. One copy should be given to the Operator, one copy retained by your office, and the original and three copies returned to this office. However, if there are any changes required which cannot be made by amending the contract by authority delegated to you, all the contract copies should be returned to this office with your comments regarding the proposed changes.

Sincerely yours,

Chairman, Operating Committee
Defense Minerals Exploration
Administration

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

1/28/52 glm

140

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

January 25, 1952

Memorandum

To: Acting Administrator

From: Chief Counsel

Subject: Canyon Lode Mining Company exploration project -- Docket No. DMEA-2323

This case is returned to you without placing the proposed contract in final draft for the reason that we believe the "Statement of the Work" set forth in Exhibit "A" to be unsatisfactory.

The "Statement of the Work" calls for diamond drilling in blocks A-3 and A-4 "as shown on the attached maps". The attached maps indicate the drilling of twenty holes, while we note from the Field Team's report that the Operator has proposed to drill only eight holes in each block. Perhaps it is intended that all twenty holes be drilled, but if such is the case we believe that the specified number should be mentioned in the "Statement of the Work". The "Statement of the Work" further provides that the drilling will be performed at the 65-foot, 140-foot, and 300-foot levels, whereas, the maps indicate that the drilling will be done at the 140-foot and 214-foot levels.

The "Statement of the Work" calls for the unwatering and rehabilitation of a portion of the mine with no other statements regarding that work other than that in the schedule of costs $6400.00 is provided as the estimated cost of performing that work.

Unless the work to be performed under an Exploration Project Contract is to be left to the discretion of the Operator (and if so, it should be so stated) the work to be performed should be described in as great a detail as possible in order to avoid any future conflict of understanding between the Government and the Operator as to the method of performance. It is not objectionable to rely upon descriptions contained in attached maps providing the maps are prepared in sufficient detail to describe the extent, nature and manner in which the work should be performed. Otherwise, particularly as to drilling, the location, depth and manner of performance should be expressly stated.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachment

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

January 25, 1952

Memorandum

To: Acting Administrator

From: Chief Counsel

Subject: Canyon Lode Mining Company exploration project — Docket No. DMRA-2323

This case is returned to you without placing the proposed contract in final draft for the reason that we believe the "Statement of the Work" set forth in Exhibit "A" to be unsatisfactory.

The "Statement of the Work" calls for diamond drilling in blocks A-3 and A-4 "as shown on the attached maps". The attached maps indicate the drilling of twenty holes, while we note from the Field Team's report that the Operator has proposed to drill only eight holes in each block. Perhaps it is intended that all twenty holes be drilled, but if such is the case we believe that the specified number should be mentioned in the "Statement of the Work". The "Statement of the Work" further provides that the drilling will be performed at the 65-foot, 140-foot, and 300-foot levels, whereas, the maps indicate that the drilling will be done at the 140-foot and 214-foot levels.

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J. L. Hofflund
Chief Counsel

Attachment

140

FILE COPY
SURNAME:

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

January 25, 1952

Memorandum

To: Acting Administrator

From: Chief Counsel

Subject: Canyon Lode Mining Company exploration project -- Docket No. DMEA-2323

This case is returned to you without placing the proposed contract in final draft for the reason that we believe the "Statement of the Work" set forth in Exhibit "A" to be unsatisfactory.

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/s/
J. L. Hofflund
Chief Counsel

Not S.K.R.

CJKoontz/bjl

Attachment

Copy to: Repts. & Records
J. L. Hofflund
C. J. Koontz
Chron.

IN REPLY REFER TO:

1/25/52

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

January 24, 1952

Memorandum

To: Mr. E. Wm. Ellis

From: Mr. N. E. Nelson

Subject: DMA-594, now DMEA-2323 Canyon Lode Mining Company, Cable Mine, Anaconda, Montana

Conclusions

This application fits the target much better than did its predecessor. If 2%+ copper is a reasonable expectancy, and such is deemed possible by Thurston, McNabb and Youngberg, the application is justified and a contract is warranted.

Comment

To comprehend several aspects of this application it is necessary to review the earlier applications and reports, viz: DMA-594, a Loan Application transmitted Jan. 30, 1951, and supported by a Field Team Report by R. H. Thurston and John S. McNabb. The report is dated June 27, 1951. The loan was not granted.

Later the property figured as a possible tungsten producer. Probably no formal application was made asking for assistance in producing this metal - tungsten. No encouragement was given.

November 9, 1951, aid for an Exploration Project, based upon the copper content, was filed by R. R. Wallace.

Bulletin of GSA, Vol. 61, No. 10, October 1950, contains a report by W. T. Holser entitled "Metamorphism and Associated Mineralization in the Philipsburg Region, Montana." The geologic features of the Cable Mine are mapped and commented on at some length.

A better sequence for working at this old mine, having been evolved as a result of two unfavorable verdicts, it now becomes necessary to evaluate the property on the basis of its copper content. If as estimated - guessed - the ore will average 2%+ copper, the copper and gold are of about equal importance and the gross value of the possible tonnage in the pipe-shaped ore bodies assumes respectable, if not imposing proportions.

It is to be regretted that in opening up the four levels 65, 140, 214 and 300, in the A3 and A4 blocks, the copper possibilities were not carefully noted. The level intervals being short and the openings liberal the proposed drilling might have been obviated. Even so, a somewhat lesser footage of angle holes along with a thorough sampling of the ribs of the openings should tend to indicate the grades of the A3 and A4 blocks. Such economy in drill hole footage in these blocks should yield footage for the B-3 block.

The tonnage of ore and poundage of copper which tempt this work are not large, but the new program is realistic. Such deposits often spring pleasing surprises. Skarn zones are likely places for scheelite and this mineral could be worth while.

Favorable consideration of this application is warranted.

N. E. Nelson

Ned E. Nelson
Geologist

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

January 24, 1952

Memorandum

To: Mr. E. Wm. Ellis

From: Mr. N. E. Nelson

Subject: DMA-594, Canyon Lode Mining Company, Cable Mine, Anaconda, Montana

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The tonnage of ore and poundage of copper which tempt this work are not large, but the new program is realistic. Such deposits often spring pleasing surprises. Skarn zones are likely places for scheelite and this mineral could be worth while.

Favorable consideration of this application is warranted.

Ned E. Nelson
Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

No. 157 Howard Street
Spokane 4, Washington

January 16, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 18 1952

MEMORANDUM

To: Operating Committee, DMEA

From: Elton A. Youngberg, Geologist, U. S. Geological Survey

Subject: Docket DMA 594 (now DMEA-2323)
Canyon Lode Mining Co.
Cable Mine
Anaconda, Montana

Enclosed are 4 copies of a report, maps, and 6 copies of a tentative contract for the subject property. The Field Team's recommendation was sent at an earlier date.

The above-mentioned information was forwarded from this office previously, but appears to have been lost in transit.

Elton A. Youngberg
Geologist

Enclosures

cc: USBM, Spokane

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Reviewed by
DMEA OPERATING COMMITTEE

(date)

So. 157 Howard Street
Spokane 4, Washington

December 29, 1951

Memorandum

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

From: Elton A. Youngberg, Geologist
U. S. Geological Survey

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 1 8 1952

Subject: Exploration Application (Copper)
Docket DMA 594
Canyon lode Mining Co.
Cable Mine
Anaconda, Montana

RECOMMENDATION

It is recommended that the applicants proposal to explore the Cable mine be given favorable consideration provided that DMEA considers a marginal copper-gold ore-body to be a justifiable exploration target.

INTRODUCTION

The Canyon Lode Mining Co. has previously submitted to the Defense Minerals Administration an application for a production loan for copper and an application for exploration assistance for tungsten, both of which have been denied. The production loan application was denied inasmuch as the ore reserves upon which the application was based could not be substantiated. Examinations of the property for tungsten resulted in the denial of the exploration application as there was no indication that exploration would disclose economic quantities of this metal. The present exploration assistance for copper is being made by the applicant to substantitate in part the copper-gold ore reserves that were the basis for his first production loan application.

CONCLUSIONS

Assay maps and diamond drill logs that have been obtained by the Canyon Lode Mining Co. from previous operators indicate that significant tonnages of copper-gold ore may exist in several ore bodies below the main adit level of the Cable mine. Existing data

indicates that these ore bodies are too low grade to be mined for their gold values alone. At the time these orebodies were being explored, there was little interest in their copper content and no attempt was made to sample them systematically for copper. However, sporadic assays made at this time indicate copper does exist within the ore bodies and possibly in sufficient quantities, when combined with the gold values, to permit the ores to be mined at a profit.

PROPOSAL

The applicant proposes to unwater the shaft to permit mapping and further drilling of ore blocks A-3 and A-4, as shown on the attached maps, which are partially explored by drifting on three levels, and some diamond drilling. Eight vertical down holes in each block, totaling fifteen hundred feet, are proposed by the applicant. Data obtained from this drilling and from mapping and sampling on the levels, plus the information available from previous exploration, is believed sufficient to definitely establish the grade and tonnage in these blocks. The results of this drilling are also expected to aid in the interpretation of the diamond drill core logs that are available for other ore blocks.

The total cost of the project has been estimated by the applicant to be $24,860.00.

GEOLOGY

The geology of the deposit has been described in previous DMA reports and in some detail by W. T. Holser in Vol. 61, Geo. Soc. Am., in a paper entitled "Metamorphism and Associated Mineralization in the Philipsburg Region, Montana." If geologic information is desired it is recommended that these reports be reviewed, particularly the latter. Very helpful

An inspection of old stopes above the main adit level indicates that the primary copper mineralization is chalcopyrite, which occurs as lenticular pods within a recrystallized limestone. Magnetite, pyrite, native gold, and occasional grains of scheelite are associated minerals. The occasional high copper assays on the accompanying maps are believed to represent the intersection of these pods of sulfide mineralization by diamond drill holes. It is believed that the copper content outside these high grade areas is considerably lower and the average copper content of the ore blocks as shown on the maps may be in the order of 1-3 percent copper. If the individual lenticular high-grade bodies are of sufficient size, selective mining might be considered.

ORE RESERVES

Ore reserves expected to be established by the applicant's proposal in A-3 and A-4 blocks are calculated to be 85,000 tons. A field team report by Ralph H. Thurston and John S. McNabb, Jr. of the U. S. Geological Survey and the U. S. Bureau of Mines, respectively, describe the ore reserves of the mine in some detail and should be referred to for additional information.

If the program under consideration succeeds in establishing that ore blocks A-3 and A-4 contain important reserves of copper, it is anticipated additional exploration may be required in other areas to substantiate the additional reserves estimated by Thurston and McNabb.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
137 So. Howard Street
Spokane 4, Washington

Reviewed by
DMEA OPERATING COMMITTEE
4/17/52 (date) 243

December 29, 1951

Memorandum

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

From: Elton A. Youngberg, Geologist
U. S. Geological Survey

Subject: Exploration Application (Copper)
Docket (DMA 394) DMEA-2323
Canyon Lode Mining Co.
Cable Mine
Anaconda, Montana

RECOMMENDATION

It is recommended that the applicants proposal to explore the Cable mine be given favorable consideration provided that DMEA considers a marginal copper-gold ore-body to be a justifiable exploration target.

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The Canyon Lode Mining Co. has previously submitted to the Defense Minerals Administration an application for a production loan for copper and an application for exploration assistance for tungsten, both of which have been denied. The production loan application was denied inasmuch as the ore reserves upon which the application was based could not be substantiated. Examinations of the property for tungsten resulted in the denial of the exploration application as there was no indication that exploration would disclose economic quantities of this metal. The present exploration assistance for copper is being made by the applicant to substantiate in part the copper-gold ore reserves that were the basis for his first production loan application.

CONCLUSIONS

Assay maps and diamond drill logs that have been obtained by the Canyon Lode Mining Co. from previous operators indicate that significant tonnages of copper-gold ore may exist in several ore bodies below the main adit level of the Cable mine. Existing data

indicates that these ore bodies are too low to be mined for their gold values alone. At the time these ore bodies were being explored, there was little interest in their copper content and no attempt was made to sample them systematically for copper. However, sporadic assays made at this time indicate copper does exist within the ore bodies and possibly in sufficient quantities, when combined with the gold values, to permit the ores to be mined at a profit.

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The total cost of the project has been estimated by the applicant to be $24,860.00.

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An inspection of old stopes above the main adit level indicates that the primary copper mineralization is chalcopyrite, which occurs as lenticular pods within a recrystallized limestone. Magnetite, pyrite, native gold, and occasional grains of scheelite are associated minerals. The occasional high copper assays on the accompanying maps are believed to represent the intersection of these pods of sulfide mineralization by diamond drill holes. It is believed that the copper content outside these high grade areas is considerably lower and the average copper content of the ore blocks as shown on the maps may be in the order of 1-3 percent copper. If the individual lenticular high-grade bodies are of sufficient size, selective mining might be considered.

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B.a
gea 1/18/52

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
157 So. Howard Street
Spokane 4, Washington

Reviewed by
DMEA OPERATING COMMITTEE
1/17/52
(date) JHB

December 29, 1951

Memorandum

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

From: Elton A. Youngberg, Geologist
U. S. Geological Survey

Subject: Exploration Application (Copper)
Docket (DMA 594) DMEA-2323
Canyon Lode Mining Co.
Cable Mine
Anaconda, Montana

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DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
JAN 22 1952

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An inspection of old stopes above the main adit level indicates that the primary copper mineralization is chalcopyrite, which occurs as lenticular pods within a recrystallized limestone. Magnetite, pyrite, native gold, and occasional grains of scheelite are associated minerals. The occasional high copper assays on the accompanying maps are believed to represent the intersection of these pods of sulfide mineralization by diamond drill holes. It is believed that the copper content outside these high grade areas is considerably lower and the average copper content of the ore blocks as shown on the maps may be in the order of 1-3 percent copper. If the individual lenticular high-grade bodies are of sufficient size, selective mining might be considered.

ORE RESERVES

Ore reserves expected to be established by the applicant's proposal in A-3 and A-4 blocks are calculated to be 85,000 tons. A field team report by Ralph H. Thurston and John S. McNabb, Jr. of the U. S. Geological Survey and the U. S. Bureau of Mines, respectively, describe the ore reserves of the mine in some detail and should be referred to for additional information.

If the program under consideration succeeds in establishing that ore blocks A-3 and A-4 contain important reserves of copper, it is anticipated additional exploration may be required in other areas to substantiate the additional reserves estimated by Thurston and McNabb.

DMEA-2323

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

December 28, 1951

Memorandum

To: C. O. Mittendorf, Acting Administrator, DMEA
Through: Operating Committee

From: DMEA Field Team, Region II

Subject: Exploration Application - Copper
Docket DMA 594
Canyon Lode Mining Company - Cable Mine
Anaconda, Montana

Enclosed are four copies of an exploration application from the Canyon Lode Mining Company on the Cable mine, Anaconda, Montana, and four copies of a memorandum report by Elton A. Youngberg of the U. S. Geological Survey describing the project and recommending that the application be given favorable consideration. Also enclosed are six copies of a proposed exploration contract.

The gold ore-bodies at the Cable mine are known to contain copper; however, the content has never been definitely established. It is believed that the copper content is low as it has not been recovered in previous mining operations. One tailing pile, however, contained sufficient copper and gold values to permit its shipment to the smelter at Anaconda. Even though the copper content is below average, the indicated reserves of 200,000 or more tons of ore would add a significant amount of copper to the nation's reserve if the combined copper and gold values are high enough to permit the establishment of a mining operation.

The field team recommends that the application be given favorable consideration if ore bodies of this character are, in the opinion of the Defense Minerals Exploration Administration, justifiable exploration targets.

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
JAN 10 2 00 PM '52

By DMEA Field Team, Region II

A. E. Weissenborn
A. E. Weissenborn
Executive Officer

M. E. Volin
M. E. Volin
Member

Enclosures:
cc: USBM - Spokane
USBM - Albany

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

December 28, 1951

Memorandum

To: C. O. Mittendorf, Acting Administrator, DMEA
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By DMEA Field Team, Region II

A. E. Eisenbeck
Executive Officer

F. E. Volin
Member

Enclosures:
cc: [illegible] - Spokane
[illegible] - Albany

AEW:lm

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

December 28, 1951

Memorandum

To: C. O. Mittenderf, Acting Administrator, DMEA
Through: Operating Committee

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Subject: Exploration Application - Copper
Docket DMA 594
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By DMEA Field Team, Region II

A. L. Weissenborn
Executive Officer

R. L. Volin
Member

Enclosures:
cc: USGS - Spokane
USGS - Albany

ALW:lm

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

December 28, 1951

Memorandum

To: C. O. Mittendorf, Acting Administrator, DMEA
Through: Operating Committee

From: DMEA Field Team, Region II

Subject: Exploration Application - Copper
Docket DMA 594 (now DMEA-2323)
Canyon Lode Mining Company - Cable Mine
Anaconda, Montana

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By DMEA Field Team, Region II

A. E. Weissenborn
Executive Officer

A. E. Volin
Member

Enclosures:
cc: USGS - Spokane
USBM - Albany AEW:lm

CANYON LODE MINING CO.

DEPARTMENT OF THE INTERIOR
RECEIVED
DEC 14 1951
Defense Minerals Administration,
Production Expansion Division.

~~BYRNE GROUP, SILVER, LEAD PROPERTY~~
~~4TH OF JULY CANYON, IDAHO~~

CABLE, GOLD, COPPER PROPERTY
ANACONDA, MONTANA

~~WALLA WALLA, WASHINGTON~~
425 Edith St.
Missoula Montana

December 10, 1951

Mr. J. B. Gowen, Chief Copper Branch
Defense Minerals Exploration Administration
Washington 25, D.C.

Dma-2323

Dear Mr. Gowen: Re: DMA Docket ~~594~~

In answer to your letter of December 4, 1951, regarding the application of the Canyon Lode Mining Company for an Exploration Project, you are hereby notified that the Company revised its original application and submitted such revised application dated November 9, 1951, to the Regional Office at Spokane Washington headed by A. E. Weissenborn. In connection with this revised application Mr. Weissenborn asked for more information, which was recently furnished his office.

It is expected that the revised application of the above Company will reach your office soon.

Thank you for your careful consideration of this matter.

Yours respectfully,

Herbert C. Fisher

Herbert C. Fisher, Secy.
Canyon Lode Mining Company.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 14 1951

Subject: DMEA-2323
Re: Exploration Loan
Cable Mine

Canyon Lode Mining Company
Mr. R. R. Wallace, President & Manager
425 Edith Street
Missoula, Montana

My dear Mr. Wallace:

This will acknowledge receipt of your application dated November 9, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2323 and referred to the Rare & Miscellaneous Metals Division.

Kindly refer to DMEA-2323 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Acting Administrative Officer

7862

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

Not To Be Filled in by Applicant

Docket No. DMEA 2323
Metal or Mineral
Date Received 1-10-52
Amount $
Participation (Government %)

Canyon Lode Mining Company
Cable Mine
Anaconda Montana

Name and address of applicant

Date November 9, 1951

Filed NSRB-146 January 25, 1951

If you have already filed MF-100, give date filed ....., type of assistance requested Copper & Gold & Tungsten

DMA Docket Number (if available) ~~DMA-594~~

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

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

CERTIFICATION

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

Canyon Lode Mining Company
(Name of company)

By R. R. Wallace
(Signature of authorized official)

November 9, 1951
(Date)

President and Manager
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

Form MF-103 -- Supplemental Data and Exhibits to: DMA-594

APPLICATION FOR AID FOR AN EXPLORATION PROJECT

Pursuant to M. O. 5, Under Defense Production Act of 1950.

C A N Y O N L O D E M I N I N G C O M P A N Y

Office 425 Edith St. Missoula Montana
Mine address: Cable Mine, Anaconda Montana

Date of Application November 9, 1951 Estimated Cost $24,860.00

Minerals: Copper, Tungsten and Gold. Percent Government Part 50%

Form NSRB-146 was filed Jan 25, 1951. DMA Docket No. DMA-594

1. (a) The proposed project of exploration is to be carried out in the Cable Mine, 15 miles west of Anaconda Montana, in Deer Lodge County, Montana.

   (b) The Canyon Lode Mining Company is the legal owner in fee simple of the patented mining claims.

   (c) The exploration will take place in the portion of the Cable Mine below the main adit level, on the shaft levels, 65' level, 140' level, 214' level and 300' level. All of these workings are located within the boundaries of the Cable Lode Patented Claim, Survey No. 1220, and in Township Five (5) North of Range Thirteen (13) West of the Montana Principal Meridian, in Deer Lodge County, Montana.

2. Copper, Tungsten and gold.

   (b) See exhibits, maps, and reports in previous application and supplementary Map showing location of proposed diamond drill holes, accompanying this application.

3. (a) The proposed work project consists of repairing and replacing some timber in the main tunnel level, pumping out the shaft to the 300' level, rehabilitate shaft, rehabilitate shaft levels 140' and 214' such as may be necessary to carry on a diamond drrill project from those levels, installation of an electric cable, and hoist and pumps. The total cost of the project is estimated to cost $24,860.

4. See Exhibits, maps, reports in NSRB-146, DMA-594, Form MF-103.

5. The only known facilities in need of repair is the replacement of 6 timber sets in the adit tunnel at $25. each, total $150.

6. Purchase of 1,900 feet of electric cable for carrying electric current to and down shaft for operation of pumps. Cost $1,900.

7. (a) Rented: Large pump for dewatering, 2 months @ $300. $600.
   Station pump 42 months @ $50. 200.
   Hoist 5 months @ $100. 500.

   (b) None.

   (c) Compressor Four months @ $65. per month $260.
   Tools, equipment etc. consisting of electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools all @ $60. per month for 5 months $300.

8. Labor schedule. One supervisor @ $450 per mo. 5 months $2,250.
   3 pumpmen @ $14. per day @ for 2 months. 2,400.
   2 miners, repairmen, samplers etc. @$14. 2 months 1,600.

Form MF-103 Canyon Lode Mining Company DMA-594.
Cable Mine Anaconda Montana.

8. Continued:

Diamond Drill contract for 1,500' of holes @ $7.00	$10,500.00
9. Engineering	400.00
Assaying	1,300.00
Accounting	500.00
Power	1,000.00
Total All costs	$24,860.00

10. (a) The Canyon Lode Mining Company is prepared to invest $12,430.00 in this project.

(b). Yes.

CERTIFICATION

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

Canyon Lode Mining Company by R R Wallace
President and Manager.

November 9, 1951.

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

Not To Be Filled in by Applicant

Docket No. DMEA-2323
Metal or Mineral
Date Received 1-10-52
Amount $
Participation (Government %)

Canyon Lode Mining Company
Cable Mine
Anaconda Montana

Name and address of applicant

Date November 9, 1951

Filed NSRB-146 January 25, 1951

If you have already filed MF-100, give date filed ....., type of assistance requested Copper & Gold & Tungsten

DMA Docket Number (if available) ~~DMA-594~~

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
JAN 10 2 01 PM '52

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

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   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

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8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

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

CERTIFICATION

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(Name of company)

By A. R. Wallace
(Signature of authorized official)

November 9, 1951
(Date)

President and Manager
(Title)

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U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

Form MF-103 -- Supplemental Data and Exhibits to: DMA-594

APPLICATION FOR AID FOR AN EXPLORATION PROJECT

Pursuant to M. O. 5, Under Defense Production Act of 1950.

C A N Y O N L O D E M I N I N G C O M P A N Y

Office 425 Edith St. Missoula Montana
Mine address: Cable Mine, Anaconda Montana

Date of Application November 9, 1951 Estimated Cost $24,860.00

Minerals: Copper, Tungsten and Gold. Percent Government Part 50%

Form NSRB-146 was filed Jan 25, 1951. DMA Docket No. DMA-594

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   (b) The Canyon Lode Mining Company is the legal owner in fee simple of the patented mining claims.

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2. Copper, Tungsten and gold.

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4. See Exhibits, maps, reports in NSRB-146, DMA-594, Form MF-103.

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Form MF-103 Canyon Lode Mining Company DMA-594.
Cable Mine Anaconda Montana.

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Canyon Lode Mining Company by R R Wallace
President and Manager.

November 9, 1951.

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

Not To Be Filled in by Applicant

Docket No. DMEA-2323
Metal or Mineral
Date Received 1-10-52
Amount $
Participation (Government %)

Canyon Lode Mining Company
Cable Mine
Anaconda Montana

Name and address of applicant

Date November 9, 1951

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
JAN 10 2 31 PM '52

Filed NSRB-146 January 25, 1951

If you have already filed MF-100, give date filed ....., type of assistance requested Copper & Gold & Tungsten,

DMA Docket Number (if available) ~~DMA-594~~

INSTRUCTIONS

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   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

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

CERTIFICATION

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

Canyon Lode Mining Company
(Name of company)

By R R Wallace
(Signature of authorized official)

November 9, 1951
(Date)

President and Manager
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

Form MF-103 -- Supplemental Data and Exhibits to: DMA-594

APPLICATION FOR AID FOR AN EXPLORATION PROJECT

Pursuant to M. O. 5, Under Defense Production Act of 1950.

C A N Y O N L O D E M I N I N G C O M P A N Y

Office 425 Edith St. Missoula Montana
Mine address: Cable Mine, Anaconda Montana

Date of Application November 9, 1951 Estimated Cost $24,860.00

Minerals: Copper, Tungsten and Gold. Percent Government Part 50%

Form NSRB-146 was filed Jan 25, 1951. DMA Docket No. DMA-594

1. (a) The proposed project of exploration is to be carried out in the Cable Mine, 15 miles west of Anaconda Montana, in Deer Lodge County, Montana.

   (b) The Canyon Lode Mining Company is the legal owner in fee simple of the patented mining claims.

   (c) The exploration will take place in the portion of the Cable Mine below the main adit level, on the shaft levels, 65' level, 140' level, 214' level and 300' level. All of these workings are located within the boundaries of the Cable Lode Patented Claim, Survey No. 1220, and in Township Five (5) North of Range Thirteen (13) West of the Montana Principal Meridian, in Deer Lodge County, Montana.

2. Copper, Tungsten and gold.

   (b) See exhibits, maps, and reports in previous application and supplementary Map showing location of proposed diamond drill holes, accompanying this application.

3. (a) The proposed work project consists of repairing and replacing some timber in the main tunnel level, pumping out the shaft to the 300' level, rehabilitate shaft, rehabilitate shaft levels 140' and 214' such as may be necessary to carry on a diamond drrill project from those levels, installation of an electric cable, and hoist and pumps. The total cost of the project is estimated to cost $24,860.

4. See Exhibits, maps, reports in NSRB-146, DMA-594, Form MF-103.

5. The only known facilities in need of repair is the replacement of 6 timber sets in the adit tunnel at $25. each, total $150.

6. Purchase of 1,900 feet of electric cable for carrying electric current to and down shaft for operation of pumps. Cost $1,900.

7. (a) Rented:

Large pump for dewatering, 2 months @ $300.	$600.
Station pump 42 months @ $50.	200.
Hoist 5 months @ $100.	500.

   (b) None.

   (c)

Compressor Four months @ $65. per month	$260.
Tools, equipment etc. consisting of electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools all @ $60. per month for 5 months	$300.

8. Labor schedule.

One supervisor @ $450 per mo. 5 months	$2,250.
3 pumpmen @ $14. per day @ for 2 months.	2,400.
2 miners, repairmen, samplers etc. @$14. 2 months	1,600.

Form MF-103 Canyon Lode Mining Company DMA-594.
Cable Mine Anaconda Montana.

8. Continued:

Diamond Drill contract for 1,500' of holes @ $7.00	$10,500.00

9.

Engineering	400.00
Assaying	1,300.00
Accounting	500.00
Power	1,000.00
Total All costs	$24,860.00

10. (a) The Canyon Lode Mining Company is prepared to invest $12,430.00 in this project.

(b). Yes.

CERTIFICATION

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

Canyon Lode Mining Company by G P Wallace
President and Manager.

November 9, 1951.

MF-200
(June 1951)

DMA 2323
Docket No. DMA
Commodity Copper

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Extra

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Canyon Lode Mining Co., a corporation
425 Edith Street, Missoula, Montana

hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Deer Lodge, described as follows: [3] Lode Patented Claim, Survey No. 1220, in T 5 N, R 13 W, of the Montana Principal Meridian.

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

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: _____

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

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

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

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

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

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

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

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

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

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

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

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred: *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $12,355.00, which is 50 percent of the agreed estimated total cost of this project, $24,710.00.

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

Canyon Lode Mining Company

(Operator)

By

THE UNITED STATES OF AMERICA

By Acting Administrator
Defense Minerals Exploration
Administration

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

EXPLORATION PROJECT CONTRACT
CANYON LODE MINING COMPANY
DOCKET NO. DNRA-2323

EXHIBIT "A"

Statement of the Work

The purpose of this project is to unwater and rehabilitate that portion of the Cable mine below the main adit level and to diamond drill ore blocks A-3 and A-4 as shown on the attached maps. The program will provide access to the 65-foot, 140-foot, 214-foot, and 300-foot levels for geologic mapping and sampling and to the 140-foot and 214-foot levels for diamond drilling to determine if ore bodies outlined by previous operators contain copper values in economic quantities.

Eight vertical diamond drill holes will be drilled from the 140-foot level to the 214-foot level to explore block A-3, and twelve vertical diamond drill holes from the 214-foot level to the 300-foot level to explore block A-4, at locations shown on the attached maps for a total of 1500 feet. Diamond drill holes shall be of AX size.

Summary of Estimated Costs

Labor--(reopening, rehabilitation and pumping)	$ 6,250.00
Supplies	1,900.00
Drilling--1,500 feet of AX hole at $7.00/ft.	10,500.00
Equipment	1,860.00
Engineering and assaying	1,700.00
Accounting	1,000.00
Power	500.00
Contingencies	1,000.00
Total	$24,710.00

Estimated Time Schedule

1st and 2nd months: Repair adit, install hoist and pumps, and unwater shaft.

3rd, 4th, and 5th months: Diamond drill ore blocks A-3 and A-4.

Estimate of Costs

Fixtures and Improvements

None

Operating Equipment

To be purchased

None

To be rented

Large pump for dewatering shaft - 2 mos. @ $300/mo.	$ 600.00	
Station pump - 4 mos. at $50/mo.	200.00	
Hoist - 5 mos. at $100/mo.	500.00	$ 1,300.00

To be furnished by Operator

Compressor-4 mos. depreciation at $65/mo.	260.00	
Tools, equipment, etc. (electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools)	300.00	560.00

Labor and Supervision

1 supervisor at $450/mo. for 5 mos.	2,250.00	
3 pumpmen at $14/day (including taxes, etc.) for 2 mos.	2,400.00	
2 miners (repairman, etc.) at $14/day (including taxes, etc.) for 2 mos.	1,600.00	6,250.00

Rehabilitation and Repairs

None

Miscellaneous

Engineering and assaying	$ 1,700.00	
Accounting	500.00	
Power	1,000.00	
Supplies (1900 feet of armored cable)	1,900.00	
Contingency	1,000.00	$ 6,100.00

Independent Contractor

Drilling--1,500 feet of AX hole at $7.00/ft.	10,500.00
Total estimate	$[illegible],710.00

Underground maps showing the monthly progress of exploration with assays of samples taken concurrently with the advance where warranted are to be included in the progress report required under Section 12 of the project contract.

MF-200
(June 1951)

Docket No. DMA E 2223
Commodity Copper

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Canyon Lode Mining Co., a corporation, 425 Edith Street, Missoula, Montana ~~(a corporation)~~

hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Deer Lodge described as follows: [3] Cable Loded Patented Claim, Survey No. 1220, in T 5 N, R 13 W, of the Montana Principal Meridian.

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

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

~~Legal owner in fee simple of Canyon Lode Claim.~~

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

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

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

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

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

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

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

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

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

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

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

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ ~~12,430.00~~, which is 50 percent of the agreed estimated total cost of this project, ~~$24,860.00~~ $24,710.00 $12,355.00

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Canyon Lode Mining Company
(Operator)

By _____

By _____

Acting Administrator
Int. Min. Explor. Admin.

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

Statement of Work

The purpose of this project is to unwater and rehabilitate that portion of the Cable main below the main adit level and to diamond drill on blocks A-3 and A-4 as shown on the attached map. The program will provide access to the 65-foot, 140-foot, 214-foot, and 300-foot levels for geologic mapping and sampling and to the 140-foot and 214-foot levels for diamond drilling to determine if ore bodies outlined by previous operations contain copper ~~and gold~~ values in commercial quantities.

Eight vertical diamond drill holes will be drilled from the 140-foot level to the 214-foot level to explore block A-3, and twelve vertical diamond drill holes from the 214-foot level to the 300-foot level to explore block A-4 ~~as~~ shown on the attached map for a total of 1500 feet at locations. Diamond drill holes shall be AX size.

DMA Docket No. 594
Commodity -- Copper

CABLE MINE
CANYON LODE MINING CO.
DEER LODGE COUNTY, MONTANA

See attached page

EXHIBIT "A"

Statement of Work

The purpose of this project is to unwater and rehabilitate the portion of the Cable mine below the main adit level and to diamond drill ore blocks A-3 and A-4 as shown on the attached maps. The program will provide access to the 65-foot, 140-foot, and 300-foot levels for diamond drilling and geologic mapping to determine if ore bodies outlined by previous operators contain copper and gold values in economic quantities.

Summary ~~SCHEDULE~~ OF ESTIMATED COSTS

Labor--(reopening, rehabilitation and pumping)	$ ~~6,400~~ 6250 (~~6,150~~?)
Supplies	1,900
Drilling ~~contract~~ 1,500 feet of AX hole at $7.00/ft.	10,500
~~Cost of~~ Equipment	1,860
Engineering and assaying	1,700
Accounting	500
Power ~~(electric)~~	1,000
Contingencies	1,000
TOTAL	~~$24,860~~ $24,710

ESTIMATED TIME SCHEDULE

1st and 2nd months: Repair adit, install hoist and pumps, and unwater shaft.

3rd, 4th, and 5th months: Diamond drill ore blocks A-3 and A-4.

Estimate of Costs

~~Operating expense~~ FIXTURES AND IMPROVEMENTS

None

Equipment to be purchased

~~1,900 feet armored cable~~ None ~~$1,900~~

Equipment to be rented

Large pump for dewatering shaft - 2 mos. at $300/mo.	600
Station pump - 4 mos. at $50/mo.	200
Hoist - 5 mos. at $100/mo.	500

Equipment to be furnished by operator

Compressor-4 mos. depreciation at $65/mo.	260
Tools, equipment, etc. (electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools) 5 mos. depreciation at $60/mo.	300

~~* As indicated in Section 4 of the contract, all subcontracts are subject to approval by Government in writing.~~

~~SCHEDULE OF~~ LABOR AND SUPERVISION

1 supervisor at $450 per mo. for 5 mos.	$2,250.00
3 pumpmen at $14 per day (including taxes, etc.) for 2 mos.	2,400.00
2 miners (repairman, etc.) at $14 per day (including taxes, etc.) for 2 mos.	1,600.00
	$6,250.

REHABILITATION AND REPAIRS

None

Miscellaneous ~~OTHER ALLOWABLE COSTS~~

Engineering and assaying	$1,700.00
Accounting	500.00
Power	1,000.00
Supplies (1900 feet of armored cable)	$1,900.00
Contingency	$1,000.00

Underground maps showing the monthly progress of exploration with assays of samples taken concurrently with the advance where warranted are to be included in the progress report required under Section 12 of the project contract.

MF-200
(June 1951)

Docket No. DMA _____
Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 18 1952

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Canyon Lode Mining Co., 425 Edith Street, Missoula, Montana hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Deer Lodge described as follows: [3] Cable Loded Patented Claim, Survey No. 1220, in T. 5 N., R. 13 W., of the Montana Principal Meridian. with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: Legal owner in fee simple of Canyon Lode Claim

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

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

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

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

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

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

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

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

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

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

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

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $12,430.00, which is 50 percent of the agreed estimated total cost of this project, $24,860.00.

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By _____

By _____

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

CABLE MINE
CANYON LODE MINING CO.
DEER LODGE COUNTY, MONTANA

EXHIBIT "A"

The purpose of this project is to unwater and rehabilitate the portion of the Cable mine below the main adit level and to diamond drill ore blocks A-3 and A-4 as shown on the attached maps. The program will provide access to the 65-foot, 140-foot, and 300-foot level for diamond drilling and geologic mapping to determine if ore bodies outlined by previous operators contain copper and gold values in economic quantities.

SCHEDULE OF ESTIMATED COSTS

Labor--reopening, rehabilitation and pumping	$ 6,400
Supplies	1,900
* Drilling contract 1,500 feet of AX hole at $7.00/ft.	10,500
Cost of equipment	1,860
Engineering and assaying	1,700
Accounting	500
Power (electric)	1,000
Contingencies	1,000
TOTAL	$24,860

ESTIMATED TIME SCHEDULE

1st and 2nd months: Repair adit, install hoist and pumps, and unwater shaft.
3rd, 4th, and 5th months: Diamond drill ore blocks A-3 and A-4.

FIXTURES AND IMPROVEMENTS

Equipment to be purchased	
1,900 feet armored cable	$1,900
Equipment to be rented	
Large pump for dewatering shaft - 2 mos. at $300/mo.	600
Station pump - 4 mos. at $50/mo.	200
Hoist - 5 mos. at $100/mo.	500
Equipment to be furnished by operator	
Compressor 4 mos. depreciation at $65/mo.	260
Tools, equipment, etc. (electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools) 5 mos. depreciation at $60/mo.	300

* As indicated in Section 4 of the contract, all subcontracts are subject to approval by Government in writing.

SCHEDULE OF LABOR AND SUPERVISION

1 supervisor at $450 per mo. for 5 mos.	$2,250.00
3 pumpmen at $14 per day (including taxes, etc.) for 2 mos.	2,400.00
2 miners (repairman, etc.) at $14 per day (including taxes, etc.) for 2 mos.	1,600.00

REHABILITATION AND REPAIRS

None

OTHER ALLOWABLE COSTS

Engineering and assaying	$1,700.00
Accounting	500.00
Power	1,000.00

Underground maps showing the monthly progress of exploration with assays of samples taken concurrently with the advance where warranted are to be included in the progress report required under Section 12 of the project contract.

M 200
(J 1951)

Docket No. DMA _____
Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Canyon Lode Mining Co., 425 Edith Street, Missoula, Montana

hereinafter called the "Operator," as follows:

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

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: Legal owner in fee simple of Canyon Lode Claim

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

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

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

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

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

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

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

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

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

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

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

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

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Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By ---

By ---

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

DMA Docket No. 594
Commodity -- Copper

CABLE MINE
CANYON LODE MINING CO.
DEER LODGE COUNTY, MONTANA

EXHIBIT "A"

The purpose of this project is to unwater and rehabilitate the portion of the Cable mine below the main adit level and to diamond drill ore blocks A-3 and A-4 as shown on the attached maps. The program will provide access to the 65-foot, 140-foot, and 300-foot level for diamond drilling and geologic mapping to determine if ore bodies outlined by previous operators contain copper and gold values in economic quantities.

SCHEDULE OF ESTIMATED COSTS

Labor--reopening, rehabilitation and pumping	$ 6,400
Supplies	1,900
* Drilling contract 1,500 feet of AX hole at $7.00/ft.	10,500
Cost of equipment	1,860
Engineering and assaying	1,700
Accounting	500
Power (electric)	1,000
Contingencies	1,000
TOTAL	$24,860

ESTIMATED TIME SCHEDULE

1st and 2nd months: Repair adit, install hoist and pumps, and unwater shaft.
3rd, 4th, and 5th months: Diamond drill ore blocks A-3 and A-4.

FIXTURES AND IMPROVEMENTS

<u>Equipment to be purchased</u>	
1,900 feet armored cable	$1,900
<u>Equipment to be rented</u>	
Large pump for dewatering shaft - 2 mos. at $300/mo.	600
Station pump - 4 mos. at $50/mo.	200
Hoist - 5 mos. at $100/mo.	500
<u>Equipment to be furnished by operator</u>	
Compressor 4 mos. depreciation at $65/mo.	260
Tools, equipment, etc. (electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools) 5 mos. depreciation at $60/mo.	300

* As indicated in Section 4 of the contract, all subcontracts are subject to approval by Government in writing.

SCHEDULE OF LABOR AND SUPERVISION

1 supervisor at $450 per mo. for 5 mos.	$2,250.00
3 pumpmen at $14 per day (including taxes, etc.) for 2 mos.	2,400.00
2 miners (repairman, etc.) at $14 per day (including taxes, etc.) for 2 mos.	1,600.00

REHABILITATION AND REPAIRS

None

OTHER ALLOWABLE COSTS

Engineering and assaying	$1,700.00
Accounting	500.00
Power	1,000.00

Underground maps showing the monthly progress of exploration with assays of samples taken concurrently with the advance where warranted are to be included in the progress report required under Section 12 of the project contract.

MF-200
(June 1951)

Docket No. DMA _____
Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195___, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Canyon Lode Mining Co., 425 Edith Street, Missoula, Montana

hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Deer Lodge described as follows: [3] Cable Loded Patented Claim, Survey No. 1220, in T 5 N, R 13 W, of the Montana Principal Meridian.

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

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: _____

Legal owner in fee simple of Canyon Lode Claim

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

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

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

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

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

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

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

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

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

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

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

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $12,430.00, which is 50 percent of the agreed estimated total cost of this project, $24,860.00.

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By ---

By ---

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

GABLE MINE
CANYON LODE MINING CO.
DEER LODGE COUNTY, MONTANA

EXHIBIT "A"

The purpose of this project is to unwater and rehabilitate the portion of the Gable mine below the main adit level and to diamond drill ore blocks A-3 and A-4 as shown on the attached maps. The program will provide access to the 65-foot, 140-foot, and 300-foot level for diamond drilling and geologic mapping to determine if ore bodies outlined by previous operators contain copper and gold values in economic quantities.

SCHEDULE OF ESTIMATED COSTS

Labor—reopening, rehabilitation and pumping	$ 6,400
Supplies	1,900
* Drilling contract 1,500 feet of AX hole at $7.00/ft.	10,500
Cost of equipment	1,860
Engineering and assaying	1,700
Accounting	500
Power (electric)	1,000
Contingencies	1,000
TOTAL	$24,860

ESTIMATED TIME SCHEDULE

1st and 2nd months: Repair adit, install hoist and pumps, and unwater shaft.
3rd, 4th, and 5th months: Diamond drill ore blocks A-3 and A-4.

FIXTURES AND IMPROVEMENTS

Equipment to be purchased	
1,900 feet armored cable	$1,900
Equipment to be rented	
Large pump for dewatering shaft - 2 mos. at $300/mo.	600
Station pump - 4 mos. at $50/mo.	200
Hoist - 5 mos. at $100/mo.	500
Equipment to be furnished by operator	
Compressor 4 mos. depreciation at $65/mo.	260
Tools, equipment, etc. (electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools) 5 mos. depreciation at $60/mo.	300

* As indicated in section 4 of the contract, all subcontracts are subject to approval by Government in writing.

SCHEDULE OF LABOR AND SUPERVISION

1 supervisor at $450 per mo. for 5 mos.	$2,250.00
3 pumpmen at $14 per day (including taxes, etc.) for 2 mos.	2,400.00
2 miners (repairman, etc.) at $14 per day (including taxes, etc.) for 2 mos.	1,600.00

REHABILITATION AND REPAIRS

None

OTHER ALLOWABLE COSTS

Engineering and assaying	$1,700.00
Accounting	500.00
Power	1,000.00

Underground maps showing the monthly progress of exploration with assays of samples taken concurrently with the advance where warranted are to be included in the progress report required under Section 12 of the project contract.

MF-200
(June 1951)

Docket No. DMA _____
Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Canyon Lode Mining Co., 425 Edith Street, Missoula, Montana

hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Deer Lodge described as follows: [3] Cable Loded Patented Claim, Survey No. 1220, in T 5 N, R 13 W, of the Montana Principal Meridian.

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

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: Legal owner in fee simple of Canyon Lode Claim

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

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

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

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

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

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

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

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

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

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

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

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $12,430.00, which is 50 percent of the agreed estimated total cost of this project, $24,860.00.

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By ----------

By ----------

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

CABLE MINE
CANYON LODE MINING CO.
DEER LODGE COUNTY, MONTANA

EXHIBIT "A"

The purpose of this project is to unwater and rehabilitate the portion of the Cable mine below the main adit level and to diamond drill ore blocks A-3 and A-4 as shown on the attached maps. The program will provide access to the 65-foot, 140-foot, and 300-foot level for diamond drilling and geologic mapping to determine if ore bodies outlined by previous operators contain copper and gold values in economic quantities.

SCHEDULE OF ESTIMATED COSTS

Labor--reopening, rehabilitation and pumping	$ 6,400
Supplies	1,900
* Drilling contract 1,500 feet of AX hole at $7.00/ft.	10,500
Cost of equipment	1,860
Engineering and assaying	1,700
Accounting	500
Power (electric)	1,000
Contingencies	1,000
TOTAL	$24,860

ESTIMATED TIME SCHEDULE

1st and 2nd months: Repair adit, install hoist and pumps, and unwater shaft.
3rd, 4th, and 5th months: Diamond drill ore blocks A-3 and A-4.

FIXTURES AND IMPROVEMENTS

<u>Equipment to be purchased</u>	
1,900 feet armored cable	$1,900
<u>Equipment to be rented</u>	
Large pump for dewatering shaft - 2 mos. at $300/mo.	600
Station pump - 4 mos. at $50/mo.	200
Hoist - 5 mos. at $100/mo.	500
<u>Equipment to be furnished by operator</u>	
Compressor 4 mos. depreciation at $65/mo.	260
Tools, equipment, etc. (electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools) 5 mos. depreciation at $60/mo.	300

* As indicated in Section 4 of the contract, all subcontracts are subject to approval by Government in writing.

SCHEDULE OF LABOR AND SUPERVISION

1 supervisor at $450 per mo. for 5 mos.	$2,250.00
3 pumpmen at $14 per day (including taxes, etc.) for 2 mos.	2,400.00
2 miners (repairman, etc.) at $14 per day (including taxes, etc.) for 2 mos.	1,600.00

REHABILITATION AND REPAIRS

None

OTHER ALLOWABLE COSTS

Engineering and assaying	$1,700.00
Accounting	500.00
Power	1,000.00

Underground maps showing the monthly progress of exploration with assays of samples taken concurrently with the advance where warranted are to be included in the progress report required under Section 12 of the project contract.

MF-200
(June 1951)

Docket No. DMA _____
Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Canyon Lode Mining Co., 425 Edith Street, Missoula, Montana

hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Deer Lodge described as follows: [3] Cable Loded Patented Claim, Survey No. 1220, in T 5 N, R 13 W, of the Montana Principal Meridian.

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

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: _____

Legal owner in fee simple of Canyon Lode Claim

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

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

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

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

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

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

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

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

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

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

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

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $12,450.00, which is 50 percent of the agreed estimated total cost of this project, $24,860.00.

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By ----------

By ----------

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

DMA Docket No. 594
Commodity — Copper

CABLE MINE
CANYON LODE MINING CO.
DEER LODGE COUNTY, MONTANA

EXHIBIT "A"

The purpose of this project is to unwater and rehabilitate the portion of the Cable mine below the main adit level and to diamond drill ore blocks A-3 and A-4, as shown on the attached maps. The program will provide access to the 65-foot, 140-foot, and 300-foot level for diamond drilling and geologic mapping to determine if ore bodies outlined by previous operators contain copper and gold values in economic quantities.

SCHEDULE OF ESTIMATED COSTS

Labor—reopening, rehabilitation and pumping	$ 6,400
Supplies	1,900
* Drilling contract 1,500 feet of AX hole at $7.00/ft.	10,500
Cost of equipment	1,860
Engineering and assaying	1,700
Accounting	500
Power (electric)	1,000
Contingencies	1,000
TOTAL	$24,860

ESTIMATED TIME SCHEDULE

1st and 2nd months: Repair adit, install hoist and pumps, and unwater shaft.
3rd, 4th, and 5th months: Diamond drill ore blocks A-3 and A-4.

FIXTURES AND IMPROVEMENTS

<u>Equipment to be purchased</u>	
1,900 feet armored cable	$1,900
<u>Equipment to be rented</u>	
Large pump for dewatering shaft - 2 mos. at $300/mo.	600
Station pump - 4 mos. at $50/mo.	200
Hoist - 5 mos. at $100/mo.	500
<u>Equipment to be furnished by operator</u>	
Compressor 4 mos. depreciation at $65/mo.	260
Tools, equipment, etc. (electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools) 5 mos. depreciation at $60/mo.	300

* As indicated in Section 4 of the contract, all subcontracts are subject to approval by Government in writing.

SCHEDULE OF LABOR AND SUPERVISION

1 supervisor at $450 per mo. for 5 mos.	$2,250.00
3 pumpmen at $14 per day (including taxes, etc.) for 2 mos.	2,400.00
2 miners (repairman, etc.) at $14 per day (including taxes, etc.) for 2 mos.	1,600.00

REHABILITATION AND REPAIRS

None

OTHER ALLOWABLE COSTS

Engineering and assaying	$1,700.00
Accounting	500.00
Power	1,000.00

Underground maps showing the monthly progress of exploration with assays of samples taken concurrently with the advance where warranted are to be included in the progress report required under Section 12 of the project contract.

MF-200
(June 1951)

Docket No. DMA _____
Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Canyon Lode Mining Co., 425 Edith Street, Missoula, Montana

hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Deer Lodge described as follows: [3] Cable Lode Patented Claim, Survey No. 1220, in T 5 N, R 13 W, of the Montana Principal Meridian.

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

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: _____

Legal owner in fee simple of Canyon Lode Claim

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

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

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

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

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

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

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

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

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

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

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

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $12,450.00, which is 50 percent of the agreed estimated total cost of this project, $24,900.00.

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By ----------

By ----------

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

DMA Docket No. 594
Commodity — Copper

CABLE MINE
CANYON LODE MINING CO.
DEER LODGE COUNTY, MONTANA

EXHIBIT "A"

The purpose of this project is to unwater and rehabilitate the portion of the Cable mine below the main adit level and to diamond drill ore blocks A-3 and A-4 as shown on the attached maps. The program will provide access to the 65-foot, 140-foot, and 300-foot level for diamond drilling and geologic mapping to determine if ore bodies outlined by previous operators contain copper and gold values in economic quantities.

SCHEDULE OF ESTIMATED COSTS

Labor—reopening, rehabilitation and pumping	$ 6,400
Supplies	1,900
* Drilling contract 1,500 feet of AX hole at $7.00/ft.	10,500
Cost of equipment	1,860
Engineering and assaying	1,700
Accounting	500
Power (electric)	1,000
Contingencies	1,000
TOTAL	$24,860

ESTIMATED TIME SCHEDULE

1st and 2nd months: Repair adit, install hoist and pumps, and unwater shaft.
3rd, 4th, and 5th months: Diamond drill ore blocks A-3 and A-4.

FIXTURES AND IMPROVEMENTS

<u>Equipment to be purchased</u>	
1,900 feet armored cable	$1,900
<u>Equipment to be rented</u>	
Large pump for dewatering shaft - 2 mos. at $300/mo.	600
Station pump - 4 mos. at $50/mo.	200
Hoist - 5 mos. at $100/mo.	500
<u>Equipment to be furnished by operator</u>	
Compressor 4 mos. depreciation at $65/mo.	260
Tools, equipment, etc. (electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools) 5 mos. depreciation at $60/mo.	300

* As indicated in Section 4 of the contract, all subcontracts are subject to approval by Government in writing.

SCHEDULE OF LABOR AND SUPERVISION

1 supervisor at $450 per mo. for 5 mos.	$2,250.00
3 pumpmen at $14 per day (including taxes, etc.) for 2 mos.	2,400.00
2 miners (repairman, etc.) at $14 per day (including taxes, etc.) for 2 mos.	1,600.00

REHABILITATION AND REPAIRS

None

OTHER ALLOWABLE COSTS

Engineering and assaying	$1,700.00
Accounting	500.00
Power	1,000.00

Underground maps showing the monthly progress of exploration with assays of samples taken concurrently with the advance where warranted are to be included in the progress report required under Section 12 of the project contract.

MF-200
(June 1951)

DMA
Docket No. DMA 2323
Commodity Copper

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Docket copy

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Canyon Lode Mining Co., a corporation 425 Edith Street, Missoula, Montana hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Deer Lodge described as follows: [3] Cable Loded Patented Claim, Survey No. 1220, in T 5 N, R 13 W, of the Montana Principal Meridian. with respect to which the Operator represents and undertakes: [4]

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

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

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

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

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

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

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

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

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

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

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

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

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ 12,355.00, which is 50 percent of the agreed estimated total cost of this project, $ 24,710.00.

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

Canyon Lode Mining Company
(Operator)

By

THE UNITED STATES OF AMERICA

By Acting Administrator
Defense Mineral Exploration
Administration

Tom Hoffman (for)

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

EXPLORATION PROJECT CONTRACT
CANYON LODE MINING COMPANY
DOCKET NO. EMRA-2323

EXHIBIT "A"

Statement of the Work

The purpose of this project is to unwater and rehabilitate that portion of the Cable mine below the main adit level and to diamond drill ore blocks A-3 and A-4 as shown on the attached maps. The program will provide access to the 65-foot, 140-foot, 214-foot, and 300-foot levels for geologic mapping and sampling and to the 140-foot and 214-foot levels for diamond drilling to determine if ore bodies outlined by previous operators contain copper values in economic quantities.

Eight vertical diamond drill holes will be drilled from the 140-foot level to the 214-foot level to explore block A-3, and twelve vertical diamond drill holes from the 214-foot level to the 300-foot level to explore block A-4, at locations shown on the attached maps for a total of 1500 feet. Diamond drill holes shall be of AX size.

Summary of Estimated Costs

Labor--(reopening, rehabilitation and pumping)	$ 6,250.00
Supplies	1,900.00
Drilling--1,500 feet of AX hole at $7.00/ft.	10,500.00
Equipment	1,860.00
Engineering and assaying	1,700.00
Accounting	1,000.00
Power	500.00
Contingencies	1,000.00
Total	$24,710.00

Estimated Time Schedule

1st and 2nd months: Repair adit, install hoist and pumps, and unwater shaft.

3rd, 4th, and 5th months: Diamond drill ore blocks A-3 and A-4.

Estimate of Costs

Fixtures and Improvements

None

Operating Equipment

To be purchased

None

To be rented

Large pump for dewatering shaft - 2 mos. @ $300/mo.	$ 600.00	
Station pump - 4 mos. at $50/mo.	200.00	
Hoist - 5 mos. at $100/mo.	500.00	$ 1,300.00

To be furnished by Operator

Compressor-4 mos. depreciation at $65/mo.	260.00	
Tools, equipment, etc. (electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools)	300.00	$560.00

Labor and Supervision

1 supervisor at $450/mo. for 5 mos.	2,250.00	
3 pumpmen at $14/day (including taxes, etc.) for 2 mos.	2,400.00	
2 miners (repairman, etc.) at $14/day (including taxes, etc.) for 2 mos.	1,600.00	6,250.00

Rehabilitation and Repairs

None

Miscellaneous

Engineering and assaying	$ 1,700.00	
Accounting	500.00	
Power	1,000.00	
Supplies (1900 feet of armored cable)	1,900.00	
Contingency	1,000.00	$ 6,100.00

Independent Contractor

Drilling--1,500 feet of AX hole at $7.00/ft.	10,500.00
Total estimate	$28,710.00

Underground maps showing the monthly progress of exploration with assays of samples taken concurrently with the advance where warranted are to be included in the progress report required under Section 12 of the project contract.

MF-200
(June 1951)

Docket No. DMA-[illegible]
Commodity Copper

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Division copy

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Canyon Lode Mining Co., a corporation 425 Edith Street, Missoula, Montana

hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Deer Lodge described as follows: [3] Cable Loded Patented Claim, Survey No. 1220, in T 5 N, R 13 W, of the Montana Principal Meridian.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $12,355.00, which is 50 percent of the agreed estimated total cost of this project, $24,711.00.

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

Canyon Lode Mining Company

(Operator)

By

THE UNITED STATES OF AMERICA

By Acting Administrator, Defense Minerals Exploration Administration

Koons

Hoffman (Form)

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

EXPLORATION PROJECT CONTRACT
CANYON LODE MINING COMPANY
DOCKET NO. DMRA-2323

EXHIBIT "A"

Statement of the Work

The purpose of this project is to unwater and rehabilitate that portion of the Cable mine below the main adit level and to diamond drill ore blocks A-3 and A-4 as shown on the attached maps. The program will provide access to the 65-feet, 140-feet, 214-feet, and 300-feet levels for geologic mapping and sampling and to the 140-feet and 214-feet levels for diamond drilling to determine if ore bodies outlined by previous operators contain copper values in economic quantities.

Eight vertical diamond drill holes will be drilled from the 140-feet level to the 214-feet level to explore block A-3, and twelve vertical diamond drill holes from the 214-feet level to the 300-feet level to explore block A-4, at locations shown on the attached maps for a total of 1500 feet. Diamond drill holes shall be of AX size.

Summary of Estimated Costs

Labor--(reopening, rehabilitation and pumping)	$ 6,250.00	
Supplies	1,900.00	
Drilling--1,500 feet of AX hole at $7.00/ft.	10,500.00	
Equipment	1,860.00	
Engineering and assaying	1,700.00	
Accounting	1,000.00	
Power	500.00	
Contingencies	1,000.00	
Total		$24,710.00

Estimated Time Schedule

1st and 2nd months: Repair adit, install hoist and pumps, and unwater shaft.

3rd, 4th, and 5th months: Diamond drill ore blocks A-3 and A-4.

Estimate of Costs

Fixtures and Improvements

None

Operating Equipment

To be purchased

None

To be rented

Large pump for dewatering shaft - 2 mos. @ $300/mo.	$ 600.00	
Station pump - 4 mos. at $50/mo.	200.00	
Hoist - 5 mos. at $100/mo.	500.00	$ 1,300.00

To be furnished by Operator

Compressor-4 mos. depreciation at $65/mo.	260.00	
Tools, equipment, etc. (electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools)	300.00	560.00

Labor and Supervision

1 supervisor at $450/mo. for 5 mos.	2,250.00	
3 pumpmen at $14/day (including taxes, etc.) for 2 mos.	2,400.00	
2 miners (repairman, etc.) at $14/day (including taxes, etc.) for 2 mos.	1,600.00	6,250.00

Rehabilitation and Repairs

None

Miscellaneous

Engineering and assaying	$ 1,700.00	
Accounting	500.00	
Power	1,000.00	
Supplies (1900 feet of armored cable)	1,900.00	
Contingency	1,000.00	$ 6,100.00

Independent Contractor

Drilling--1,500 feet of AX hole at $7.00/ft.	10,500.00
Total estimate	$24,710.00

Underground maps showing the monthly progress of exploration with assays of samples taken concurrently with the advance where warranted are to be included in the progress report required under Section 12 of the project contract.

MF-200
(June 1951)

Docket No. DMEA-2323
Commodity Copper

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Field Team's copy

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Canyon Lode Mining Co., a corporation 425 Edith Street, Missoula, Montana hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Deer Lodge described as follows: [3] Cable Loded Patented Claim, Survey No. 1220, in T 5 N, R 13 W, of the Montana Principal Meridian. with respect to which the Operator represents and undertakes: [4]

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

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

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

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

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

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

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[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

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

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

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

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

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

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

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

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Executed in sextuplicate the day and year first above written.

Canyon Lode Mining Company
(Operator)

By

THE UNITED STATES OF AMERICA

By
Acting Administrator, Defense Minerals Exploration Administratio

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

EXPLORATION PROJECT CONTRACT
CANYON LODE MINING COMPANY
DOCKET NO. DNEA-2323

EXHIBIT "A"

Statement of the Work

The purpose of this project is to unwater and rehabilitate that portion of the Cable mine below the main adit level and to diamond drill ore blocks A-3 and A-4 as shown on the attached maps. The program will provide access to the 65-foot, 140-feet, 214-foot, and 300-foot levels for geologic mapping and sampling and to the 140-foot and 214-foot levels for diamond drilling to determine if ore bodies outlined by previous operators contain copper values in economic quantities.

Eight vertical diamond drill holes will be drilled from the 140-foot level to the 214-foot level to explore block A-3, and twelve vertical diamond drill holes from the 214-foot level to the 300-foot level to explore block A-4, at locations shown on the attached maps for a total of 1500 feet. Diamond drill holes shall be of AX size.

Summary of Estimated Costs

Labor--(reopening, rehabilitation and pumping)	$ 6,250.00	
Supplies	1,900.00	
Drilling--1,500 feet of AX hole at $7.00/ft.	10,500.00	
Equipment	1,860.00	
Engineering and assaying	1,700.00	
Accounting	1,000.00	
Power	500.00	
Contingencies	1,000.00	
Total		$24,710.00

Estimated Time Schedule

1st and 2nd months: Repair adit, install hoist and pumps, and unwater shaft.

3rd, 4th, and 5th months: Diamond drill ore blocks A-3 and A-4.

Estimate of Costs

Fixtures and Improvements

None

Operating Equipment

To be purchased

None

To be rented

Large pump for dewatering shaft - 2 mos. @ $300/mo.	$ 600.00	
Station pump - 4 mos. at $50/mo.	200.00	
Hoist - 5 mos. at $100/mo.	500.00	$ 1,300.00

To be furnished by Operator

Compressor-4 mos. depreciation at $65/mo.	260.00	
Tools, equipment, etc. (electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools)	300.00	560.00

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1 supervisor at $450/mo. for 5 mos.	2,250.00	
3 pumpmen at $14/day (including taxes, etc.) for 2 mos.	2,400.00	
2 miners (repairmen, etc.) at $14/day (including taxes, etc.) for 2 mos.	1,600.00	6,250.00

Rehabilitation and Repairs

None

Miscellaneous

Engineering and assaying	$ 1,700.00	
Accounting	500.00	
Power	1,000.00	
Supplies (1900 feet of armored cable)	1,900.00	
Contingency	1,000.00	$ 6,100.00

Independent Contractor

Drilling--1,500 feet of AX hole at $7.00/ft.	10,500.00
Total estimate	$24,710.00

Underground maps showing the monthly progress of exploration with assays of samples taken concurrently with the advance where warranted are to be included in the progress report required under Section 12 of the project contract.

MF-200
(June 1951)

Docket No. DMEA-2323
Commodity Copper

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Operator's copy

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Canyon Lode Mining Co., a corporation 425 Edith Street, Missoula, Montana

hereinafter called the "Operator," as follows:

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

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[5] Name of mineral.
[6] Not in excess of 2 years.

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

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

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

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

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

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $12,355.00, which is 50 percent of the agreed estimated total cost of this project, $24,710.00.

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Canyon Lode Mining Company
(Operator)

By _____

By _____
Acting Administrator, Defense Minerals Exploration Administration

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

EXPLORATION PROJECT CONTRACT
CANYON LODE MINING COMPANY
DOCKET NO. DMEA-2323

EXHIBIT "A"

Statement of the Work

The purpose of this project is to unwater and rehabilitate that portion of the Cable mine below the main adit level and to diamond drill ore blocks A-3 and A-4 as shown on the attached maps. The program will provide access to the 65-foot, 140-foot, 214-foot, and 300-foot levels for geologic mapping and sampling and to the 140-foot and 214-foot levels for diamond drilling to determine if ore bodies outlined by previous operators contain copper values in economic quantities.

Eight vertical diamond drill holes will be drilled from the 140-feet level to the 214-foot level to explore block A-3, and twelve vertical diamond drill holes from the 214-feet level to the 300-foot level to explore block A-4, at locations shown on the attached maps for a total of 1500 feet. Diamond drill holes shall be of AX size.

Summary of Estimated Costs

Labor--(reopening, rehabilitation and pumping)	$ 6,250.00	
Supplies	1,900.00	
Drilling--1,500 feet of AX hole at $7.00/ft.	10,500.00	
Equipment	1,860.00	
Engineering and assaying	1,700.00	
Accounting	1,000.00	
Power	500.00	
Contingencies	1,000.00	
Total		$24,710.00

Estimated Time Schedule

1st and 2nd months: Repair adit, install hoist and pumps, and unwater shaft.

3rd, 4th, and 5th months: Diamond drill ore blocks A-3 and A-4.

Estimate of Costs

Fixtures and Improvements

None

Operating Equipment

To be purchased

None

To be rented

Large pump for dewatering shaft - 2 mos. @ $300/mo.	$ 600.00	
Station pump - 4 mos. at $50/mo.	200.00	
Hoist - 5 mos. at $100/mo.	500.00	$ 1,300.00

To be furnished by Operator

Compressor-4 mos. depreciation at $65/mo.	260.00	
Tools, equipment, etc. (electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools)	300.00	560.00

Labor and Supervision

1 supervisor at $450/mo. for 5 mos.	2,250.00	
3 pumpmen at $14/day (including taxes, etc.) for 2 mos.	2,400.00	
2 miners (repairman, etc.) at $14/day (including taxes, etc.) for 2 mos.	1,600.00	6,250.00

Rehabilitation and Repairs

None

Miscellaneous

Engineering and assaying	$ 1,700.00	
Accounting	500.00	
Power	1,000.00	
Supplies (1900 feet of armored cable)	1,900.00	
Contingency	1,000.00	$ 6,100.00

Independent Contractor

Drilling--1,500 feet of AX hole at $7.00/ft.	10,500.00
Total estimate	$24,710.00

Underground maps showing the monthly progress of exploration with assays of samples taken concurrently with the advance where warranted are to be included in the progress report required under Section 12 of the project contract.

MF-200
(Jun 1951)

Docket No. DMEA-2323
Commodity Copper

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Government's copy

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Canyon Lode Mining Co., a corporation 425 Edith Street, Missoula, Montana hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Deer Lodge described as follows: [3] Cable Loded Patented Claim, Survey No. 1220, in T 5 N, R 13 W, of the Montana Principal Meridian. with respect to which the Operator represents and undertakes: [4]

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

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

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

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

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

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

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

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

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

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

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

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

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $12,355.00, which is 50 percent of the agreed estimated total cost of this project, $24,710.00.

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

Canyon Lode Mining Company
(Operator)

By _____

THE UNITED STATES OF AMERICA

By _____
Acting Administrator, Defense Minerals Exploration Administration

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

EXPLORATION PROJECT CONTRACT
CANYON LODE MINING COMPANY
DOCKET NO. DMEA-2323

EXHIBIT "A"

Statement of the Work

The purpose of this project is to unwater and rehabilitate that portion of the Cable mine below the main adit level and to diamond drill ore blocks A-3 and A-4 as shown on the attached maps. The program will provide access to the 65-foot, 140-foot, 214-foot, and 300-foot levels for geologic mapping and sampling and to the 140-foot and 214-foot levels for diamond drilling to determine if ore bodies outlined by previous operators contain copper values in economic quantities.

Eight vertical diamond drill holes will be drilled from the 140-foot level to the 214-foot level to explore block A-3, and twelve vertical diamond drill holes from the 214-foot level to the 300-foot level to explore block A-4, at locations shown on the attached maps for a total of 1500 feet. Diamond drill holes shall be of AX size.

Summary of Estimated Costs

Labor--(reopening, rehabilitation and pumping)	$ 6,250.00	
Supplies	1,900.00	
Drilling--1,500 feet of AX hole at $7.00/ft.	10,500.00	
Equipment	1,860.00	
Engineering and assaying	1,700.00	
Accounting	1,000.00	
Power	500.00	
Contingencies	1,000.00	
Total		$24,710.00

Estimated Time Schedule

1st and 2nd months: Repair adit, install hoist and pumps, and unwater shaft.

3rd, 4th, and 5th months: Diamond drill ore blocks A-3 and A-4.

Estimate of Costs

Fixtures and Improvements

None

Operating Equipment

To be purchased

None

To be rented

Large pump for dewatering shaft - 2 mos. @ $300/mo.	$ 600.00	
Station pump - 4 mos. at $50/mo.	200.00	
Hoist - 5 mos. at $100/mo.	500.00	$ 1,300.00

To be furnished by Operator

Compressor-4 mos. depreciation at $65/mo.	260.00	
Tools, equipment, etc. (electric grinder, electric drill, electric welder, acetylene welder, pipe threading set, electric lamp charging set, small tools)	300.00	560.00

Labor and Supervision

1 supervisor at $450/mo. for 5 mos.	2,250.00	
3 pumpmen at $14/day (including taxes, etc.) for 2 mos.	2,400.00	
2 miners (repairman, etc.) at $14/day (including taxes, etc.) for 2 mos.	1,600.00	6,250.00

Rehabilitation and Repairs

None

Miscellaneous

Engineering and assaying	$ 1,700.00	
Accounting	500.00	
Power	1,000.00	
Supplies (1900 feet of armored cable)	1,900.00	
Contingency	1,000.00	$ 6,100.00

Independent Contractor

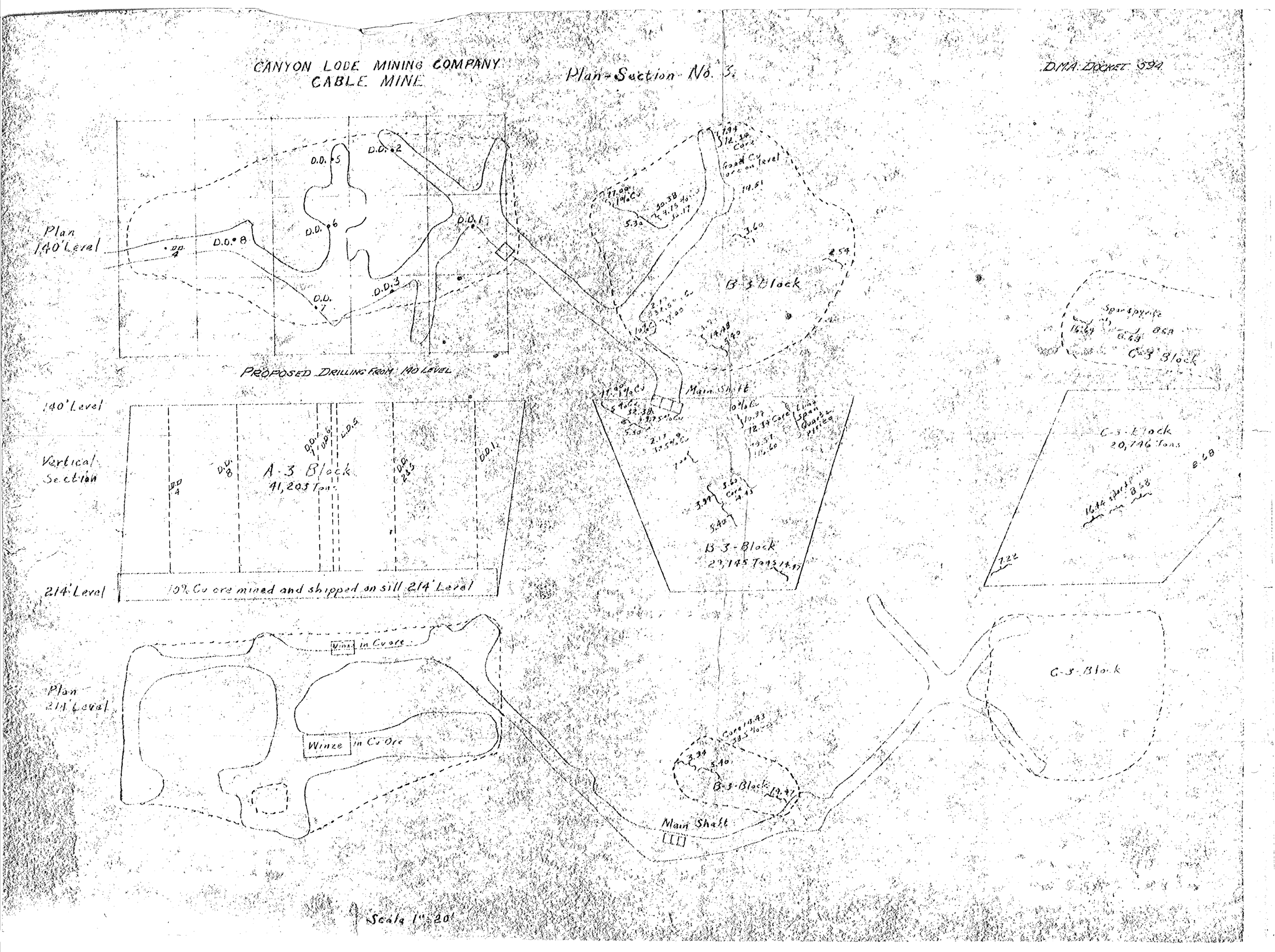
Drilling--1,500 feet of AX hole at $7.00/ft.	10,500.00
Total estimate	$24,710.00

Underground maps showing the monthly progress of exploration with assays of samples taken concurrently with the advance where warranted are to be included in the progress report required under Section 12 of the project contract.

CANYON LODE MINING COMPANY
CABLE MINE

Plan-Section No. 3

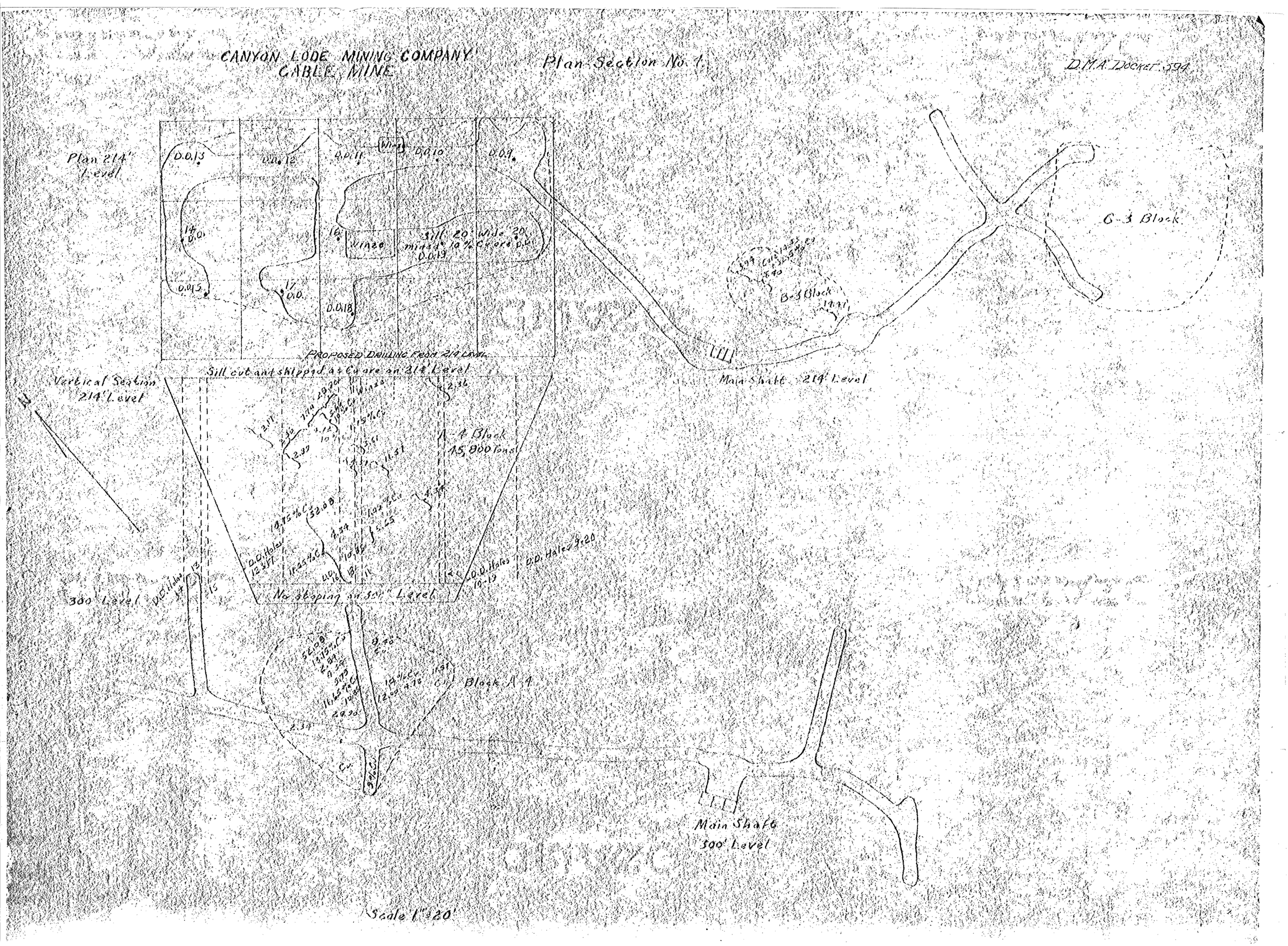
D.M.A. DOCKET 594



CANYON LODE MINING COMPANY
CABLE MINE

Plan Section No. 1

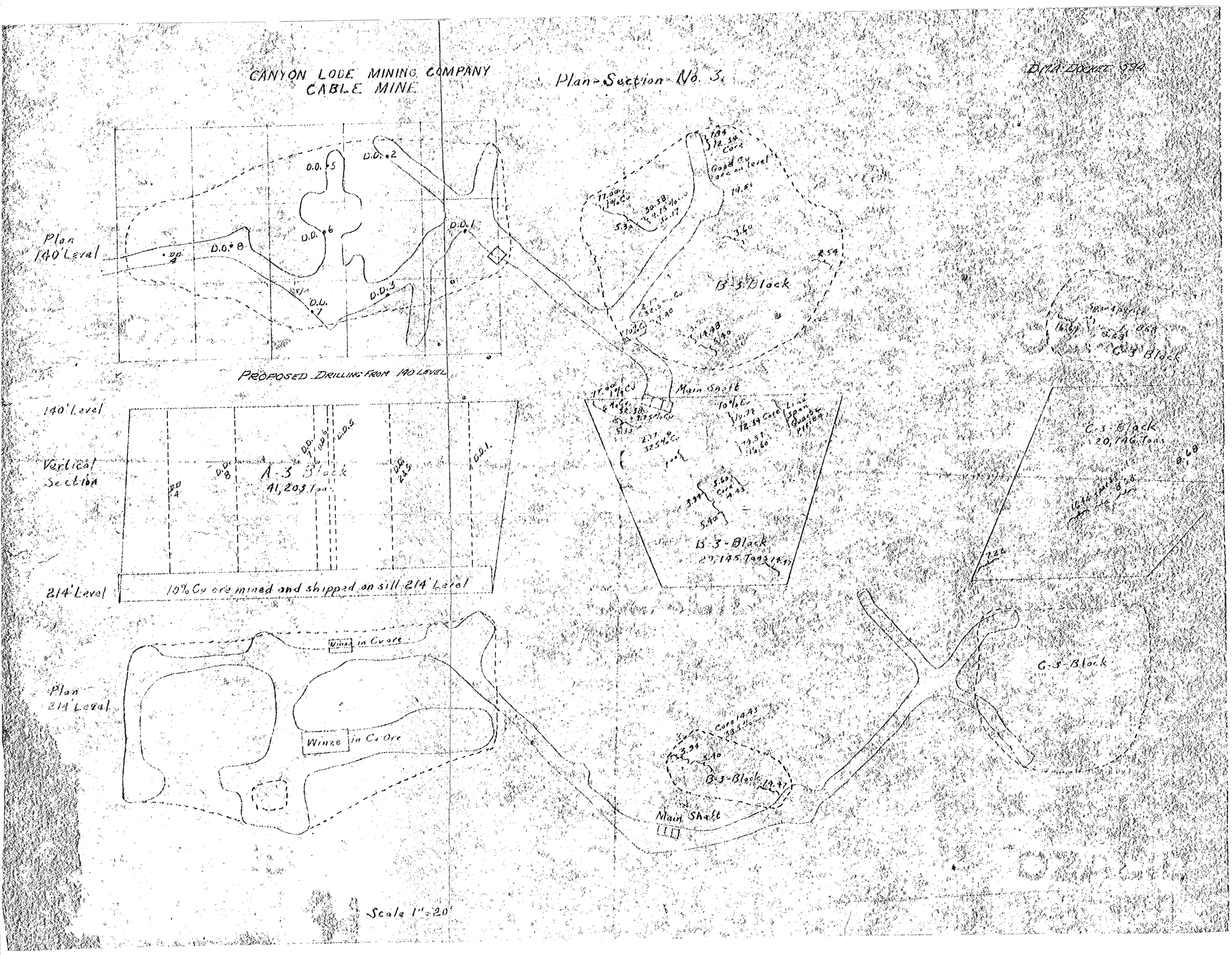
D.M.A. Docket 594



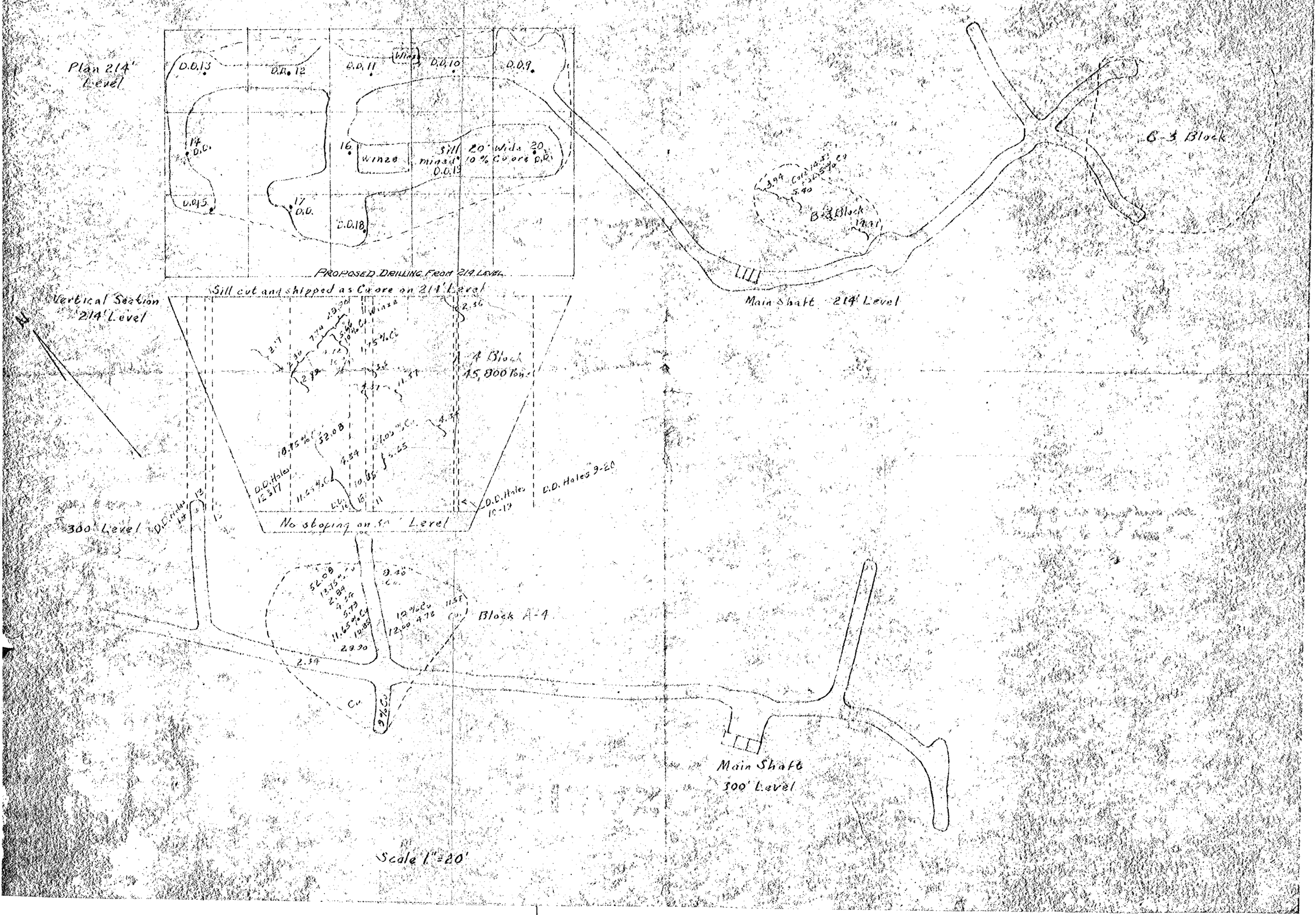
CANYON LODE MINING COMPANY
CABLE MINE

Plan-Section No. 3.

D.M.A. Docket 594



CANYON LODE MINING COMPANY
CABLE MINE

Plan Section No. 4.

D.M.A. Docket 594