MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Contract No. 14-23- 2163 Docket No. MME- 6263

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

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

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

- [ ] Field Team Semiannual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 12-18-62
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

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

Folders No. 2 : Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

52615

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/18	Murphy	500
	R. Lindsay	500
5/19	Tabbut	800
	Selbrede	120
"	Johnson	110
"	Fumich	100
5/19	Cole	220
		500

MAY 19 1964

Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Gentlemen:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of possible production under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the periods indicated.

We appreciate your interest and participation in the OME exploration program.

Sincerely yours,

George Fumich, Jr.

Acting Director

MMerrithew/mm
5/14/64
cc: Mr. and Mrs. Philip J. Shenon, 1339 3rd Avenue, Salt Lake City, Utah
Mr. and Mrs. Fred P. Shenon, 2709 Dwight Way, Berkeley, Calif.
Director's Reading File
CA&A Division
Region I
Docket
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/18	[illegible]	500
	[illegible]	500
5/19	[illegible]	800
	[illegible]	120
"	[illegible]	110
"	[illegible]	100
		220
		500

MAY 19 1964

Mr. and Mrs. Philip J. Shenon
1339 3rd Avenue
Salt Lake City, Utah

Re: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. and Mrs. Shenon:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Lien or Subordination Agreement signed by you on October 15, 1962.

Sincerely yours,

George Fumich, Jr. (RL)

Acting Director

Enclosure

MMerrithew/mm
5/14/64
cc: Director's Reading File
Region I
Docket
Code 500
Identical letter mailed to: Mr. and Mrs. Fred P. Shenon
2709 Dwight Way
Berkeley, Calif.

43683

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

pertaining to Exploration Contract 14-23-090-2163, OME No. 6263, including Amendment No. 1, for April 1963 to October 1963, inclusive, covering a gold-silver-bismuth--tellurium project on the Excelsior, et al., Claims, Beaverhead County, Montana.

My review included an examination of the Monthly Vouchers (MME Forms 60) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the reasons given in the attached schedule.

The findings of this review are stated in the following summary and the attached schedule:

Total cost billed by Operator		$70,445.00
Less: Proceeds from property disposition		1,200.00
Net cost claimed by Operator		69,245.00
Exceptions:		
Prior to this review	$27.50	
Herewith	3.25	30.75
Total acceptable cost		$69,214.25

The contract calls for a 50 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$34,607.13
Paid to date	31,287.50
Balance due Operator	$ 3,319.63

E. D. Talbert

E. D. Talbert, OME Auditor

May 6, 1964

Reasons for Report of Review in lieu of a final audit:

(a) a major portion ($69,140.00) of the acceptable costs covered work performed at unit rates under independent contract, less salvage proceeds;
(b) the balance ($74.25) of the acceptable costs was under a contract provision for contribution by the Government on the basis of fixed unit costs for work performed;
(c) the Monthly Reports were supported by documentary evidence of the acceptable actual costs under the contract; and
(d) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further exceptions.

Exceptions:

Au/Ag assays,	
Claimed by Operator, 42 @ $2.50	$ 105.00
Acceptable under contract, 33 @ $2.25	74.25
	$ 30.75

Acceptable costs:

Cat. (1)	Slabbing & rehabilitating adit, 280' @ $16.00	$ 4,480.00
	Drifting & crosscutting, 1400' @ $47.00	65,800.00
	Timbering, 30' @ $2.00	60.00
		70,340.00*
	Less: Proceeds from sale to Spokane National Mines, Inc., the high bidder, of salvaged rail, switches, fishplates, bolts, spikes, ties, air lines, and water pipe	1,200.00
		69,140.00
Fixed Unit Costs -		
	Au/Ag assays, 33 samples @ $2.25	74.25
		$69,214.25

* Actual costs as invoiced by independent contractor, E. V. Chettle, Engineer, 4317 So. 7th East, Salt Lake City 7, Utah.

Government's Copy

EXPLORATION CONTRACT
GRAND DEPOSIT MINING COMPANY
OME-6263

AMENDMENT NO. 1

It is agreed this 26th day of September, 1963, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Grand Deposit Mining Company, hereinafter called the "Operator," that Exploration Contract 2163 (Docket No. OME-6263), dated March 8, 1963, is amended effective the date of the contract as follows:

1. In Article 1(b) of the contract the figures $72,030.00 and $36,015.00 are deleted and replaced by the figures $71,880.00 and $35,940.00, respectively.

2. In Exhibit A, under the heading Estimated Costs of the Project, all reference to Category (7) Miscellaneous Costs are deleted and replaced as follows:

Fixed Unit Costs

100 samples assayed for Au and Ag content @ $2.25/sample	$ 225.00
50 assays for Bi @ $4.50/assay	225.00
50 assays for Te @ $8.00/assay	400.00
Total Estimated Costs	$71,880.00
Government Participation @ 50%	$35,940.00

3. This amendment changes assaying charges from Actual Cost to Fixed Unit Cost, decreases the estimated total cost of the project, and decreases the aggregate amount which the Government may be required to contribute.

Long

App'd. Sol. Off.

Murphy

Talbot

Selfridge

Johnson

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

GRAND DEPOSIT MINING COMPANY

By Charles A Steen

Title _____

MME Form 50
Feb. 1959

APR 22 1963
O.M.E.

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Government's Copy

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME-6263	**Gold-Silver-Bismuth and Tellurium**	14-23-090-2163	**Beaverhead**	**Montana**

It is agreed MAR 8 1963 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Grand Deposit Mining Company, A Nevada Corporation

whose mailing address is **1790 East Plumb Lane, Reno, Nevada**, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before April 22, 1963 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 18 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $72,030.00. The Government will contribute 50 percent of the allowable costs as they are incurred, in a total sum not in excess of $36,015.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest computed annually at the rate of 6 percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

See Annex I

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

See Annex I

RECEIVED
APR 18 1963
U. S. G. S.
SPOKANE, WASH.

RECEIVED
MAR 12 1963
U. S. G. S.
SPOKANE, WASH.

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 4. Contribution by the Government.--(a) The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

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

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

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

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

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

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

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

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

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

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

CATEGORY (4)--OPERATING EQUIPMENT.

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

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

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

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

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

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

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

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--The Government will not contribute to the following costs:

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

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

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

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

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. This provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

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

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

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

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

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

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

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

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

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 12. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 14. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U.S.C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U.S.C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provisions.--

(a) "Nondiscrimination. The provisions governing performance of work under Government contracts, as set out in Section 301 of the Executive Order 10925, dated March 6, 1961 (a copy of which is attached hereto as Exhibit B and by reference hereby incorporated and made a part of this contract), shall be applicable to this contract.

"In compliance with the Rules and Regulations (41 CFR, Section 60-1.3(a)) issued under Executive Order 10925 of March 6, 1961, the Operator is hereby bound and agrees to include in each subcontract which it shall make with a subcontractor or supplier paragraphs (1) through (7) of Section 301 of said Executive Order, unless exempted pursuant to the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity.

"The Operator shall require each of its subcontractors (first tier) to include in every subcontract with each of its subcontractors (second tier) the following clause: The (here identify the second-tier subcontractor by name) shall incorporate by reference in each subcontract or purchase order with a subcontractor or supplier paragraphs (1) through (6) of Section 301 of Executive Order 10925 of March 6, 1961, unless exempted pursuant to the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity.

Executed in quintuplicate this 11th day of April, 1963.

THE UNITED STATES OF AMERICA

GRAND DEPOSIT MINING COMPANY
(Operator)

By Charles A. Steen

Title President

By George Turnick Jr.
Director, Office of Minerals Exploration

Long
Murphy
Talbott
Selfridge
Johnson

I, Rick Richards, certify that I am
(Name)

the Assistant secretary of the corporation

named as Operator herein; that Charles A. Steen
(Name)

who signed this contract on behalf of the Operator was then

President of said corporation, that
(Title)

said contract was duly signed for and in behalf of said corporation by

authority of its governing body, and is within the scope of its corporate

powers.

Rick Richards

[CORPORATE SEAL]

EXPLORATION CONTRACT
GRAND DEPOSIT MINING COMPANY
OME-6263

ANNEX I

The land referred to in Article 2 of the contract consists of four (4) patented and four (4) unpatented lode mining claims and one (1) patented mill site, including all rights pertaining thereto, in sec. 8, T. 8 S., R. 11 W., Bannack mining district, Beaverhead County, Montana. The patent and recording data of the claims are as follows:

Patented Claims

Name of Claim	U. S. Patent No.
Excelsior	234A
Excelsior Mill Site	234B
Excelsior Extension	3797
North Excelsior	3798
Bannack	3822

Unpatented Claims

Recorded in the Beaverhead County Court House, Dillion, Montana:

Name of Claim	Book	Page
Lissa	164	121 - 122
Michael	164	119 - 120
Patricia	167	123 - 124
North Excelsior Fraction	164	117 - 118

The outer boundary of the group of claims is colored green on Plate 2 entitled "Bannack Mining District, Beaverhead County, Montana---Shenon Group---", attached hereto and made part hereof.

The Operator has rights to the patented and unpatented claims under the terms of a Mining Lease and Option to purchase, dated February 28, 1962, granted by Philip E. Shenon and Marion Shenon, husband and wife, and Fred P. Shenon and Nelle D. Shenon, husband and wife, as Lessors.

A Lien or Subordination Agreement dated October 15, 1962, executed by all of the above named lessors is attached and made a part hereof.

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 – 2163
Contract Date MAR 8 1963

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the County of Beaverhead, State of Montana, described as follows: 2/ patented lode mining claims Excelsior, Survey No. 234A; Excelsior Mill Site, Survey No. 234B; Excelsior Extension, Survey No. 3797; North Excelsior, Survey No. 3798; and Bannack, Survey No. 3822; and unpatented lode mining claims Lissa, Michael, Patricia, and North Excelsior Fraction.

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

GRAND DEPOSIT MINING COMPANY 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

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

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

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

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

NONE

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

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

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

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

RECEIVED
Cert.-Ret. receipt
FEB 11 1963
U. S. G. S.
SPOKANE, WASH.

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

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

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

Dated this 15th day of October, 19 62.

APPLICANTS SHOULD NOT SIGN

Phillip J Shenon (Seal)	1339 3rd avenue (Street)	Salt Lake City, Utah (City & State)
Marian M. Shenon (Seal)	1339 Third Ave (Street)	Salt Lake City, Ut (City & State)
(Seal)	2709 Dwight Way (Street)	Berkeley, California (City & State)
Nellie D. Shenon (Seal)	2709 Dwight Way (Street)	Berkeley, California (City & State)
(Seal)	(Street)	(City & State)
(Seal)	(Street)	(City & State)

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

_____ (Corporate Seal)

EXPLORATION CONTRACT
GRAND DEPOSIT MINING COMPANY
OME-6263

EXHIBIT A

The purpose of this project is to explore for gold, silver, bismuth, and tellurium-bearing ore bodies by enlarging the existing 80-Level adit and drifting from this opening to the north and south along the contact of a granodiorite intrusive and limestone formation. Short crosscuts may be driven from the drift to further explore the contact zone.

General Provisions

No work under this contract shall be performed at locations within 100 feet of the boundary of the property described in Annex I.

The adit and drifts shall not be less than 5' x 7' in the clear of timber and shall be timbered as necessary using standard drift sets on 5-foot centers of not less than 8" x 8" timber or equivalent round timber.

The mine rails shall not be less than 20 lb., air lines not less than 2-inch in diameter, and water lines not less than 1-inch in diameter.

All significantly mineralized areas traversed by the drifting shall be sampled normal to their trends at intervals of not more than 10 feet. In addition, a representative bulk sample shall be taken of each round broken in areas showing significant mineralization.

All samples from whatever source shall be split. One split of each sample properly marked as to source and location shall be set aside and made available to the Government, and the Operator shall have one split assayed for gold, silver, bismuth, or tellurium, as appropriate. With prior Government approval the Operator may dispose of the Government's sample splits.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period, the general geologic formations and structures traversed, and the locations of all samples taken.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

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

Description of the Work

The existing 4' x 5'-6" 80 Level adit shall be slabbed to a dimension of 5' x 7' for a distance of approximately 280 feet in from the portal. From this point a drift shall be driven on a bearing of approximately N. 50° E. for a distance of approximately 40 feet or until the contact of the granodiorite and limestone exposed by the old workings is reached. Thereafter, it shall be continued along or near the contact on the north side of the adit. From about the same point in this adit a drift shall be driven on a bearing of about S. 8° E. for a distance of approximately 70 feet or until the contact of the granodiorite and limestone exposed in the old workings is reached. Thereafter, it shall be continued along or near the contact on the south side of the adit. From the north and south drifts, short crosscuts may be driven to further explore favorable areas traversed by the drifts. It is estimated that each of the drifts including crosscuts will average 700 feet in length. Either the north or south drift and attendant crosscuts may exceed this figure; however, the aggregate total of drifting and crosscutting shall not be more than 1400 feet.

The locations and extent of the proposed work are shown in red on Plate 1 entitled "Sketch showing working, geologic relations as observed on the surface, and proposed drifting----", attached and made part hereof. The locations of the work are also shown in red on Plate 2, referred to in Annex I.

Estimated Costs of the Project

Actual Costs:

Category (1) Independent Contracts

280 lineal feet slabbing and rehabilitating 80' level adit @ $16.00/ft.	$ 4,480.00
1400 feet drifting and crosscutting @ $47.00/ft.	65,800.00
100 feet timbering in adit and drifts @ $7.50/ft.	750.00

Category (7) Miscellaneous

None except:

100 samples assayed for Au & Ag Content @ $2.50/sample	250.00
50 assays for Bi @ $5.00/assay	250.00
50 assays for Te @ $10.00/assay	500.00
Total Estimated Cost	$72,030.00
Government Participation @ 50%	$36,015.00

EXHIBIT B

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10925

ESTABLISHING THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

WHEREAS discrimination because of race, creed, color, or national origin is contrary to the Constitutional principles and policies of the United States; and

WHEREAS it is the plain and positive obligation of the United States Government to promote and ensure equal opportunity for all qualified persons, without regard to race, creed, color, or national origin, employed or seeking employment with the Federal Government and on government contracts; and

WHEREAS it is the policy of the executive branch of the Government to encourage by positive measures equal opportunity for all qualified persons within the Government; and

WHEREAS it is in the general interest and welfare of the United States to promote its economy, security, and national defense through the most efficient and effective utilization of all available manpower; and

WHEREAS a review and analysis of existing Executive orders, practices, and government agency procedures relating to government employment and compliance with existing non-discrimination contract provisions reveal an urgent need for expansion and strengthening of efforts to promote full equality of employment opportunity; and

WHEREAS a single governmental committee should be charged with responsibility for accomplishing these objectives:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

PART I—ESTABLISHMENT OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

SECTION 101. There is hereby established the President's Committee on Equal Employment Opportunity.

SEC. 102. The Committee shall be composed as follows:

(a) The Vice President of the United States, who is hereby designated Chairman of the Committee and who shall preside at meetings of the Committee.

(b) The Secretary of Labor, who is hereby designated Vice Chairman of the Committee and who shall act as Chairman in the absence of the Chairman. The Vice Chairman shall have general supervision and direction of the work of the Committee and of the execution and implementation of the policies and purposes of this order.

(c) The Chairman of the Atomic Energy Commission, the Secretary of Commerce, the Attorney General, the Secretary of Defense, the Secretaries of the Army, Navy and Air Force, the Administrator of General Services, the Chairman of the Civil Service Commission, and the Administrator of the National Aeronautics and Space Administration. Each such member may designate an alternate to represent him in his absence.

(d) Such other members as the President may from time to time appoint.

(e) An Executive Vice Chairman, designated by the President, who shall be *ex officio* a member of the Committee. The Executive Vice Chairman shall assist the Chairman, the Vice Chairman and the Committee. Between meetings of the Committee he shall be primarily responsible for carrying out the functions of the Committee and may act for the Committee pursuant to its rules, delegations, and other directives. Final action in individual cases or classes of cases may be taken and final orders may be entered on behalf of the Committee by the Executive Vice Chairman when the Committee so authorizes.

SEC. 103. The Committee shall meet upon the call of the Chairman and at such other times as may be provided by its rules and regulations. It shall (a) consider and adopt rules and regulations to govern its proceedings; (b) provide generally for the procedures and policies to implement this order; (c) consider reports as to progress under this order; (d) consider and act, where necessary or appropriate, upon matters which may be presented to it by any of its members; and (e) make such reports to the President as he may require or the Committee shall deem appropriate. Such reports shall be made at least once annually and shall include specific references to the actions taken and results achieved by each department and agency. The Chairman may appoint sub-committees to make special studies on a continuing basis.

PART II—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

SECTION 201. The President's Committee on Equal Employment Opportunity established by this order is directed immediately to scrutinize and study employment practices of the Government of the United States, and to consider and recommend additional affirmative steps which should be taken by executive departments and agencies to realize more fully the national policy of nondiscrimination within the executive branch of the Government.

SEC. 202. All executive departments and agencies are directed to initiate forthwith studies of current government employment practices within their responsibility. The studies shall be in such form as the Committee may prescribe and shall include statistics on current employment patterns, a review of current procedures, and the recommendation of positive measures for the elimination of any discrimination, direct or indirect, which now exists. Reports and recommendations shall be submitted to the Executive Vice Chairman of the Committee no later than sixty days from the effective date of this order, and the Committee, after considering such reports and recommedations, shall report to the President on the current situation and recommend positive measures to accomplish the objectives of this order.

SEC. 203. The policy expressed in Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), with respect to the exclusion and prohibition of discrimination against any employee or applicant for employment in the Federal Government because of race, color, religion, or national origin is hereby reaffirmed.

SEC. 204. The President's Committee on Government Employment Policy, established by Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), as amended by Executive Order No. 10722 of August 5, 1957 (22 F.R. 6287), is hereby abolished, and the powers, functions, and duties of that Committee are hereby transferred to, and henceforth shall be vested in, and exercised by, the President's Committee on Equal Employment Opportunity in addition to the powers conferred by this order.

PART III—OBLIGATIONS OF GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

SUBPART A—CONTRACTORS' AGREEMENTS

SECTION 301. Except in contracts exempted in accordance with section 303 of this order, all government contracting agencies shall include in every government contract hereafter entered into the following provisions:

"In connection with the performance of work under this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor,

state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

"(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled in whole or in part and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, and such other sanctions may be imposed and remedies invoked as provided in the said Executive order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

"(7) The contractor will include the provisions of the foregoing paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance: *Provided, however,* that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

SEC. 302. (a) Each contractor having a contract containing the provisions prescribed in section 301 shall file, and shall cause each of its subcontractors to file, Compliance Reports with the contracting agency, which will be subject to review by the Committee upon its request. Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Committee may prescribe.

(b) Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this order, and in that event to submit, on behalf of themselves and their proposed subcontractors, Compliance Reports prior to or as an initial part of their bid or negotiation of a contract.

(c) Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or other representative of workers, the Compliance Report shall include such information as to the labor union's or other representative's practices and policies affecting compliance as the Committee may prescribe: *Provided,* that to the extent such information is within the exclusive possession of a labor union or other workers' representative and the labor union or representative shall refuse to furnish such information to the contractor, the contractor shall so certify to the contracting agency as part of its Compliance Report and shall set forth what efforts he has made to obtain such information.

(d) The Committee may direct that any bidder or prospective contractor or subcontractor shall submit, as part of his Compliance Report, a statement in writing, signed by an authorized officer or agent of any labor union or other workers' representative with which the bidder or prospective contractor deals, together with supporting information, to the effect that the said labor union's or representative's practices and policies do not discriminate on the grounds of race, color, creed, or national origin, and that the labor union or representative either will affirmatively cooperate, within the limits of his legal and contractual authority, in the implementation of the policy and provisions of this order or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the order. In the event that the union or representative shall refuse to execute such a statement, the Compliance Report shall so certify and set forth what efforts have been made to secure such a statement.

SEC. 303. The Committee may, when it deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of section 301 of this order in any specific contract, subcontract, or purchase order. The Committee may, by rule or regulation, also exempt certain classes of contracts, subcontracts, or purchase orders (a) where work is to be or has been performed outside the United States and no recruitment of workers within the limits of the United States is involved; (b) for standard commercial supplies or raw materials; or (c) involving less than specified amounts of money or specified numbers of workers.

SUBPART B—LABOR UNIONS AND REPRESENTATIVES OF WORKERS

SEC. 304. The Committee shall use its best efforts, directly and through contracting agencies, contractors, state and local officials and public and private agencies, and all other available instrumentalities, to cause any labor union, recruiting agency or other representative of workers who is or may be engaged in work under government contracts to cooperate with, and to comply in the implementation of, the purposes of this order.

SEC. 305. The Committee may, to effectuate the purposes of section 304 of this order, hold hearings, public or private, with respect to the practices and policies of any such labor organization. It shall from time to time submit special reports to the President concerning discriminatory practices and policies of any such labor organization, and may recommend remedial action if, in its judgment, such action is necessary or appropriate. It may also notify any Federal, state, or local agency of its conclusions and recommendations with respect to any such labor organization which in its judgment has failed to cooperate with the Committee, contracting agencies, contractors, or subcontractors in carrying out the purposes of this order.

SUBPART C—POWERS AND DUTIES OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY AND OF CONTRACTING AGENCIES

SEC. 306. The Committee shall adopt such rules and regulations and issue such orders as it deems necessary and appropriate to achieve the purposes of this order, including the purposes of Part II hereof relating to discrimination in government employment.

SEC. 307. Each contracting agency shall be primarily responsible for obtaining compliance with the rules, regulations, and orders of the Committee with respect to contracts entered into by such agency or its contractors, or affecting its own employment practices. All contracting agencies shall comply with the Committee's rules in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this Executive order and of the rules, regulations, and orders of the Committee pursuant hereto. They are directed to cooperate with the Committee, and to furnish the Committee such information and assistance as it may require in the performance of its functions under this order. They are further directed to appoint or designate, from among the agency's personnel, compliance officers. It shall be the duty of such officers to seek compliance with the objectives of this order by conference, conciliation, mediation, or persuasion.

SEC. 308. The Committee is authorized to delegate to any officer, agency, or employee in the executive branch of the

Government any function of the Committee under this order, except the authority to promulgate rules and regulations of a general nature.

SEC. 309. (a) The Committee may itself investigate the employment practices of any government contractor or subcontractor, or initiate such investigation by the appropriate contracting agency or through the Secretary of Labor, to determine whether or not the contractual provisions specified in section 301 of this order have been violated. Such investigation shall be conducted in accordance with the procedures established by the Commitee, and the investigating agency shall report to the Committee any action taken or recommended.

(b) The Committee may receive and cause to be investigated complaints by employees or prospective employees of a government contractor or subcontractor which allege discrimination contrary to the contractual provisions specified in section 301 of this Order. The appropriate contracting agency or the Secretary of Labor, as the case may be, shall report to the Committee what action has been taken or is recommended with regard to such complaints.

SEC. 310. (a) The Committee, or any agency or officer of the United States designated by rule, regulation, or order of the Committee, may hold such hearings, public or private, as the Committee may deem advisable for compliance, enforcement, or educational purposes.

(b) The Committee may hold, or cause to be held, hearings in accordance with subsection (a) of this section prior to imposing, ordering, or recommending the imposition of penalties and sanctions under this order, except that no order for debarment of any contractor from further government contracts shall be made without a hearing.

SEC. 311. The Committee shall encourage the furtherance of an educational program by employer, labor, civic, educational, religious, and other nongovernmental groups in order to eliminate or reduce the basic causes of discrimination in employment on the ground of race, creed, color, or national origin.

SUBPART D—SANCTIONS AND PENALTIES

SEC. 312. In accordance with such rules, regulations or orders as the Committee may issue or adopt, the Committee or the appropriate contracting agency may:

(a) Publish, or cause to be published, the names of contractors or unions which it has concluded have complied or have failed to comply with the provisions of this order or of the rules, regulations, and orders of the Committee.

(b) Recommend to the Department of Justice that, in cases where there is substantial or material violation or the threat of substantial or material violation of the contractual provisions set forth in section 301 of this order, appropriate proceedings be brought to enforce those provisions, including the enjoining, within the limitations of applicable law, of organizations, individuals or groups who prevent directly or indirectly, or seek to prevent directly or indirectly, compliance with the aforesaid provisions.

(c) Recommend to the Department of Justice that criminal proceedings be brought for the furnishing of false information to any contracting agency or to the Committee as the case may be.

(d) Terminate, or cause to be terminated, any contract, or any portion or portions thereof, for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract. Contracts may be terminated absolutely or continuance of contracts may be conditioned upon a program for future compliance approved by the contracting agency.

(e) Provide that any contracting agency shall refrain from entering into further contracts, or extensions or other modifications of existing contracts, with any non-complying contractor, until such contractor has satisfied the Committee that he has established and will carry out personnel and employment policies in compliance with the provisions of this order.

(f) Under rules and regulations prescribed by the committee, each contracting agency shall make reasonable efforts within a reasonable time limitation to secure compliance with the contract provisions of this order by methods of conference, conciliation, mediation, and persuasion before proceedings shall be instituted under paragraph (b) of this section, or before a contract shall be terminated in whole or in part under paragraph (d) of this section for failure of a contractor or subcontractor to comply with the contract provisions of this order.

SEC. 313. Any contracting agency taking any action authorized by this section, whether on its own motion, or as directed by the Committee, or under the Committee's rules and regulations, shall promptly notify the Committee of such action or reasons for not acting. Where the Committee itself makes a determination under this section, it shall promptly notify the appropriate contracting agency of the action recommended. The agency shall take such action and shall report the results thereof to the Committee within such time as the Committee shall provide.

SEC. 314. If the Committee shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless the bidder or prospective contractor has satisfactorily complied with the provisions of this order or submits a program for compliance acceptable to the Committee or, if the Committee so authorizes, to the contracting agency.

SEC. 315. Whenever a contracting agency terminates a contract, or whenever a contractor has been debarred from further government contracts, because of noncompliance with the contractor provisions with regard to nondiscrimination, the Committee, or the contracting agency involved, shall promptly notify the Comptroller General of the United States.

SUBPART E—CERTIFICATES OF MERIT

SEC. 316. The Committee may provide for issuance of a United States Government Certificate of Merit to employers or employee organizations which are or may hereafter be engaged in work under government contracts, if the Committee is satisfied that the personnel and employment practices of the employer, or that the personnel, training, apprenticeship, membership, grievance and representation, upgrading and other practices and policies of the employee organization, conform to the purposes and provisions of this order.

SEC. 317. Any Certificate of Merit may at any time be suspended or revoked by the Committee if the holder thereof, in the judgment of the Committee, has failed to comply with the provisions of this order.

SEC. 318. The Committee may provide for the exemption of any employer or employee organization from any requirement for furnishing information as to compliance if such employer or employee organization has been awarded a Certificate of Merit which has not been suspended or revoked.

PART IV—MISCELLANEOUS

SECTION 401. Each contracting agency (except the Department of Justice) shall defray such necessary expenses of the Committee as may be authorized by law, including section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691): *Provided*, that no agency shall supply more than fifty per cent of the funds necessary to carry out the purposes of this order. The Department of Labor shall provide necessary space and facilities for the Committee. In the case of the Department of Justice, the contribution shall be limited to furnishing legal services.

SEC. 402. This order shall become effective thirty days after its execution. The General Services Administration shall take appropriate action to revise the standard Government contract forms to accord with the provisions of this order and of the rules and regulations of the Committee.

SEC. 403. Executive Order No. 10479 of August 13, 1953 (18 F.R. 4899), together with Executive Orders Nos. 10482 of August 15, 1953 (18 F.R. 4944), and 10733 of October 10, 1957 (22 F.R. 8135), amending that order, and Executive Order No. 10557 of September 3, 1954 (19 F.R. 5655), are hereby revoked, and the Government Contract Committee established by Executive Order No. 10479 is abolished. All records and property of or in the custody of the said Committee are hereby transferred to the President's Committee on Equal Employment Opportunity, which shall wind up the outstanding affairs of the Government Contract Committee.

JOHN F. KENNEDY

THE WHITE HOUSE,
March 6, 1961.

[F.R. Doc. 61-2093; Filed, Mar. 7, 1961; 10:06 a.m.] 90048

MME Form 40
Dec. 1958

RECEIVED
JUL 9 1962
U. S. G. S.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

JUL 11 1962
O.M.E.

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6263

DATE RECEIVED: 7-11-62

REGION: I

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [X]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: Nevada

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Charles A. Steen	1790 East Plumb Lane, Reno, Nev.	President
Mary Hope Westbrook	1790 East Plumb Lane, Reno, Nev.	Vice-President & Treasurer
R. H. Ruggeri	Box 308, Moab, Utah	Secretary
Ruth Richards	1790 East Plumb Lane, Reno, Nev.	Ass't. Secretary

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Gold, Bismuth & Tellurium

ESTIMATED COST OF PROJECT: $ 101,080.00

PROPERTY NAME	LOCATION COUNTY	STATE
Excelsior	Beaverhead	Montana

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

CERTIFICATION

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

7/6/62
DATED

Charles Steen
BY *(Signature)*

President
TITLE

Grand Deposit Mining Company

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

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

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

2. Applicant's Rights in Land:

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

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

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. Physical Description:

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

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

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

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

INT.-DUP. SEC., WASH., D.C. 50399

O.M.E. APPLICATION

Excelsior Mine, Shenon Property
Bannack, Beaverhead Co., Montana

1. FINANCIAL ELIGIBILITY

a. Private credit. Evidence of effort to obtain private credit is enclosed in Exhibit VIII.

b. There is no parent, controlling company or organization within the Grand Deposit Mining Company.

c. The applicant proposes to furnish its share of the exploration costs via a cash deposit in a Reno, Nevada, bank.

2. APPLICANT'S RIGHTS IN LAND

a. The applicant holds land and mineral rights to this property by virtue of a mining lease and option to purchase from the owners. (See Exhibit VII.) The owners are Mr. Philip J. Shenon, Marion M. Shenon, Mr. Fred P. Shenon, and Nelle D. Shenon.

One copy of the lease is enclosed with this application.

To the knowledge of the applicant, there are no leins, mortgages or other encumbrances on the land.

b. The property to be explored is known as the Shenon property, and includes the Excelsior Mine and adjacent claims.

The property is located in Beaverhead County, Montana, in the Bannack Mining District, T. 8 S., R. 11 W., Sec. 8. Patented claims include the Excelsior 234A, North Excelsior 3796, Mill Site

(1) (2) (3)

234B, Excelsior Extension 3797, and Bannack 3822. The adjoining unpatented claims include the Patricia, Lissa, Michael, and the North Excelsior Extension. The unpatented claims are recorded in the Beaverhead County courthouse, Book 167, page 123-4; Book 164, page 121-2; Book 164, page 119-20; Book 164, page 117-8.

3. PHYSICAL DESCRIPTION

a. The first important discovery of metallic wealth in Montana was made at Bannack in August 1862, when rich placer gold deposits were found. The first lode mines in Montana were also located in Bannack in 1862. According to the Montana Bureau of Mines Bulletin No. 6, page 28, the placer production of the Bannack district was about $8,000,000 and the lode gold production exceeded $2,000,000. The production of the Excelsior Mine, for which the exploration loan is requested, has been about $300,000, all from one small ore shoot. There appears to have been very little exploration work as such on this property, other than the 290 ft. level drift toward the bottom of the old stope. (See Exhibit III.) The ore in this area is said to be faulted out.

b. The Grand Deposit Mining Co. has had no interest in the past production from the Excelsior Mine or adjacent property.

c. The gold production from the Excelsior Mine was about $300,000 in the 1870s. Very little work was done beyond the limits of the productive shoot which had an inconspicuous surface outcrop. (Exhibits II & III.)

Settlement sheets are not available and there is no current

production. A brief description of this mine and the production is to be found on page 40, Montana Bureau of Mines Bulletin No. 6, by Philip J. Shenon, 1925. (Exhibit IV.)

d. There are no known reserves in the Excelsior Mine. The grade of the ore mined in the 1870s is unknown, but considering the small size of the stope and the $300,000 value, the value of the ore per ton was satisfactory. Selected samples taken by Mr. Philip J. Shenon assayed $600 to $700 per ton in gold and 56% in Bismuth. A recent grab sample of gob taken by Robert K. Wyant assayed $120 per ton in gold. (Exhibit V.)

e. Geologic information:

Most of the lode deposits in the Bannack district occurred at or near the contact between a stock-like body of granodiorite and limestone. (Montana Bureau of Mines Bulletin No. 6, page 39.) However, some deposits occurred out in the limestone at some distance from the contact, as at the Hendricks Mine (page 43.) In the Wadams and Wallace Mines, several very high grade manto-like ore bodies occurred out in the limestone along fissures that extended from the granodiorite. In one place three bedded deposits occurred at different horizons, one above another, along the same fissure.

The ore at the Excelsior Mine, according to Montana Bureau of Mines Bulletin No. 6, page 40, was found at the contact of crystalline limestone and granodiorite, along an apophysis of the granodiorite.

(Exhibit II.) Adjacent to the contact, the limestone has undergone garnetization. Coarse crystalline calcite, chlorite and specularite are associated with the garnet. Near the surface, the ore was oxidized but with depth the gold is associated with tetradymite, a bismuth telluride.

The old stope, from which the $300,000 ore body was removed, was not fully examined due to partial inaccessibility. As indicated on the composite mine map (Exhibit III), prepared by P. J. Shenon, the old ore body dips to the southwest at about 65° and may flatten with depth. The north-south width of the ore body at the 80 ft. level is 30 feet and the thickness is 8 feet. At the bottom of the stope the ore body appears to have widened to 90 feet. The down dip length of the ore body was approximately 170 feet.

The ore body is said to have been faulted "out" on the bottom. This feature could not be verified, since this portion of the mine is presently inaccessible.

f. As noted in section "e," much of the mineralization of this district occurs along the limestone to granite contact. This feature is present at the Excelsior Mine. There is considerable unexplored contact area both to the north and to the south of the old mine. Since only a small segment of the total contact area has been explored by the 1870 mining, it is anticipated that additional ore bodies should be present within the immediate claims area.

Since the Excelsior Mine has not operated for many years and the

known ore body was mined out, assay data is lacking. Assay information is stated in Sec. 3-d and on Exhibit V. The total value of the Excelsior ore body was $300,000.

g. All maps and other data submitted with this application do not need to be returned to the applicant.

4. ACCESSIBILITY OF PROPERTY

a. To aid the O.M.E. representative who may examine the property, the examiner should contact Mr. Max D. Pierson, Grand Deposit Mining Co., 1790 East Plumb Lane, Reno, Nevada.

The Excelsior Mine (Shenon Property) is located one mile east of the old mining town of Bannack, Montana. Bannack is located twenty-nine miles west of Dillon, Montana. The property is accessible by pick-up truck.

The 80 ft. level of the mine working is accessible via the tunnel and the 290 ft. level is not accessible since the Excelsior shaft is in poor condition.

b. The nearest supply point to this property is Dillon, Montana, located 29 miles to the east of the Shenon property.

c. Electric power is available within one mile of the property and water is immediately available from Grasshopper Creek.

5. EXPLORATION WORK

a. The exploration for the Shenon group of claims, as proposed by the Grand Deposit Mining Co., is based on the nature of the known occurrences in the Bannack district. Basically the proposal is for drifting

along the contact of the granodiorite intrusive with the limestones, and exploration of fractures containing gold values that extend from the contact into the limestones. An irregular apophysis of granodiorite is known to extend into the limestone north of the Excelsior Mine adit tunnel. (Exhibit II.)

As illustrated on Exhibit II, it is proposed to slab the 80 ft. level to a point 280 feet from the portal. The size of the tunnel should be 5' x 7' to permit the use of a mucking machine. Five feet by seven feet drifting along the contact would proceed 700 feet northward from the 280 foot point in the adit tunnel. Similarly, a drift would be extended southward along the contact for 700 feet.

In the event mineralized fissures are found normal to the limestone-granodiorite contact, it is also proposed to drift in these areas. This work would be done in phase II.

At the present time it is anticipated that all drifting will be confined to the patented claims under lease to the Grand Deposit Mining Co. These claims include the Excelsior, North Excelsior and Excelsior Extension claims, upon which the work will be done.

b. Approximately one mile of access road will be required, as shown on the property map (Exhibit I.) The road will cross Grasshopper Creek east of the mill site and extend southeast to the Excelsior adit. The road material is all unconsolidated and the road could be built in two days.

Due to the flow of water in Grasshopper Creek, a small wooden

bridge, 15' x 30', will be required.

c. It is anticipated that work could begin immediately after the execution of the O.M.E. contract. The approximate period of exploration will be 12 months.

6. EXPERIENCE

The Grand Deposit Mining Company has been in existence since 1941. The principle operation in the past has been the Grand Deposit Mine in White Pine County, Nevada. The present management has been in office since 1960 and recent company operations have included the lease operation and extraction of ore at the Cardiff Mine, Alta, Utah.

All operating personnel presently connected with the company have had at least eight years experience in the field of mining. Mr. Philip J. Shenon, consultant, Salt Lake City, Utah, will also be available for the duration of the proposed project.

7. ESTIMATE OF COSTS

a. Independent contracts:

It is proposed that the drifting, slabbing, road building, bridge construction and tool house construction be done by independent contractor as follows: See Exhibit IX, Drifting bids.

Phase I

		Cost
(1)	Road Construction	
	D-6 cat, 24 hrs. @ $12.50 per hr.	$ 300.00
(2)	Compressor & Tool House	
	Wooden, 20 ft. x 24 ft.	2,500.00
(3)	Bridge Construction	
	Wooden, 40' long, 15' wide	4,500.00
(4)	Slabbing back of adit tunnel, 280 ft.	
	and installation of rail & air pipe	
	@ $16.00 per ft.	4,480.00
(5)	Drifting, North Drift, 700 ft.	
	@ $47.00 per ft.	32,900.00
	Total Phase I	44,680.00

Phase II

(6)	Drifting, South Drift, 700 ft.	
	@ $47.00 per ft.	32,900.00
(7)	Drifting, on mineralized fissures,	
	500 ft. @ $47.00 per ft.	23,500.00
	Total Phase II	56,400.00
	Total Phase I & II	$ 101,080.00

b. Personal services

Supervision and engineering services of one mining engineer will be provided by the applicant. This service is presently available. The services of Mr. Philip J. Shenon, consulting geologist, Salt Lake City, Utah, will be available. Mr. Shenon had considerable experience in this area and is the owner of the Bannack property which is under lease to the Grand Deposit Mining Co.

c. Operating materials

To be supplied by independent contractors.

d. Operating equipment

Operating equipment required for the exploration program will be provided by the independent contractor as per section "a."

e. Initial rehabilitation (exclusive of mine workings)

None.

f. New buildings, etc.

(1) Compressor & Tool House

Material - wooden, 20 ft. x 24 ft. $2,500.00

(2) Bridge

Construction of a bridge over Grass-hopper Creek. Wooden, 40' long, 15' wide $4,500.00

g. Miscellaneous

(1) Analytical work

Analytical work for the determination of gold, bismuth and tellurium will be provided by the applicant. ?

GRAND DEPOSIT MINING CO.

EXHIBIT V
Assays

UTEX EXPLORATION COMPANY

Reno, Nevada

R. Wyatt

December 1, 1961

Lab. No.	Desc.		Assay	
R-87	R-1 (G)	Bannock	3.51 oz Au/T	0.1 oz Ag/T
R-88	R-2	Bannock	0.00 oz Au/T	0.0 oz Ag/T
R-89	R-3	Bannock	0.00 oz Au/T	0.0 oz Ag/T

3

GRAND DEPOSIT MINING CO.

EXHIBIT VII
Mining Lease

MINING LEASE AND OPTION TO PURCHASE

THIS AGREEMENT made and entered into this 28th day of February A. D., 1962, by and between PHILIP J. SHENON and MARIAN M. SHENON, husband and wife, and FRED P. SHENON and NELLE D. SHENON, husband and wife, as Lessors, and hereinafter referred to as Lessor, and GRAND DEPOSIT MINING COMPANY, a Nevada corporation herein called Lessee.

WITNESSETH:

That in consideration of the mutual covenants and agreements herein set forth to be kept and performed by the parties and in consideration of Ten ($10.00) Dollars paid by each of the parties to the other, the parties hereto mutually agree as follows:

RIGHTS GRANTED TO LESSEE

Lessor does hereby demise, let and lease to Lessee, the following described patented lode mining claims situated in the Bannack District, County of Beaverhead, State of Montana, and more particularly described as follows:

Excelsior	Survey No. 234A
Excelsior Mill Site	Survey No. 234B
Excelsior Extension	Survey No. 3797
North Excelsior	Survey No. 3798
Bannack	Survey No. 3822

TO HAVE AND TO HOLD the same unto Lessee for a term commencing on date hereof and ending on October 1, 1963, unless extended or sooner terminated or surrendered as hereinafter set out.

RIGHT TO POSSESSION

The Lessee shall have and is hereby granted the exclusive right and privilege of entering upon the leased premises and taking immediate possession thereof for the purpose of exploring, prospecting, developing, mining, removing, shipping, treating, selling and disposing of all ores and minerals whether upon or underlying said leased premises and the right and privilege to construct all rigs, works, buildings, dwellings, plants, ditches, reservoirs, roads, railways, structures, machinery, mills and appliances as may be necessary or convenient for the mining preparation and marketing of the ore or minerals, and to use so much of the surface of the leased premises as reasonably may be required for the exercise of the rights and privileges herein granted.

LESSORS' RIGHT OF INSPECTION

Lessee shall allow duly authorized agents or representatives of Lessor, from time to time, to enter upon and into all parts of said leased premises for the purpose of inspection at such reasonable times as shall not interfere with the regular operation of the leased premises. It is understood that Lessee shall assume no responsibility for the safety of the agents or representatives of Lessor when and while upon the leased premises for such purpose.

STATE AND FEDERAL ENACTMENT INDEMNIFICATION OF LESSOR

Lessee, in the operation and development of the property hereby leased, shall be subject to all applicable Federal enactments, laws of the State of Montana and all Federal or State rules and regulations regarding Employees' Liability, Workmen's Compensation and Workmen's Old Age and Unemployment Insurance, and said Lessee covenants and agrees to indemnify and hold harmless the Lessor from and against the payment of any and all damages, claims, costs and expenses due to the existence of such enactments, and of any and all claims, costs and expenses in connection therewith under any claim of subrogation provided for by said enactments or otherwise and the Lessee shall further indemnify and hold harmless the Lessor from and against any and all damages, claims, costs and expenses arising out of damage to property or any injuries to or death of the employees of the Lessee, or any other person whomsoever other than the Lessor and those acting under them, where such injury, death or damage occurs because of or in connection with the use, operation or development in any manner of the property hereby leased by Lessee, whether such claims are based upon a right conferred by the commonlaw or by statute.

PROPERTY TO BE KEPT FREE OF LIENS

Excluding any O. M. E. Loan that may be obtained, Lessee shall pay and satisfy all claims for materials, supplies and labor in connection with the working of said leased premises and shall keep said leased premises free of liensor encumbrances of any and every kind, except such as might result from the acts of others than the Lessee, its employees or those in privity with it.

PROTECTION AGAINST LIENS ARISING THROUGH LESSORS' DEFAULT

In the event there are any liens or encumbrances against said leased premises, or in the event any liens or encumbrances shall hereafter accrue against the same by acts or neglect of Lessor, then Lessee may, at Lessee's option, pay and discharge same, and if Lessee elects so to do then Lessor agrees to repay Lessee upon demand all such sums so paid by Lessee, together with interest thereon from the date of payment of said sums at the rate of eight per cent (8%) per annum until paid.

QUIET ENJOYMENT BY LESSEE

The Lessor does hereby covenant and agree that the Lessee, upon per-

formance of the covenants and agreements to be by it performed under the terms of this agreement, will at all times during the term of this Lease or any extension thereof, peaceably and quietly have, hold and enjoy the said premises, without any manner of let, suit, trouble or hindrance of or from the Lessor, or any other person or persons, whomsoever.

WORK REQUIREMENTS

Lessee agrees that, subject to the right of termination herein contained, it will, as soon as practicable, or in any event not to exceed forty-five (45) days from date hereof, make an application for an O. M. E. Loan and will expedite same to the best of its ability and will do, or cause to be done, the following work at the following times, after said O. M. E. Loan has either been approved or rejected:

FIRST YEAR: After approval or rejection of O. M. E. Loan: ?
(a) The tunnel will be slabbed and rails and pipe will be installed.
(b) The North exploration of 700 feet along the contact will be completed.

SECOND YEAR: After approval or rejection of O. M. E. Loan: ?
(a) The South exploration of 700 feet along the contact will be completed.

Lessee further agrees that as soon as weather will permit, it will stake and record notices of location to the land previously located as the Patricia, Lissa, Michael and North Excelsior Fraction; that said claims will be located by Lessee in the name of Philip J. Shenon and Fred P. Shenon and when so located shall comprise a part of the property covered by this Lease.

TAXES

Lessee and Lessor will each pay their proportionate share of all taxes with respect to, or computed by, reference to the mining of ore from the leased premises, or the severance thereof from the ground. Each party will pay their own taxes which are imposed upon or measured by their respective income received from the leased premises. Any taxes imposed upon personal property placed upon the leased premises by Lessee shall be paid by Lessee. Lessor shall pay any state and county tax assessments upon the leased premises, except as hereinabove otherwise provided.

TERMINATION

This Lease is made upon the condition that Lessee shall perform all of the covenants and agreements herein set forth to be performed by it, and if at any time, Lessee shall fail for a period of thirty (30) days to make any payment due hereunder, or if there shall be any other default on the part of the Lessee, and if such other default shall continue for a period of thirty (30) days after written notice of such other default being given to Lessee then, and in either of said events, this Lease shall terminate and the leased premises shall revert to Lessor and Lessee shall deliver to the Lessor the said leased premises.

Lessee shall not be liable or deemed in default under the terms of this Lease for any delay, failure or omissions due to fire, flood, explosion, cave-in,

earthquake or other catastrophe, unusually severe weather, lockouts, strikes, acts of God, or of the public enemy, shortage of labor, materials or transportation or other facilities, or directions, requests or other acts of government, or any other like or unlike cause of any of such events, which happening prevents Lessee from complying with the terms of this Lease, the Lessee may promptly notify the Lessor and the giving of such notice in writing shall be a condition precedent to a claiming excuse for such cause.

LESSEE'S RIGHT OF SURRENDER

It is mutually understood and agreed that Lessee may, at any time, surrender and terminate this Lease upon giving to Lessor ten (10) days notice in writing and paying to Lessor all royalties and other sums due and payable to Lessor to the effective date of such surrender. In this connection it is understood and agreed that any O.M.E. Loan that may be procured by Lessee on the property above described is not an obligation contemplated by the parties hereto that must be repaid by Grand Deposit Mining Company in the event of cancellation, surrender or other termination of this agreement, PROVIDED, HOWEVER, that any funds received on said loan by Lessee not expended on the property covered hereby shall be paid over to Lessor. ?

see answer July 31, 1962 by applicant to our question

ROYALTIES

Lessee shall pay on all ores extracted, shipped and sold from the premises, a royalty based on net smelter returns.

Sliding Scale Royalty:

Royalty	Amount Paid by Purchaser Per Ton
10% up to	$25.00
15% above $25.00 up to	$50.00
25% above $50.00 up to	$100.00
50% on all ore in excess of $100.00	

PROVIDED EXPRESSLY that net smelter returns are defined to be that amount paid to the Lessee after first deducting the costs of transportation from the mine to the point of sale and in addition to the transportation charges there shall also be deducted from the gross purchase price the costs and charges of treatment made by the mill, smelter, mint or other reduction works purchasing the leased substances; PROVIDED, HOWEVER, that in cases where ore is milled upon the property and bullion is shipped to the mint, net smelter returns is hereby defined to mean the gross proceeds of ore after deducting a reasonable milling cost, mint charges and transportation of bars to the mint only.

Any amount due and payable to Lessor as royalty on any shipment of ore extracted and shipped or sold hereunder shall be paid by Lessee to Lessor on or before the 15th day of the month next succeeding the calendar month during which Lessee shall have received payment for such shipment.

REMOVAL OF EQUIPMENT

It is mutually understood and agreed that in case of forfeiture, surrender or other termination of this Lease, all underground timbering supports, shaft linings and other fixtures necessary for the preservation of any mines, and all rails or head frames upon or in the said leased premises, and all buildings, equip-

ment and tools purchased from funds procured from the aforesaid O. M. E. Loan shall be and remain a part of the realty and shall revert to the Lessor without further consideration or compensation.

It is further understood and agreed that all personal property of Lessee, located within or upon the leased premises, and all buildings, machinery, equipment and tools (other than the fixtures and property to become the property of Lessor as above provided) shall, in case of forfeiture, surrender or other termination of this Lease be considered as personal property and may be removed from the premises at any time within 120 days from said date of termination.

MANNER OF GIVING NOTICE

Any notice contemplated herein to be served upon Lessee shall be in writing and shall be sufficiently given if deposited in the United States mail, postage prepaid, and registered or certified, and addressed as follows, or at such other address as Lessee may from time to time in writing designate to Lessor:

Grand Deposit Mining Company
P. O. Box 487
Moab, Utah.

Any notice contemplated herein to be served upon Lessor shall be in writing and shall be sufficiently given if deposited in the United States mail, postage prepaid and registered or certified and addressed as follows, or at such other address as Lessors may from time to time designate by written notice to Lessee:

Philip J. Shenon
1339 3rd Avenue
Salt Lake City 3, Utah

Fred P. Shenon
2709 Dwight Way
Berkeley, California.

ASSIGNMENT

The provisions hereof shall inure to the benefit of and shall be binding upon the successors in interest, legal representatives and assigns of the respective parties hereto. It is agreed, however, that Lessee will not assign this Lease or any interest thereunder or sublet the leased premises or any part thereof without the written consent of Lessor.

RIGHT TO EXTEND LEASE

The Lessee, at its option and election, shall have the right and privilege to extend this Lease from October 1, 1963, to October 1, 1964, or for a period of one year after the acceptance or rejection of any O. M. E. Loan application, whichever event occurs later, by payment to the Lessor of the sum of Ten Thousand Dollars ($10,000.00) and thereafter shall have the right to extend said Lease on an annual basis by paying the Lessor the sum of Twenty-five Thousand Dollars ($25,000.00) per annum until such time as Lessor has been paid in full for said property at which time said Lessor will execute and deliver to Lessee a good and sufficient deed as hereinafter set forth.

It is understood that Grand Deposit Mining Company contemplates filing an application for a loan from the Office of Minerals Exploration of the Federal Government, the proceeds of which loan will be used in the exploration and development of the above described mining claims; that Lessor hereby consents to the filing of such application by Grand Deposit Mining Company and agrees to execute any document or documents required of them in connection with such application. OK.

OPTION RIGHT TO TAKE DEED

Lessor agrees that the Lessee shall have, and Lessee is hereby granted, an exclusive right and option to purchase all of the mining claims and mining properties hereinabove described at any time during the term of this Lease or any extension or renewal thereof for the sum of One Hundred Fifty Thousand Dollars ($150,000.00). In this connection it is understood and agreed that any and all sums that have been paid by Lessee to Lessor as royalty during the term of this Lease and also any and all sums that have been paid by Lessee to Lessor for extending the original two year term of this Lease shall be applied and credited against the purchase price of One Hundred Fifty Thousand Dollars ($150,000.00).

In the event that the Lessee elects to exercise the option herein granted, it shall do so by notifying the Lessor of its intention to do so, whereupon the Lessor, at their expense, agrees to furnish the Lessee with an abstract of title to said leased property showing free, clear, unencumbered title to same to be vested in Lessor. Lessee shall have thirty (30) days after receiving said abstract in which to secure and to furnish Lessor with a copy of a written opinion by its legal counsel upon the title of Lessor to the leased premises. If it shall appear from such title opinion that there are any defects that render the title thereto to be unmarketable or if there are any encumbrances on the leased premises, the Lessor agrees, at their own cost and expense, that they will clear such defects and encumbrances and that if for any reason they fail or neglect to do so that the Lessee may do so and in so doing will be entitled to deduct all costs and expense including reasonable attorney's fees from the purchase price then due. In the event said opinion shows the fee simple title to be vested in the Lessors or when the title is cleared then Lessee shall, within twenty (20) days from the expiration of said thirty (30) day period or within twenty (20) days after said title is cleared as the case may be, pay to Lessors the sum of One Hundred Fifty Thousand Dollars ($150,000.00) less any and all royalties paid and also less any and all sums paid for extensions of the original two year lease and any costs and expenses incurred by the Lessee in clearing title to the leased premises, including attorney's fees and shall in return receive a Warranty Deed from Lessor in the form of the Deed attached hereto marked "Exhibit A" and by reference made a part hereof.

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

Philip J. Shenon	Marian M. Shenon
Fred P. Shenon	Nelle D. Shenon

"LESSOR"

ATTEST:

By [illegible] Secretary

GRAND DEPOSIT MINING COMPANY

By Charles A. Steen
President

STATE OF UTAH)
: ss.
COUNTY OF SALT LAKE)

On this 14th day of February, A. D., 1962, personally appeared before me Philip J. Shenon and Marian M. Shenon, husband and wife, two of the signers of the above and foregoing who duly acknowledged to me that they executed the same.

My commission expires:

Nov 12, 1963

Dan T. Maxwell
Notary Public
Residing at: Salt Lake City, Utah

STATE OF CALIFORNIA)
: ss.
COUNTY OF ALAMEDA)

On this 20th day of February, A. D., 1962, personally appeared before me Fred P. Shenon and Nelle D. Shenon, husband and wife, two of the signers of the above and foregoing who duly acknowledged tome that they executed the same.

My commission expires:

January 9, 1966

Dorothy Stetson
Notary Public Dorothy Stetson
Residing at: Berkeley, California

STATE OF UTAH)
: ss.
COUNTY OF GRAND)

On the 28th day of February, A. D., 1962, personally appeared before me Charles A. Steen and Robert H. Ruggeri who being by me duly sworn did say, each for himself, that he, the said Charles A. Steen is the President and he, the said Robert H. Ruggeri is the Secretary of Grand Deposit Mining Company and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its board of directors and said Charles A. Steen and Robert H. Ruggeri each duly acknowledged to me that said corporation executed the same and that the seal affixed is the seal of said corporation.

My commission expires:

Dec 27, 1965

Notary Public
Residing at Moab, Utah.

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 11 1962

DATE	INITIALS	CODE

Exhibit VIII-A
Loan Request

June 29, 1962

Mr. Donald Bates
Nevada Bank of Commerce
Reno, Nevada

Dear Sir:

The Grand Deposit Mining Company is considering the exploration of the Philip J. Shenon property in the Bannack Mining District, Montana. This property has produced $300,00 worth of gold during the 1870s from a limestone to granodiorite contact. The Grand Deposit Mining Company proposes to explore the area by 1400 feet of underground drifting from the 80 foot level of old Excelsior Mine.

Costs of exploration will be as follows:

Phase I	$ 44,680.00
Phase II	56,400.00
	$101,080.00

The Grand Deposit Mining Company is prepared to advance $22,340.00, or one-half of the exploration costs of Phase I. Contingent upon the results of Phase I, Phase II would then be completed. One-half of the costs of this phase, or $28,200.00, would also be advanced by the Grand Deposit Mining Company.

This firm is interested in obtaining a total loan of $50,540.00 from your institution. This loan would be made in two increments of $22,340.00 and $28,200.00 to finance the other one-half of the proposed exploration program.

Maps and other information concerning this exploration are availablefor your examination.

Please advise us as to the possibility of obtaining this loan from your bank and the rate of interest.

Sincerely,

Charles A. Steen

Charles A. Steen

Exhibit VIII-B
Reply

NEVADA BANK OF COMMERCE

ONE NORTH VIRGINIA STREET • RENO, NEVADA

RENO BRANCH

July 2, 1962

Mr. Charles A. Steen, President
Grand Deposit Mining Company
1730 East Plumb Lane
Reno, Nevada

Dear Mr. Steen:

We are in receipt of your letter dated June 29th.

Your application for a loan of $50,540.00 for exploration of the Shenon property in the Bannack Mining District, Montana, has been reviewed by our Loan Committee. We regret that we are unable to qualify this loan because of the lack of security, and must reject the application.

Thank you for the opportunity of reviewing your application.

Very truly yours,

N. E. Scottiswoode
Executive Vice President

NES/sn

Exhibit VIII-A
Loan Request

June 29, 1962

Mr. Gordon Couch
First National Bank of Nevada
Reno, Nevada

Dear Sir:

The Grand Deposit Mining Company is considering the exploration of the Philip J. Shonon property in the Bannack Mining District, Montana. This property has produced $300,000 worth of gold during the 1870s from a limestone to granddiorite contact. The Grand Deposit Mining Company proposes to explore the area by 1400 feet of underground drifting from the 80 feet level of the old Excelsior Mine.

Costs of exploration will be as follows:

Phase I	$ 44,680.00
Phase II	56,400.00
Total	$101,080.00

The Grand Deposit Mining Company is prepared to advance $22,340.00, or one-half of the exploration costs of Phase I. Contingent upon the results of Phase I, Phase II would then be completed. One-half of the costs of this phase, or $28,200.00, would also be advanced by the Grand Deposit Mining Company.

This firm is interested in obtaining a total loan of $50,540.00 from your institution. This loan would be made in two increments of $22,340.00 and $28,200.00 to finance the other one-half of the proposed exploration program.

Maps and other information concerning this exploration are available for your examination.

Please advise us as to the possibility of obtaining this loan from your bank and the rate of interest.

Sincerely,

Charles A. Steen

Charles A. Steen

Exhibit VIII-B
Reply

FIRST NATIONAL BANK
OF
NEVADA
RENO, NEVADA

H. S. GORMAN
PRESIDENT

June 29, 1962

Mr. Charles A. Steen, President
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Dear Mr. Steen:

This is in reply to your letter of June 29 applying for a loan in the amount $50,540 for the payment of exploration costs for a mining property in the Bannack Mining District, Montana.

We regret we are unable to consider your request as it is not the policy of our bank to grant unsecured credit for this purpose.

Cordially yours,

President

Enclosure

whites Dev. B.q.

X-Slab-$16.00/ft.

drift-47.00/ft.

GRAND DEPOSIT MINING CO.

EXHIBIT IX
Contract Bids

TUNNEL — SHAFT

MINING CONTRACTORS

WHITCO DEVELOPMENT

525 NEWHOUSE BUILDING
SALT LAKE CITY, UTAH

WHITNEY C. HANSEN
756 NORTH CREST DRIVE
PHONE EL 9-1836

June 23, 1962

Grand Deposit Mining Company
Robert K. Wyant
1790 East Plumb Lane
Reno, Nevada

Dear Mr. Wyant:

I submit the following bid on the proposed work at the Excelsior Mine, Bannack, Montana.

Enlarging 280' of the 80' adit level from 4'X6' to 5'X7' to include:

4"X6"X36" ties
20 lb. rail (used)
2" air line (used)

280' - $16.00 per foot

1400 feet of 5'X7' drift from the 80' level. 700' to the south and 700' to the north, along the limestone and granodiorite contact to include:

4"X6"X36" ties
20 lb. rail (used)
2" air line (used)
track switches

1400' $47.00 per foot

This price includes furnishing all equipment, supplies, labor, workmans compensation and moving in and out costs.

TUNNEL — SHAFT

MINING CONTRACTORS

WHITCO DEVELOPMENT

525 NEWHOUSE BUILDING
SALT LAKE CITY, UTAH

WHITNEY C. HANSEN
756 NORTH CREST DRIVE
PHONE EL 9-1036

In the event timber is required, an additional $2.00 per foot, of drift timbered, plus cost of timber delivered at the mine.

There will also be approximately, an additional 200' of track required on the dump. This will be furnished at cost of materials only.

If we are awarded this contract, we will be on the job within two weeks of award date.

Sincerely yours,

Whitney C Hansen

Whitney C Hansen

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O. M. E
RECEIVED JUL 11 1962

PROJECT SUMMARY REPORT

By: F. M. Murphy May 20, 1964

1. OME-6263 (Gold-Silver-Bismuth-Tellurium)
Contract 2163

Operator: Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Property: Consists of 4 patented and 4 unpatented lode claims in sec. 8, T. 8 S., R. 11 W., Bannack mining district, Beaverhead County, Montana

Operator's Property Rights: It has rights to the claims under the terms of a mining lease from Philip, Marion, Fred, and Nelle Shenon, the owners. The owners executed a Lien or Subordination Agreement dated October 15, 1962.

2. Contract dated March 8, 1963

Work Authorized:

The work consisted of rehabilitating a 280 section of an old drift and then drifting and crosscutting 1400 feet. The total cost of the project was estimated at $72,030.00.

Amendments:

No. 1, dated Sept. 26, 1963, changes assay costs from Actual Costs to Fixed Unit Costs. Note: Operator owns complete assay office. Amendment permits it to do the assays at a smaller unit cost than allowed originally under the contract.

Work Completed:

Actual Costs

280 ft. slabbing and rehabilitation @ $16.00/ft.	$4,480.00
1400 ft. drifting and crosscutting @ $47.00/ft.	65,800.00
30 feet timbering @ $2.00/ft.	60.00
	$70,340.00
Less proceeds from sale of track, pipe, etc.	1,200.00
	$69,140.00

Fixed Unit Costs

33 assays for Au/Ag @ $2.25/assay	$ 74.25
Total Acceptable Costs	$69,214.25
Government Participation @ 50%	$34,607.13

Final Reports:

Operator's final report received March 2, 1964
Region I final report - None to date

3. Report of Review, dated May 6, 1964.

4. No certification issued. In a memorandum of November 4, 1963, D. R. MacLaren advised Region I would not recommend certification.

5. Comments:

Production of lode gold in the Bannack mining district since about 1862 has been about $2,000,000, most of which has come from six mines: Excelsior, Wadams, Wallace, Golden Leaf, Blue Grass, and Gold Bug.

The ore deposits are at or near the contact between granodiorite and limestone and occur chiefly along the apex of outliers (apophyses) of the granodiorite. Production from one such deposit at the Excelsior mine was valued at $300,000.

The project work was designed to explore for other deposits on the 80-foot level of the Excelsior mine by drifting along the contact in both directions starting from the stoped area, and then crosscutting from the drifts in apophyses areas encountered. Although a number of apophyses of the granodiorite were traversed, no significant mineralization was found.

F M Murphy

F. M. Murphy

FMMurphy/mm
5/21/64
cc: Director's Reading File
Docket

MME Form 17
Mar. 59

OFFICE OF MINERALS EXPLORATION

WORK COMPLETED ANALYSIS

~~Not~~ Certified — After final audit or review report is received, prepare in duplicate. File original in official docket. Send copy to Code 210.

Operator: Grand Deposit Mining Company
Actual Cost: X
State: Montana
Agreed Unit Cost:
Final Report of Audit:
Commodity: Gold, Silver, Bismuth, Tellurium
Docket No.: OME-6263
Final Report of Review: May 6, 1964
Contract No.: 2163

Type of Work (Use these categories only)	Authorized by Contract and Amendments		Completed and Paid for		Net cost after sale of Gov't. Property
	Units	Cost 1/	Units	Cost 1/	
Drifting & Crosscutting	1400	66,550	1400	65,860	64,660
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation		4480		4480	4480
New Building, Improvements, etc.					
Other (Specify) Assays		1000		74	74
Totals		$ 72,030		$ 70,414	2/ 69,214

1/ Round off to dollars.
2/ Net cost total must agree with final report of audit or review.

Prepared by F M Murphy Date 5/20/64

41725

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

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O. M. E.
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JUL 23 1970
INITIALS CODE
gla 130
Bal 120 M
HK 120
220

July 20, 1970

Memorandum

To : Chief, OME

From : Field Officer, Region I

Subject: Summary Final Report
OME-6263 (Gold-Silver, Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Summary Final Report

INTRODUCTION

This report summarizes an OME exploration project for gold-silver-bismuth-tellerium ore bodies along a limestone-granodiorite contact 1½ miles southeast of Bannack, Beaverhead County, Montana. The contract, dated March 8, 1963, for a total estimated cost of $72,020.00 of which the Government would contribute 50 percent or $36,015.00, was amended once. Work, started April 22, 1963, and completed October 21, 1963, consisted of slabbing and rehabilitating 280 feet of adit, 1400 feet of drifting, 30 feet of timbering, and assaying 33 samples. The total accepted cost of the work was $70,340.00, less proceeds from sale of salvaged property totalling $1,200.00. The Government contribution was $34,607.13. The work was unsuccessful in finding ore and the Operator was notified on May 19, 1964, that the Government retains no claim or lien against the property.

OPERATOR

Grand Deposit Mining Company, a Nevada corporation
1790 East Plumb Lane
Reno, Nevada 89502

Officers of the corporation were as follows:

President : Charles A. Steen, 1790 East Plumb Lane, Reno, Nevada
Vice-President and Treasurer: Mary Hope Westbrook, 1790 East Plumb Lane, Reno, Nevada
Secretary : R. H. Ruggeri, Box 308, Moab, Utah
Asst. Secretary: Ruth Richards, 1790 East Plumb Lane, Reno, Nevada

PROPERTY

The property consisted of 4 unpatented claims and 4 patented claims, and 1 patented mill site (Figure 1 - Geologic, Composite Plan, Claim, and Index maps, Excelsior mine, Sec. 8, T. 8 S., R. 11 W., Bannack Mining District, Beaverhead County, Montana). The patent and recording data of the claims are as follows:

Patented Claims

Name of Claim	U. S. Patent No.
Excelsior	234A
Excelsior Mill Site	234B
Excelsior Extension	3797
North Excelsior	3798
Bannack	3822

Unpatented Claims

Recorded in the Beaverhead County Court House, Dillon, Montana:

Name of Claim	Book	Page
Lissa	164	121-122
Michael	164	119-120
Patricia	167	123-124
North Excelsior Fraction	164	117-118

The Operator had rights to the patented and unpatented claims under the terms of a Mining Lease and Option to purchase, dated February 28, 1962, granted by Philip E. Shenon and Marian Shenon, husband and wife, and Fred P. Shenon and Nelle D. Shenon, husband and wife, as Lessors.

To reach the property from Dillon, Montana, drive south on U. S. 91 for 4.2 miles, turn right and follow State highway 278 for 17.2 miles to a sign proclaiming Bannack State Monument; turn left and follow a graded graveled road for 4.7 miles, that passes through Bannack. Turn right and follow a poor road 0.3 miles, fording Grasshopper Creek. After crossing the creek, turn right and follow the mine road 0.4 miles to the Excelsior mine. Altitude at the mine is about 5950 feet.

Prior to the OME work, the workings at the mine included a shaft, an adit crosscut, and a few surface trenches (fig. 1). The adit crosscut, called the 80 level had been driven 330 southeasterly where it cut an ore shoot that had been stoped to near the surface (fig. 1). The 290 level, driven 270-300 feet southeasterly from near the bottom of the shaft, passed beneath an old stope. Two raises had been run from this level. A short 250 level has been driven from near the top of a vertical raise. It is not known if the stope extends below the 290 level. There are no buildings on the property.

GEOLOGY

The ore deposits at the Excelsior mine are at or near the contact between granodiorite and limestone. The granodiorite is Tertiary in age and the limestone is part of the Madison Group of Mississippian age (Lowell, W. R., 1965). Shenon (1931, p. 40) reports the ore shoot produced approximately $300,000 and was mined to a depth of about 300 feet. Intense garnetization is near the contact. Coarse crystalline calcite and specularite occur with the garnet. Gold is either free or in tetradymite, and occurs in a light green gangue composed chiefly of calcite, chlorite, garnet, specularite, and some quartz.

PURPOSE OF PROJECT

The project was to explore for gold, silver, bismuth, and tellerium-bearing ore bodies by enlarging the existing 80-level adit and drifting from this opening to the north and south along the contact of a granodiorite intrusive and limestone formation. Short crosscuts could be driven from the drift to further explore the contact zone.

CONTRACT

The contact, No. 2163, dated March 8, 1963, required that work start on or before April 22, 1963, and be completed within 18 months from the contract date.

The existing 4' x 5'6" 80-level adit was to be slabbed to a dimension of 5' x 7' for approximately 280 feet in from the portal. From this point a drift was to be driven N. 50° E. until the contact between granodiorite and limestone was reached. Thereafter, it was to be continued along or near the contact on the north side of the adit. From about the same point in the adit, a drift was to be driven about S. 8° E. until the limestone-granodiorite contact was reached; thereafter it was to be continued along or near the contact of the south side of the adit. Short crosscuts could be driven to further explore favorable areas traversed by the drifts. Total drifting and crosscutting was not to exceed 1400 feet.

Estimated Costs of the Project

Actual Costs

280 lineal feet slabbing and rehabilitating 80' level adit at $16/ft	$ 4,480.00
1400 feet drifting and crosscutting at $47/ft	65,800.00
100 feet timbering in adit and drifts at $7.50/ft	750.00
100 samples assayed for Au and Ag content at $2.50/sample	250.00
50 assays for Bi at $5/assay	250.00
50 assays for Te at $10/assay	500.00
Total Estimated Cost	$72,030.00
Government Participation at 50 percent	$36,015.00

Amendment No. 1, dated September 26, 1963, made the following changes:

1. The total contract cost was reduced to $71,880.00 and Government participation to $35,940.00

2. Changed the assay costs from Actual Costs to Fixed Unit Costs as follows:

100 samples assayed for Au and Ag content at $2.25/sample	$ 225.00
50 assays for Bi at $4.50/assay ..	225.00
50 assays for Te at $8.00/assay ..	400.00
Total estimated costs	$71,880.00
Government Participation at 50 percent	$35,940.00

PROJECT WORK

The slabbing, drifting, and crosscutting was subcontracted. The subcontractors were Harry Coleman and Merrill Beyeler and E. V. Chettle. The latter, whose address was 4317 So. 7th East, Salt Lake City, Utah, was the subcontractor at the end of the work, and the other two were the subcontractors at the start of the contract. Possibly they were all working together at the same time--the records are not clear concerning this.

The slabbing and rehabilitation of the adit was completed in the early part of June 1963, after which drifts were started to the north and south. Work continued without any particular problems and was completed by October 21, 1963.

Pipe, rail, track switches, and air line purchased for the contract work were disposed of by requesting bids from 5 active mining companies in southwestern Montana. The successful bidder was Spokane National Mines Inc., who purchased the material for $1,200.00.

The accepted costs of the completed work were as follows:

Slabbing and rehabilitating adit 280 feet at $16/ft	$ 4,480.00
Drifting and crosscutting 1400 feet at $47/ft	65,800.00
Timbering 30 feet at $2/ft	60.00
Au/Ag assays, 33 at $2.25/assay	74.25
Total costs	$70,414.25
Less: Proceeds from sale to Spokane National Mines, Inc., the high bidder, of salvaged rail, switches, fishplates, bolts, spikes, ties, air lines, and water pipe	1,200.00
	$69,214.25
Government participation at 50 percent	$34,607.13

The Government retains no equity in any supplies or materials remaining on the property as a result of the contract work.

REPORTS

The Operator submitted an acceptable final report on February 19, 1964.

The Government's Report of Review was issued May 6, 1964.

PROJECT RESULTS

The work was unsuccessful in finding ore. Drifting along the limestone-granodiorite contact encountered many faults and found large inclusions of limestone within the granodiorite. No zone of garnets was found in the limestone--a favorable sign of ore mineralization. Thirty-three samples assayed nil gold and silver. There is some evidence that the granodiorite exposed in the north drift is plunging about 55° SW. The Operator was informed in a letter dated May 19, 1964, that the Government retained no claim or lien against the property as a result of the contract work.

PRODUCTION AND ROYALTIES

There has been no production since the date of the contract and the Government is not entitled to any royalties.

SUMMARY

Drifting along the granodiorite-limestone contact does not appear to be a feasible method for exploring for new ore bodies in and near the Excelsior mine. Perhaps exploration from the surface, such as drilling or soil sampling, should be considered before any further underground work is planned.

REFERENCES CITED

Lowell, W. R., 1965, Geologic map of the Bannack-Grayling area, Beaverhead County, Montana: U. S. Geol. Survey Misc. Geol. Inv. Map I-433

Shenon, P. J., 1931, Geology and ore deposits of Bannack and Argenta, Montana: Montana Bur. Mines and Geology Bull. 6, 80 p.

Willard P. Puffett

Willard P. Puffett

Enclosure:
Figure 1 - Geologic, Composite plan, Claim, and Index maps, Excelsior mine, Sec. 8, T. 8 S., R. 11 W., Bannack mining district, Beaverhead County, Montana.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/2/68		110
		220

DEC 2 1968

Mr. Fred P. Shenon
6225 Antioch Street
Oakland, California 94611

Re: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. Shenon:

This is in reply to your letter of November 22, 1968, and enclosures, relating to the subject contract.

In answer to your question, the Government's lien on the land under the contract and any production therefrom was not recorded. This lien was relinquished in accordance with our letter of May 19, 1968, to the Grand Deposit Mining Company (a copy of which was enclosed with your letter).

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME File
OME Region I
OME Reading File

FEJohnson/gla 12-2-68

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF COAL RESEARCH
WASHINGTON, D. C. 20240

11-26 4:40

Frank:
For your action.
Hope that you
all have a nice
holiday

George

6225 Antioch Street
Oakland, California
November 22, 1968

Mr. George Fumich, Jr., Acting Director
Office of Mineral Exploration
U. S. Department of The Interior
Washington 25, D. C.

Dear Mr. Fumich:

Attached are copies of the following letters:

Your letter of May 19, 1964 to the Grand Deposit Mining Co. of Reno, Nevada.

Your letter of the same date to me and Mrs Shenon.

Both of these letters relate to the Excelsior Mine located in Beaverhead County, Montana, which is owned by the Shenon family.

While I realize that your letter to the Grand Deposit Company states in part, "In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom," I would like to know whether or not the Government actually filed a lien against the property. If the Government did file a lien in the Office of the Beaverhead County Clerk and Recorder, has it been released?

I shall appreciate very much hearing from you regarding the above.

Yours very truly,

Fred P. Shenon

Fred P. Shenon
6225 Antioch Street
Oakland, California 94611

CC - Mrs. Philip J. Shenon

OFFICIAL
COPY
O. M. E.
NOV 30 1968
INITIALS | CODE
130
110

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

1964

Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Gentlemen:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of possible production under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the periods indicated.

We appreciate your interest and participation in the OME exploration program.

Sincerely yours,

Acting Director

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

APR 5 1966

Mr. and Mrs. Fred P. Sherman
2709 Dwight Way
Berkeley, California

Re: [illegible] (Gold-Silver-Bismuth-Molybdenum)
Great Lakes Mining Company
Lincoln, et al., Claims
Powder River County, Montana
Contract 2167

Dear Mr. and Mrs. Sherman:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Lien on Subordination Agreement signed by you on October 15, 1962.

Sincerely yours,

Acting Director

Enclosure

MME, FORM 6C
SEPT. 1959

RECEIVED
Via Air Mail
DEC 12 1963

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Sept. 21, 1963 - Oct. 21, 1963

6263

Docket No. 2163
Contract No. 14-23-090-72030.00
~~50 36015.00~~
Contract Amount $
Gov't. Participation
Mineral(s) Gold-Silver-Bismuth and Tellerium

Grand Deposit Mining Company
Lake Plumb Lane, Reno, Nevada

OPERATOR'S MONTHLY VOUCHER

For Month of

Operator's Name
Address

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contractors Slabbing	7,755.00	58,045.00	65,800.00			
Bulldozing	-0-	4,480.00	4,480.00			
Drifting						
Crosscutting Timbering	-0-	60.00	60.00			
Drilling						
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc. Assays	77.50	27.50	105.00			
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
	7,832.50	62,612.50	70,445.00			
Dec. 9, 1963 TOTALS	Grand Deposit Mining Company					

Payment made on overdrawn account 7 days review 5/6/64

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

Date _____ *Payee Treasurer

Per Don W. Lyle Title _____

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 3,319.63

Signature BWB
(Authorized Certifying Officer)

Date _____ Vou. No. 1528

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2163

Signature D R Mackaren Title Acting Field Officer, Reg. I Date APR 30 1964

Approved by OME Executive Officer or Alternate:

Signature D R Mackaren Title Acting Field Officer, Reg. I Date APR 30 1964

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
Via
DEC 12 1963
Air Mail

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT

For Month of Sept.22,1963-Oct.21,1963

Docket No. 6263 2163

Operator's Name Grand Deposit Mining Company

Contract No. 14-23-090-

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting ..... Slabbing	Ft.	165	1400	65800.00	165	1400	65 800.00
	Ft.	0	280	4480.00	—	280	4,480.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Misc. Laboring	Ft.	30	30	60.00	— 1	30	60.00
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases ..... Assays				105.00			2 74.25
Analytical Work							3
TOTAL TO DATE (per MME Form 60)				70,445.00			70,414.25

REMARKS

(Continue on back)

REMARKS

1 Claimed & approved Aug-Sept. voucher

2 June-July 3 assays
July-Aug-Sept 6 "
Sept-Oct .22
33 @ 2.25

3 Deduct $600 for Govt equity in rail, pipe, etc. sold by Operator for $1200

(Continue on back)

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

Date Dec. 9, 1963 Operator Grand Deposit Mining Company

Per Don W. Lee Title Treasurer

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D. R. Wackeen

Title Acting Field Officer Reg. I
Government Representative

Date APR 30 1964

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

E. V. CHETTLE, ENGINEER
4317 SO. 7TH EAST
SALT LAKE CITY 7, UTAH

DATE October 20, 1963

INVOICE No. 63-34

ORDER No.

FINAL INVOICE
UPON COMPLETION OF
PROJECT, OCTOBER 16, 1963

GRAND DEPOSIT MINING COMPANY
1790 East Plumb Lane
Reno, Nevada

For services rendered on completion of exploration work at the Excelsior Mine, Bannack Mining District, Beaverhead County, Montana - over period September 22 to October 16, 1963. Project is designated as Docket No. OMI - 6263. Work completed during the period is described below:

(1) Extend south drift (5'x7') 165 feet at $47.00	$7,755.00
(2) Roofing material for mine building as per attached invoice	28.75
(3) Cost of materials only extension of dump track 30 feet	46.80
TOTAL	$7,830.55
Less credit of $100.00 for purchase of about 300 feet of pipe with Vitaulic couplings located in main adit	100.00
TOTAL THIS INVOICE	$7,730.55

Total drifting completed - 1400 feet
Total length of adit widening - 280 feet

Date

Rec'd & Ins

Extension

133 C

"I certify that the above bill is correct and just; that payment therefor has not been received; that all statutory requirements as to American production and labor standards, and all conditions of purchase applicable to the transactions have been complied with."

E. V. Chettle

GRANT DEPOSIT MINING COMPANY
RENO LABORATORY
1790 E. Plumb Lane.

November 11, 1963

Account: Excelsior Mine
Bannack, Montana

Assay charges for: October 1963

Date		Determinations	Rate	Charges
October 7	13	Au + Ag	@2.50	$32.50
October 25	2	Au + Ag	@2.50	5.00
	2	Cu	@1.50	3.00
			Total	$40.50

GRAND DEPOSIT MINING COMPANY
MINE LABORATORY
1750 E. Plumb Lane Reno, Nevada

October 7, 1963

Certificate of Analysis

Excelsior Mine Project

No.	Desc.	Au oz/T	Ag oz/T	Avail. $CaCO_3$ %
993		0.00	0.0	7.5
994		0.00	0.0	5.0
995		0.00	0.0	14.0
996		0.00	0.0	22.3
997		0.00	0.0	26.4
998		0.00	0.0	18.0
999		0.00	0.0	10.3
1000	Hurt Hill Old Stope. Spec. Hematite and Chrysocolite)	0.04	0.0	37.5
251		0.00	0.0	69.1
252		0.00	0.0	9.5
253		0.00	0.0	15.0
	L 0 5-12 + 47 ft S.	0.00	0.0	90.0
	1 ft. contact zone 0 5-12+ 47 ft S	0.00	0.0	9.5

Analysis by: Robert Q. Blake
Robert Q. Blake

Want $CaCO_3$ assay run for information purposes of lab - no charge
RQB

GRAND DEPOSIT MINING COMPANY
ASSAY LABORATORY

1790 E. Plumb Lane Reno, Nevada

October 25, 1963

Certificate of Analysis

Excelsior Mine Project

No.	Au oz/T	Ag oz/T	Cu %
262	0.00	0.0	0.00
263	0.00	0.0	0.00

Analysis by: Robert L. Bates

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1700 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

September 10, 1963

Account: Excelsior Mine
Bannack, Montana

Assay Charges for: September 1963

Date	Determinations	Rate	Charges
Sept. 17	4 Gold and Silver Assays	@$2.50	$10.00
Sept. 24	11 Gold and Silver Assays	@$2.50	$27.50
		Total	$37.50

GRAND ENTERPRISE MINING COMPANY
RENO LABORATORY
1790 E. Plumb Lane Reno, Nevada

Certificate of Analysis September 17, 1983

Excelsior Mine Project

No.	Au oz/T	Ag oz/T
974	0.00	0.0
975	0.00	0.0
976	0.00	0.0
977	0.00	0.0

Analysis by: Robert A. Blake
ROBERT A. BLAKE

GRAND REPUBLIC MINING COMPANY
FIELD LABORATORY
1790 E. Plumb Lane Reno, Nevada

September 24, 1963

Certificate of Analysis

Excelsior Mine Project

No.	Au oz/T	Ag oz/T
982	0.00 0.	0.0
983	0.00	0.0
984	0.00	0.0
985	0.00	0.0
986	0.00	0.0
987	0.00	0.0

Old Stope Samples

968	0.00	0.0
969	0.00	0.0
970	0.00	0.0
971	0.00	0.0
972	0.00	0.0

Analysis by: Robert W. Blake
Robert W. Blake

October, 1963 Progress Report (OME 6263)
Grand Deposit Mining Company
Excelsior Mine, Bannock, Montana

During the month of Sept. 22, 1963 through Oct. 21, 1963 the South Drift advanced 165 feet to complete this OME program.

The south side contact zone reported in last months Progress Report continued southeastward another 32 feet where it thinned and terminated against a barren fissure in limestone.

We were able to follow the contact continuation by installing a back switch near station S-14. In doing so, we found that the granodiorite thinned in the S-9, S-16 area, turning toward the previous workings. Picking in the southwest wall at S-8 exposed the contact we had been following. As a result, we stopped the contact advance and completed the program by blasting both ways on the limestone fissure.

There was a weak metalization at the point of the apophysis and another at the dotted red area near S-11. The latter is a pyritic replacement of the granodiorite, the former was clays, iron oxides, and pyrite in altered granodiorite and limestone.

The contact followed in October, is the only on we have had that was strong enough that we could investigate both sides of the apophysis.

Twenty samples were taken. All sample locations are from the nearest station and are measured along the direction of advance. The samples include all iron stained, altered, or pyritic areas.

Tag No.	Location	Width	Au	Ag
974	S-6 @ 40 ft	¼ to ⅛"	0.00	0.0
975	N-10 @ 17½ to 20 ft.	2.5'	0.00	0.0
976	" 20 to 23½	3.5'	0.00	0.0
977	" 23½ to 25	1.5'	0.00	0.0
982	N-5 @ 22' to 28'	6.0'	0.00	0.0
983	N-5 @ 40½ to 42'	1.5'	0.00	0.0
984	N-5 @ 28 to 29'	1.0	0.00	0.0
985	N-12 @ 28 to 29'	1.0	0.00	0.0
986	S-11 @ 48'	2.0	0.00	0.0
987	N-12 @ 28'	1.0	0.00	0.0
993	N-13 @ 37'	0.4	0.00	0.0
994	" "	1.0	0.00	0.0
995	" "	1.0	0.00	0.0

Tag No.	Location	Width	Au	Ag
996	N-13 @ 29'	0.5'	0.00	0.0
997	" " @ 26'	0.5'	0.00	0.0
998	" @ 36'	2.0'	0.00	0.0
999	" @ 5'	1.0'	0.00	0.0
251	S-12 @ 56' (yellow st'd ls)	1.0'	0.00	0.0
252	" @ 55' (Bla. with pyrite)	0.8'	0.00	0.0
253	" @ 55 to 59'(thin FeOx)	0.4'	0.00	0.0
262	S-11 @ 1N to 6½S	7.5	0.00	0.0
263	S-15 @ 20 to 24	4.0	0.00	0.0

Respectfully submitted,

Walter E. Bauer

Walter E. Bauer, Geologist

RECEIVED
DEC 12 1963

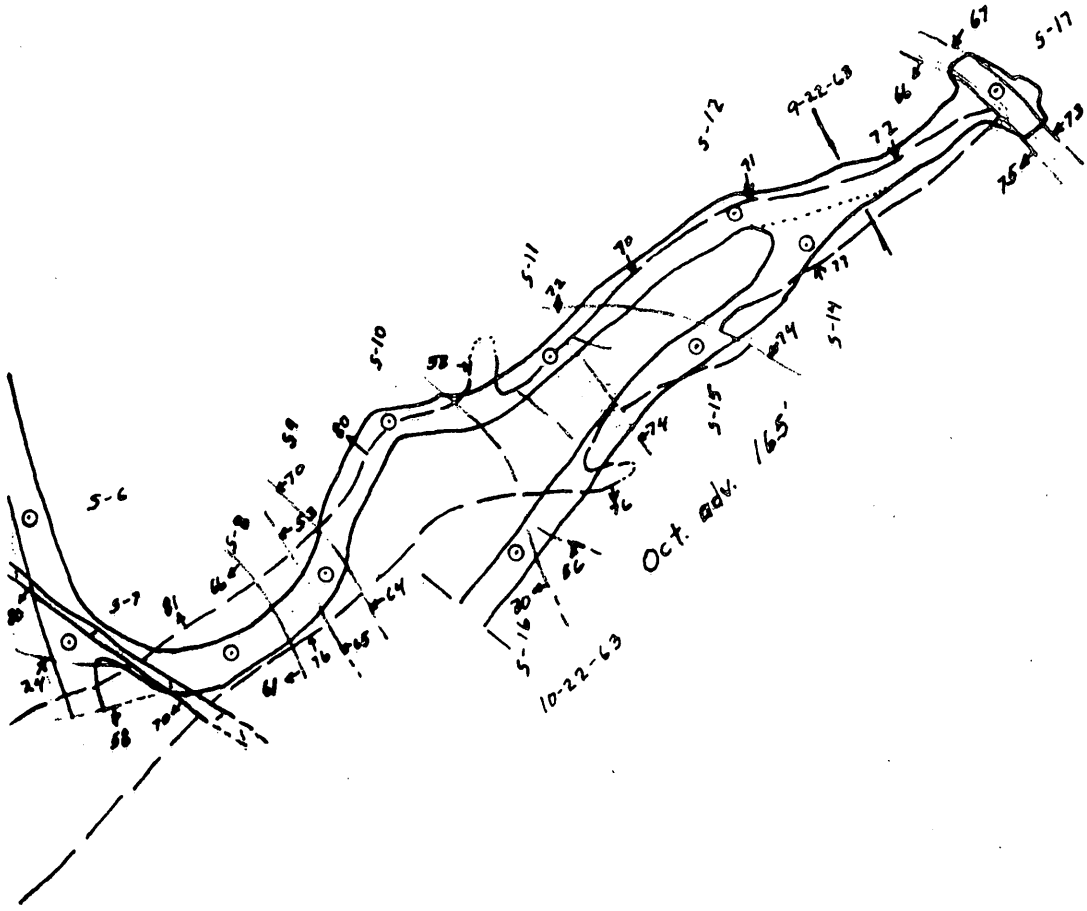
OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 18 1964

DATE	INITIALS	CODE

EXCELSIOR MINE, BANNOCK, MONTANA

GRAND DEPOSIT MINING COMPANY

OME-6263 1" = 40'



OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 1964

DATE	INITIALS	COMM

OME (2)

GRAND DEPOSIT MINING COMPANY

MINERALS EXPLORATION AND DEVELOPMENT

1700 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 18 1964

DATE	INITIALS	CODE
5/18	[illegible]	400
5/18	[illegible]	500

May 13, 1964

Mr. D. R. MacLaren
Office of Mineral Exploration
South 157 Howard Street
Spokane, Washington

Re: OME 6263
Excelsior Claims
Beaverhead County,
Montana
Contract 2163

Dear Mr. MacLaren:

As indicated in a letter of April 17, 1964 to this firm from Mr. Frank E. Johnson, Acting OME Director, the $1200 bid for used mine material was acceptable to the U. S. Government.

Accordingly, we sold the used rail, etc. to The Spokane National Mines, Incorporated. Enclosed you will find a copy of the check and covering letter to us. Since the final report was filed in your office on February 19, 1964 and the disposal of property matter is now taken care of, I presume that all requirements have been met and the final voucher mentioned in Mr. Johnson's letter will be processed.

Thank you very much for your sustained interest and should any further information or data be required, please notify us.

Sincerely,

GRAND DEPOSIT MINING COMPANY

James D. Davenport

JDD:cw
Enclosures
cc: Mr. Charles A. Steen
Mr. Julian C. Ashby
Mr. Robert K. Wyant
Mr. Frank E. Johnson

File
Air Mail

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-1216

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 15 1964

DATE	INITIALS	CODE
5/15	[illegible]	800
5/15	[illegible]	500

May 13, 1964

Mr. Frank E. Johnson
Acting Director
Office of Minerals Exploration
U. S. Department of Interior
Washington 25, D. C.

Re: OME 6263
Excelsior Claims
Beaverhead County,
Montana
Contract 2163

Dear Mr. Johnson:

Thank you very much for your letter of April 17, 1964 concerning property disposal at Bannack, Montana.

Enclosed you will find a copy of a letter to Mr. D. R. MacLaren concerning the final disposition of the used mine material.

We thank you for your action in this matter and it is assumed that the contract may now be finalized.

Sincerely,

GRAND DEPOSIT MINING COMPANY

James D. Davenport

James D. Davenport RKW

JDD:cw
Enclosure
cc: Mr. Charles A. Steen
Mr. Julian C. Ashby
Mr. Robert K. Wyant

SPOKANE NATIONAL

SPOKANE, WASHINGTON

PAY

TO THE ORDER OF

1790

FIRST NATIONAL

SPOKANE, WASHINGTON

SPOKANE NATIONAL

SPOKANE, WASHINGTON

INVOICE

SPOKANE [illegible]

[illegible] PENNSYLVANIA BUILDING

SPOKANE 1, WASHINGTON

May 6, 196[illegible]

[illegible]

Grand Deposit Mining [illegible]
1790 East Flush Lane
Kobe, Nevada

Dear [illegible]:

I am very sorry about the [illegible] the equipment at the [illegible] tent.

We are including [illegible] covered by our bond.

We would appreciate it if you would [illegible] Mr. Paul Jones, Box 301, [illegible] lite the property to [illegible] the [illegible]

[illegible]

RFT/jf
enc.
cc Mr. Walter E. Bauer
Mr. Paul Jones

OME(2)

OFFICIAL
RECEIVED
DATE
5/14 Supply 500

So. 157 Howard Street
Spokane, Washington 99204
May 11, 1964

Memorandum

To: Fiscal Section, Office of Management Operations
Office of the Secretary, Washington, D. C.

From: Acting Field Officer, Region I

Subject: OMF-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

There is enclosed the original of a Report of Review, in lieu of a final audit, dated May 6, 1964, covering the subject contract, for the period April 1963 to October 1963, inclusive.

One copy of the report has been sent to the Operator and one copy retained in the Spokane office files.

Also enclosed are the original and two copies of the Operator's monthly vouchers, progress reports, and supporting documents for the months of September and October 1963 for processing.

D. N. MacLaren

Enclosures

cc: OME(2)
CA&A
Voucher file

Director's Reading File
Resources Research Branch Chief

MLSnelser:mls

Ohne (V)

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 13 1964

DATE	INITIALS	
5/14	Murphy	5002

So. 157 Howard Street
Spokane, Washington 99204
May 11, 1964

Air Mail

Mr. Charles A. Steen
President
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OMB-6263 (Gold-Silver-Bismuth-Tellurium)
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. Steen:

There is enclosed one copy of a Report of Review, in lieu of a final audit, dated May 6, 1964, covering the subject contract, for the period April 1963 to October 1963, inclusive.

Payment of "Balance due Operator" in the amount of $3,519.63 will be made by our Washington, D. C. office and should be received shortly.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

cc: OME(2)
CA&A
Voucher file

Director's Reading File
Resources Research Branch Chief

MLMacLaren:mls

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/6	Cal	220
5/11	Murphy	500

MAY 6 - 1964

Memorandum

To: Acting Field Officer, Region I

(Signed) E. D. Talbert

From: Chief, Contract Administration and Audit Division

Subject: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

As requested in your April 30, 1964, memorandum, a Report of Review covering the subject contract has been prepared. The original and two copies, together with the original of the final (Sept. 22, 1963-Oct. 21, 1963) MME Form 60 and attachments thereto, are enclosed.

If you concur in the facts stated in this Report of Review, please make the distribution authorized by section 4 of OME Circular 2 dated February 17, 1960. As evidence of your concurrence, a copy of your letter transmitting the Operator's copy of the Report of Review should be furnished to this Division. If for any reason you do not concur, the original and both copies should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 5-6-64

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
April 30, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 5 1964

DATE	INITIALS	CODE
5/5	[illegible]	800
5/11	[illegible]	500

Memorandum

To: Contract Administration and Audit Division, ØME

From: Acting Field Officer, Region I

Subject: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Work under the subject contract was completed by the end of October 1963.

The number of units of work completed by the Operator and accepted by the Acting Field Officer as conforming to contract specifications were:

Slabbing and rehabilitating 80-foot level	280 feet
Drifting and crosscutting	1,400 "
Timbering drifts	30 "
Assay determinations for gold and silver	33 samples
(Assays for bismuth and tellurium not appropriate)	

An acceptable final engineering and geological report was received from the Operator on February 24, 1964.

The Government has a $600.00 equity in rail, pipe, etc., sold by the Operator for $1,200.00, which is to be deducted from final settlement.

A Report of Review, in lieu of a final audit, is in order and requested. For this purpose the original copies of the final (September-October 1963) MME-60 and MME-61, together with supporting documentation, are attached.

D. R. MacLaren

Attachments

orm 7
58)

OFFICIAL FILE COPY

Date	Surname	Code
4/17	Murphy	500
	[illegible]	500
4/17	Talbot	800
	Selfridge	420
4/17	Johnson	110
	On Leave	100
4/17	Cole	220
		500

AIRMAIL

APR 1 7 1964

Mr. James D. Davenport
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. Davenport:

Mr. D. R. MacLaren, Acting Field Officer, Region I, forwarded a copy of your letter of April 7, 1964, and the bids for used mine rail, etc., to this office for our recommendations. Mr. MacLaren will be away from his office for a time; therefore, we are replying to your letter directly.

The Spokane National Mines bid of $1,200.00 for the material is acceptable to the Government. The Government's equity of $600.00 in this sale will be deducted when it processes the Operator's final voucher.

Sincerely yours,

(signed) FRANK E. JOHNSON (glu)

Acting Director

FMMurphy/mm (4/17/64)
cc: Director's Reading File
REG. I
CA&A Division
Docket

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
April 14, 1964

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 17 1964

DATE	INITIALS	CODE
4/17	clas	800
		120
		500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Enclosed are two Thermo-Fax copies each of a letter dated April 7, 1964, from the subject Operator, an inventory of pipe, rail, etc. at the Excelsior mine, five letters dated March 10, 1964, to operators requesting bids, and two replies.

At $120/ton for 20# rail, $0.50/ft for 2" air line, and $0.22/ft for 1" water line, the value of the inventory (new) would be in the order of $2,600.00. To eliminate salvage, this would be reduced 50 percent or $1,300.00 in arriving at the cost per foot or ton of which the Government's participation would be $650.00. The Government's equity in the $1,200.00 bid by Spokane National Mines would be $600.00.

It is therefore recommended that the Government concur with the Operator's suggestion that the Spokane National bid be accepted.

D. R. MacLaren

D. R. MacLaren

Enclosures

OME/21

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329 4216

April 7, 1964

Mr. D. R. MacLaren
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re. OME 6263
Excelsior Claims
Beaverhead County,
Montana
Contract 2163

Dear Mr. MacLaren:

As indicated in our letter of March [illegible], 1964, to you, we have contacted five active mining companies in the southwestern Montana area relative to purchase of the used mine rail, etc. at the Excelsior property. Enclosed you will find a copy of the inventory and copies of the five letters of invitation to bid. Although we requested a return reply, three companies failed to reply.

The Hand Mines submitted a bid of $500 and the Spokane National Mines submitted a bid of $1,200.00. Copies of these bids are also enclosed.

The $1,200.00 bid is much more realistic and the Spokane National Mines would have little transportation problems since their re-activated operation is less than two miles from the Excelsior property.

Subject to your approval, it is our suggestion that the $1,200.00 bid from the Spokane National Mines be accepted. Should you have further suggestions or comments concerning this sale please advise us concerning the matter. We shall defer any action in the matter until we hear from you.

Sincerely,

GRAND DEPOSIT MINING COMPANY

/S/ James D. Davenport
James D. Davenport

RECEIVED RKW

APR 9 1964

OME
SPOKANE, WASHINGTON

JDD:cw
cc: Mr. Charles A. Steen
Mr. Julian C. Ashby

Excelsior Mine, Bannock, Montana

As of Febuary 24, 1964, the inventory at the Excelsior mine is as follows:

20 # mine rail:

2 lengths @ 20 foot	(		2 bent)
203 lengths @ 15 foot	(130 straight,	73 bent)	
2 lengths @ 13 foot	(	2 bent)	
5 lengths @ 12 foot	(1 straight,	3 bent,	1 broken end)
28 lengths @ 10 foot	(9 straight,	9 bent,	10 broken ends)
2 lengths @ 8 foot	(		2 broken ends)
4 lengths @ 6 foot	(4 straight		)
1 length @ 5 foot	(1 straight		)
2 lengths @ 4 foot	(		2 broken ends)

The above is 3,524 feet of rail and weighs 11.8 tons. 4½ tons of this is either very bent or broken on the end. There is an additional 80 feet (estimated) that is under a caved area where we holed the south end of the old workings. This would weigh .27 tons.

5,234 switches

2" pipe: Total length 1,453 feet:

43 lengths @ 21.4 feet, straight.
32 lengths @ 18 feet, straight.
1 length @ 21.4 feet, very bent.

1" pipe: Total 53 feet.

355 4x6 ties.

Fishplates, trackbolts, and track spikes for the above rail (not ocunted).

All of the above is inside the mine.

Walter E. Bauer

Walter E. Bauer

March 10, 1964

Spokane National Mines, Incorporated
414 Farmell Building
Spokane, Washington

Gentlemen:

Enclosed you will find an inventory of used mine rail, pipe, switches and ties presently located at the Emmaline Mine at Bannack, Montana. These items were recently used to complete the exploration program by the Office of Minerals Exploration and the Grand Deposit Mining Company. The above mentioned items are owned jointly by the United States Government and the Grand Deposit Mining Company and it is our desire to sell the items as soon as possible.

Since your firm is currently active in mining operations, we would appreciate a bid for this used material, if you are interested. Should you not be interested would you please so indicate by use of the enclosed self-addressed envelope.

All correspondence relative to this matter should be addressed to Mr. James D. Davenport, 1750 East Plumb Lane, Reno, Nevada.

In the event that you would care to examine the material, it is presently piled in the portal of the Emmaline Mine at Bannack, Montana. The key to the portal may be obtained from Mr. Walter E. Bauer, 3115 Ottawa Street, Butte, Montana.

Thank you very much for your interest in this matter.

Sincerely yours,

GRAND DEPOSIT MINING COMPANY

James D. Davenport

JDD:[illegible]:ow
Enclosure

March 10, 1964

Mr. John Mand
Dillon,
Montana

Dear Sir:

Enclosed you will find an inventory of used mine rail, pipe, switches and ties presently located at the Excelsior Mine at Bannack, Montana. These items were recently used to complete the exploration program by the Office of Minerals Exploration and the Grand Deposit Mining Company. The above mentioned items are owned jointly by the United States Government and the Grand Deposit Mining Company and it is our desire to sell the items as soon as possible.

Since your firm is currently active in mining operations, we would appreciate a bid for this used material, if you are interested. Should you not be interested would you please so indicate by use of the enclosed self-addressed envelope.

All correspondence relative to this matter should be addressed to Mr. James B. Davenport, 1790 East Plumb Lane, Reno, Nevada.

In the event that you would care to examine the material, it is presently piled in the portal of the Excelsior Mine at Bannack, Montana. The key to the portal may be obtained from Mr. Walter E. Bauer, 3115 Ottawa Street, Butte, Montana.

Thank you very much for your interest in this matter.

Sincerely yours,

GRAND DEPOSIT MINING COMPANY

James B. Davenport

JBD:RKM:ew
Enclosure

March 10, 1964

Tri State Minerals, Incorporated
P. O. Box 227
Dillon, Montana

Attention: Mr. Ernest Nygren,
Mine Superintendent

Gentlemen:

Enclosed you will find an inventory of used mine rail, pipe, switches and ties presently located at the Excelsior Mine at Bannack, Montana. These items were recently used to complete the exploration program by the Office of Minerals Exploration and the Grand Deposit Mining Company. The above mentioned items are owned jointly by the United States Government and the Grand Deposit Mining Company and it is our desire to sell the items as soon as possible.

Since your firm is currently active in mining operations, we would appreciate a bid for this used material, if you are interested. Should you not be interested would you please so indicate by use of the enclosed self-addressed envelope.

All correspondence relative to this matter should be addressed to Mr. James B. Davenport, 1790 East Plumb Lane, Reno, Nevada.

In the event that you would care to examine the material, it is presently piled in the portal of the Excelsior Mine at Bannack, Montana. The key to the portal may be obtained from Mr. Walter E. Bauer, 3115 Ottawa Street, Butte, Montana.

Thank you very much for your interest in this matter.

Sincerely yours,

GRAND DEPOSIT MINING COMPANY

James B. Davenport

JBD:RKM:cw
Enclosure

March 10, 1964

Mr. E. V. Chettle
4317 South 7th East
Salt Lake City, Utah

Dear Mr. Chettle:

Enclosed you will find an inventory of used mine rail, pipe, switches and ties presently located at the Excelsior Mine at Bannack, Montana. These items were recently used to complete the exploration program by the Office of Minerals Exploration and the Grand Deposit Mining Company. The above mentioned items are owned jointly by the United States Government and the Grand Deposit Mining Company and it is our desire to sell the items as soon as possible.

Since your firm is currently active in mining operations, we would appreciate a bid for this used material, if you are interested. Should you not be interested would you please so indicate by use of the enclosed self-addressed envelope.

All correspondence relative to this matter should be addressed to Mr. James B. Davenport, 1790 East Plumb Lane, Reno, Nevada.

In the event that you would care to examine the material, it is presently piled in the portal of the Excelsior Mine at Bannack, Montana. The key to the portal may be obtained from Mr. Walter E. Bauer, 3115 Ottawa Street, Butte, Montana.

Thank you very much for your interest in this matter.

Sincerely yours,

GRAND DEPOSIT MINING COMPANY

James B. Davenport

JBD:RKW:ew
Enclosure

March 10, 1964

Mr. David M. Clegg, President
East Utah Mining Company
863 First Security Building
Salt Lake City, Utah 84111

Dear Mr. Clegg:

Enclosed you will find an inventory of used mine rail, pipe, switches and ties presently located at the Excelsior Mine at Bannack, Montana. These items were recently used to complete the exploration program by the Office of Minerals Exploration and the Grand Deposit Mining Company. The above mentioned items are owned jointly by the United States Government and the Grand Deposit Mining Company and it is our desire to sell the items as soon as possible.

Since your firm is currently active in mining operations, we would appreciate a bid for this used material, if you are interested. Should you not be interested would you please so indicate by use of the enclosed self-addressed envelope.

All correspondence relative to this matter should be addressed to Mr. James B. Davenport, 1790 East Plumb Lane, Reno, Nevada.

In the event that you would care to examine the material, it is presently piled in the portal of the Excelsior Mine at Bannack, Montana. The key to the portal may be obtained from Mr. Walter E. Bauer, 3115 Ottawa Street, Butte, Montana.

Thank you very much for your interest in this matter.

Sincerely yours,

GRAND DEPOSIT MINING COMPANY

James B. Davenport

JBD:RDh:cw
Enclosure

HAND MINES

BANNOCK STAR RT. • DILLON, MONTANA • PHONE 683-64,XU

MESSAGE	REPLY
Grand Deposit Mining Co 1790 East Plumb Lane Reno Nevada March 12-64 re regards to lot at Silver Mine Bannock Mont we dont need those items just now. we have never seen these items, but will sell $500.00 for lot as is	DATE
John Hand	SIGNED

SPOKANE NATIONAL MINES, INC.
414 FERRIGLE BUILDING
SPOKANE 1, WASHINGTON

April 1, 1964

Mr. James D. Davenport
Grand Deposit Mining Company
1790 East Plumb
Reno, Nevada

Dear Mr. Davenport:

In reply to your letter dated March 10, 1964 relative to our bid for equipment shown on the inventory and located at the Excelsior Mine near Bannack, Montana. I would like to submit the following: On a as is, whereas basis, we offer $1,200 for the lot.

Very truly yours,

J. W. Currie

J. W. Currie,
General Manager &
Vice President

JWC/jf

OMRC

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 17 1964

DATE	REMARKS	CODE
4/17		800
		500

No. 157 Howard Street
Spokane, Washington 99204
April 14, 1964

Air Mail

Mr. James D. Davenport
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Excelsior, et al., Claims
Beaverhead County, Nevada
Contract 2163

Dear Mr. Davenport:

We have forwarded your letter of April 7, 1964, with enclosures to our office in Washington, D. C., for consideration. As soon as we receive a reply, we shall notify you.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME(2)
Voucher file
MacLaren

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO NEVADA
TELEPHONE 329 4216
CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

March 10, 1964

FILE 13

3/13 800

~~3/13 Murphy 500~~

Mr. D. R. MacLaren
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re: OME 6263
Excelsior Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. MacLaren:

Your letter of February 26, 1964 concerning disposal of the rail, pipe, etc. at the Excelsior property has been received. We also received an inventory of the material from Mr. Walter E. Bauer on February 24, 1964.

As of this date, we are submitting this inventory to five different mining companies in southwestern Montana for their possible bids. We hope that at least some of the companies will make a firm bid in the very near future.

Copies of all correspondence concerning the bids will be made and forwarded to your office as soon as possible.

Sincerely,

GRAND DEPOSIT MINING COMPANY

/s/ James D. Davenport
James D. Davenport
RKW

JDD:RKW:cw
cc: Mr. Charles A. Steen
Mr. Julian C. Ashby

RECEIVED
Via
MAR 11 1964
Air Mail
OME
SPOKANE, WASHINGTON

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 2 1954

DATE	INITIALS	SUBJECT
3/1	[illegible]	8 Gen
	[illegible]	500

Mre

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 2 1964

DATE	INITIALS	CODE
3/9	MOJ	800
	Murphy	500

So. 137 Howard Street
Spokane, Washington 99204
February 26, 1964

Air Mail

Mr. James D. Davenport
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Excelsior, et al., Claims
Beaverhead County, Nevada
Contract 2165

Dear Mr. Davenport:

This will acknowledge receipt of the Operator's Final Report transmitted with your letter of February 19, 1964.

I do not understand the second paragraph of your letter. The pipe, etc., is jointly owned by Grand Deposit and the Government, but if each party were to waive its equity who would then own the pipe? Actually, this question is academic since by Article 8(c), Disposal of property, on page 5 of the contract, the Operator is obligated to dispose of the property in which the Government has an interest unless the Government in writing waives its interest.

We too are anxious to close our books on this contract and to this end we urge you to pursue the course of action outlined in your letter of February 6, 1964.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:mls

cc: OME(2) w/cys incoming
Voucher file
MacLaren

Director's Reading File
Resources Research Branch Chief

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

OME 17

February 19, 1964

Mr. D. R. MacLaren
Office of Minerals Exploration
U. S. Department of the Interior
So. 157 Howard Street
Spokane, Washington 99204

Re: OME 6263
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. MacLaren:

Your letter of February 11, 1964 has been received. We are sorry for the delay in forwarding the final report to you. Enclosed you will find copies of the final report. The final monthly report, September 22 to October 21, 1963, with maps, etc., was sent to your office in December.

Concerning the pipe, etc., the Grand Deposit Mining Company is prepared to waive all interest in this material. It is to be proposed that the Government likewise waive interest, thus terminating the matter.

Should we be of further assistance in this matter, please feel free to contact us.

Sincerely yours,

GRAND DEPOSIT MINING COMPANY

James D. Davenport,
Vice-President

JDD:cw
cc: Mr. Charles A. Steen

RECEIVED
FEB 24 1964
U.S. G.
Spokane

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
February 26, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 2 1964

DATE	INITIAL	
3/2	[illegible]	800
3/6	[illegible]	500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Enclosed are three copies of an Operator's Final Report and our reply to the second paragraph of his letter of transmittal dated February 19, 1964.

Reply not attached

The map accompanying the final report does not show any geologic features, however, there is such a map with the Narrative Report that accompanies the final voucher. It is therefore recommended that this report be accepted as satisfactory.

If the Operator does not send us at least an inventory of pipe and rail within a month, I will assume that the air line, water line, and track used was 1,680 feet each -- 280 feet in the crosscut and 1,400 feet in the drift -- and estimate their values at the current rates in order to arrive at a figure for the Government's equity. Actually, I am certain some of the pipe and rail was taken out of the north drift and used to complete the south drift, but without an inventory I do not know how much.

D. R. MacLaren

D. R. MacLaren

Enclosures

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 2 1964

DATE	INITIALS	CODE

FINAL REPORT (OME 6263)

GRAND DEPOSIT MINING COMPANY

EXCELSIOR MINE

BANNACK, MONTANA

February 19, 1964

RECEIVED
Via
FEB 24 1964
Cert. Mail
U.S.G.S.
Spokane, Wash.

OPERATOR'S
FINAL REPORT

FINAL REPORT (OME 6263)
GRAND DEPOSIT MINING COMPANY
EXCELSIOR MINE
BANNACK, MONTANA

A total of 280 feet of slabbing, and 1,400 feet of crosscutting and drifting has been completed on this property to complete OME program 6263.

Geologic Summary: As a result of this exploration work, we have found that the north area is more altered and faulted than the area to the south. This alteration is controlled by involved faulting. At least three solution conduits were found. We have determined that there is less intrusive at depth than there is on the surface, and that this granodiorite is plunging at about 50 degrees to the southwest.

To the south, the exploration has shown that previous concepts of the probable positions of the contact areas were far from accurate. A previously unknown apophysis was located and followed to the completion of the program. There is a reasonable continuity of structures and what mineralization we found may have structures as a major control.

The contact zone in both areas has had very little mineralization on it other than chlorite and a general marbleization of the limestone. Garnets have been very scarce. There was a weak pyrite area on the contact in the area of Brunton station S-11.

A total of 33 samples were taken and assayed for gold and silver. All samples were blanks for both metals. No tetradymite was found and no assays were made for tellurium and bismuth.

No ore was found, therefore the actual economic value of this program was negative. The precise ore controls in the area are for the most part still unknown.

All intrusive rocks are assumed to be various facies of the main granodiorite in the area. No thin sections were made to see if other rock types were present.

Engineering Summary: All surveys shown underground are Brunton stations and were determined by turning angles from backsight to foresight. Distances were measured with a metallic cloth tape. Stations are wooden plugs with a spad to mark the actual point. A normal track grade was used throughout the program.

A total of 30 feet of drift timber was installed along the contact zone on the north side.

The position of the underground workings and the claim lines are shown on the enclosed map.

There are no ore reserves of any kind resulting from the OME program either directly or indirectly.

Work Performed and Related Costs: In summary, the total work performed and costs for this project (April, 1963 to October, 1963) were as follows:

		Cost
I. Drifting		
North Contact -	700 feet	
South Contact -	700 feet	
Total	1,400 feet	$ 65,800.00
II. Slabbing		
Adit	280 feet	4,480.00
III. Timbering		
North	30 feet	60.00 ?
IV. Assays		
Number - 33		105.00 ?
	TOTAL	$ 70,445.00

Five copies of the following information was submitted to the O. M. E. each month, throughout the project, including the last reports for the period September 22, 1963 through October 21, 1963.

(1) Operators Monthly Voucher.

(2) Operators Progress Report.

(3) E. V. Chettle, Contractor Invoice.

(4) Monthly Progress Report - W. E. Bauer

(5) Assays and Assay Charges - R. A. Blake

(6) Advance and Geology Maps

Five original advance, geology and assay location maps were submitted on a monthly basis.

Included in the Appendix of this report are copies of the monthly report by Mr. W. E. Bauer. These reports review the pertinent work of the month, and include the advance, geology and assays.

Respectfully submitted,

GRAND DEPOSIT MINING COMPANY

James D. Davenport
RKW

James D. Davenport,
Vice-President

JDD:cw

APPENDIX

October, 1963 Progress Report (OMI 6263)
Grand Deposit Mining Company
Excelsior Mine, Bannock, Montana

During the month of Sept. 22, 1963 through Oct. 21, 1963 the South Drift advanced 163 feet to complete this OMI program.

The south side contact zone reported in last months Progress Report continued southeastward another 32 feet where it thinned and terminated against a barren fissure in limestone.

We were able to follow the contact continuation by installing a back switch near station S-14. In doing so, we found that the granodiorite thinned in the S-9, S-16 area, turning toward the previous workings. Picking in the southwest wall at S-8 exposed the contact we had been following. As a result, we stopped the contact advance and completed the program by blasting both ways on the limestone fissure.

There was a weak metalization at the point of the apophysis and another at the dotted red area near S-11. The latter is a pyritic replacement of the granodiorite, the former was clays, iron oxides, and pyrite in altered granodiorite and limestone.

The contact followed in October, is the only on we have had that was strong enough that we could investigate both sides of the apophysis.

Twenty samples were taken. All sample locations are from the nearest station and are measured along the direction of advance. The samples include all iron stained, altered, or pyritic areas.

Tag No.	Location	Width	Au	Ag
974	S-6 @ 40 ft	½ to ½"	0.00	0.0
975	N-10 @ 17½ to 20 ft.	2.5'	0.00	0.0
976	" 20 to 23½	3.5'	0.00	0.0
977	" 23½ to 25	1.5'	0.00	0.0
982	N-5 @ 22' to 28'	6.0'	0.00	0.0
983	N-5 @ 40½ to 42'	1.5'	0.00	0.0
984	N-5 @ 28 to 29'	1.0	0.00	0.0
985	N-12 @ 28 to 29'	1.0	0.00	0.0
986	S-11 @ 48'	2.0	0.00	0.0
987	N-12 @ 28'	1.0	0.00	0.0
993	N-13 @ 37'	0.4	0.00	0.0
994	" "	1.0	0.00	0.0
995	" "	1.0	0.00	0.0

Tag No.	Location	Width	Au	Ag
996	E-13 @ 29'	0.5'	0.00	0.0
997	" " @ 26'	0.5'	0.00	0.0
998	" @ 36'	2.0'	0.00	0.0
999	" @ 5'	1.0'	0.00	0.0
251	S-12 @ 56' (yellow st'd ls)	1.0'	0.00	0.0
252	" @ 55' (Bla. with pyrite)	0.8'	0.00	0.0
253	" @ 55 to 59' (thin FeOx)	0.4'	0.00	0.0
262	S-11 @ 1N to 6½S	7.5	0.00	0.0
263	S-15 @ 20 to 24	4.0	0.00	0.0

Respectfully submitted,

Walter E. Bauer

Walter E. Bauer, Geologist

September Progress Report (ONE 6263)
Grand Deposit Mining Company
Excelsior Mine, Bannack, Montana.

During the month of August 22, 1963 through September 21, 1963 this project had a total advance of 478 feet, and 30 feet of drift timber installed.

The North Drift advanced 256 feet to complete the drifting program on this side of the mine.

Details of the geology involved is shown on the enclosed map. There is less granodiorite than was implied by surface geology. Since there is only a vague similarity between the surface and what we found underground, we had to resort to exploratory blasting to find where the granodiorite continued. This is evident in the area of bruston station N-11 where the northeastern extension of the granodiorite terminated, and in the area of N-12 where it looked like the granodiorite was terminating westward as well.

At this point we advanced the drifting northwest from N-5 to see if the granodiorite at N-5 and N-6 continued westward. It did not, and we found the faulted continuation by blasting into the left wall in the N-12 area which we followed to complete the program.

The detailed geology of the area is shown on the enclosed sketch. Three hydrothermal conduits were located and are shown as diagonally lined areas. These are the cause of the alteration from N-4 northward. The faulting is complex from N-12 westward; the most alteration is in the N-13 area.

The mineralization is epithermal (if not simply from hot spring conduits).

A number of samples were taken toward the latter part of the month and will be reported in next months report.

The South Drift advanced 222 feet along a strong contact that has a strike similar to the contact at the Excelsior ore body.

Metalization has been feeble to date. There is thin iron stained gouge on the fractures in the S-9 area and minor pyrite in the S-11 area.

The fractures shown have very little displacement.

The granodiorite between S-6 and S-7 is a chilled dyke that cuts the main granodiorite. This implies two ages of intrusives and it is probable that the epithermal (?) metalization of the north side followed this second intrusion.

Altho the dyke outcrops at the surface, the granodiorite we are following is not known to outcrop.

Respectfully submitted,

Walter E. Bauer

Walter E. Bauer, Geologist

AUGUST PROGRESS REPORT (0456263)
GRAND DEPOSIT MINING COMPANY
EXCELSIOR MINE, BANNOCK, MONTANA

During the month of July 22, 1963 through August 21, 1963 this project had a total advance of 258 feet.

North Drift

Total advance in the north drift was 140 feet. This drift advanced through a small outlier that along it's eastern end developed into a 2 to 3 foot wide dyke with a fissure along it's hanging wall. A left turn was made as the dyke began to pinch out, in order to crosscut additional structures and to pull back into the granodiorite area shown on the surface map. Four structures were cut, the first two containing calcite vugs, the third is a moderate shear zone, the fourth was a thin possible vein. The rest of the advance was in altered marbleized limestone.

Five samples were taken in this drift during the month:

Tag. No.	Width	Au	Ag	Description
964	1.5	.00	0.0	Altered silicified granodiorite
965	0.3	.00	0.0	Limonite along structure
971	0.5	.00	0.0	Altered granodiorite
972	0.3	.00	0.0	A possible vein
973	1.0	.00	0.0	Similar to No. 972

The contact has been devoid of metalization to date.

South Drift

This drift had 118 feet of advance during the month. In doing so, it advanced through a fissure system that was somewhat mineralized. A 2 to 3 foot dyke was cut near the end of the months advance that is widening to the south.

Three samples were cut during the month and are included below:

Tag No.	Width	Au	Ag	Description
968	½ in.	.00	0.0	Limonite along structure
969	½ in.	.00	0.0	" " "
970	0.2 ft.	.00	0.0	" " "

Respectfully submitted,

Walter E. Bauer

Walter E. Bauer, Geologist

July, 1963 Progress Report (OME 6263)
Grand Depault Mining Company
Excelsior Mine, Ennis, Montana

During the month of June 22 through July 21, 1963, this project had a total advance of 369 feet.

The north drift advanced 212 feet along or near the contact zone. Details of this are shown on the enclosed map.

The south drift and crosscut had an advance of 157 feet during the month. This drift holed the southern end of the old workings. The dotted drift outline corrects the old brunton survey to correspond with this holing.

The Excelsior outlier continued northwest into the adit. Another outlier with a S. 30 W. trend is shown where it crosses the adit. The dot-dash lines indicate this outlier on the surface, and the small X marks the point where iron oxides, increasing southwestward, begin to appear. A small dozer cut about 340 feet S. 32 W. of this point exposed an impressive showing of iron oxide along the contact.

The southwest crosscut will continue until it intersects the granodiorite.

Three samples were taken in the north drift during the month and are included below:

Tag Number	Width	Au	Ag	Description
961	1.2 ft.	0.00	0.2	A pod of quartz and chlorite
962	0.5	0.00	0.0	Iron stained grd. on structure
963	0.3	0.00	0.0	Black chlorite along structure

No other mineralization was noted and no other samples were taken.

Respectfully submitted,

Walter E. Bauer

Walter E. Bauer, Geologist

June Progress Report (CHE 6263)
Great Deposit Mining Company
Excelsior Mine, Deerlodge Montana

During the month of May 22, 1963 through June 21, 1963 this project had 140 feet of adit slabbing. This completes the slabbing program of this project.

Total drift advance is 130 feet. Of this advance, the south drift advanced 38 feet in granodiorite toward the contact zone. No structures were noted, no mineralization was present.

The north drift advanced 92 feet during the month as defined above. The contact of granodiorite-marbleized Madison limestone was crossed at 45 feet of drift advance. This was an irregular jagged normal contact devoid of either structures or metallization. The marbleized limestone has small minor spots of dendritic MnO_2 and a few thin films of gypsum.

Small irregular sills are increasing of the left side as the drift advances. This side of the drift is probably quite close to the contact.

No mineralization was noted in either drift and no samples were taken.

Respectfully submitted,

Walter E. Bauer

Walter E. Bauer, Geologist

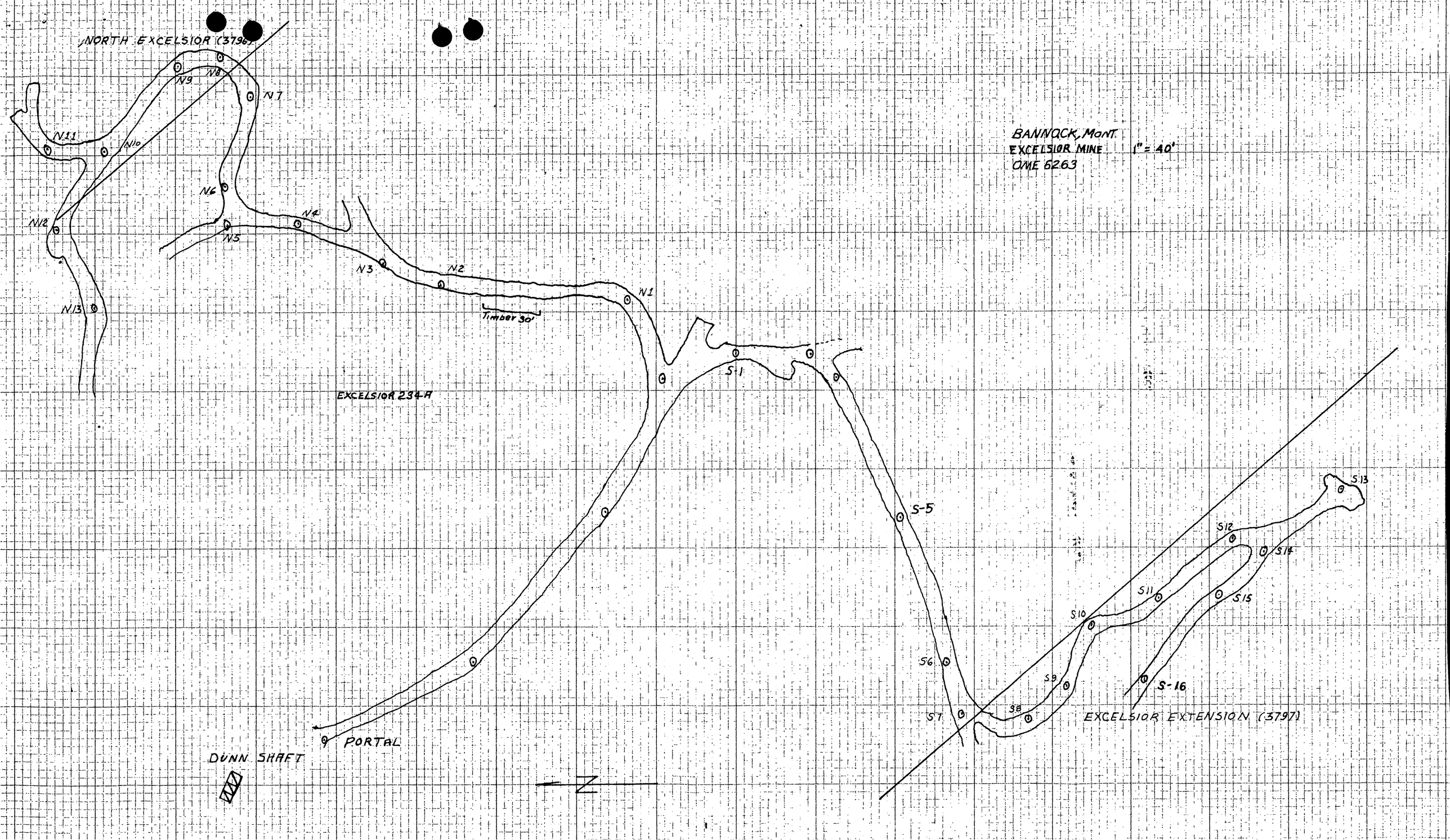
GMI docket # 6163 May 3, 1963

Monthly Narrative Report - GMI contract #2163

During the period 4-12-63 to 5-12-63 the sub-contractor moved in the equipment and supplies and set them up. About 225 ft. of 24" gauge surface track from the portal of the Lamoliar cross-cut to the north crest of the waste dump was completed. The cross-cut was slab drilled and blasted for a distance in excess of the 250 ft. stipulated; but was not mucked. Painted lines were installed for turning the new cross-cuts in both directions - (N50E & S50E) at 250 ft. from the portal of the existing cross-cut.

Respectfully submitted

B. Walker,
Mining geologist & engineer
for: Grand Reposit Mining Company


BANNOCK, MONT.
EXCELSIOR MINE
1" = 40'
OME 6263
NORTH EXCELSIOR (3796)
N1
N2
N3
N4
N5
N6
N7
N8
N9
N10
N11
N12
N13
Timber 30'
EXCELSIOR 234-A
S1
S-5
S6
S7
S8
S9
S10
S11
S12
S13
S14
S15
S-16
EXCELSIOR EXTENSION (3797)
PORTAL
DUNN SHAFT
N

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 2 1964
DATE | INITIALS | CODE

OMEL(2)

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 13 1964

DATE		CODE
2/19		800
2/14	Murphy	500

So. 157 Howard Street
Spokane, Washington 99204
February 11, 1964

Air Mail

Mr. James D. Davenport
Grand Deposit Mining Company
1790 East Flamb Lane
Reno, Nevada

Re: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Kaselaine, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. Davenport:

Referring to the last paragraph of your letter of February 6, 1964, there remains three requirements to be met. One is the disposal of salvageable property in which the Government has an interest as outlined in our letter of February 4, 1964; another is an Operator's Final Report as required under Article 5(a) of the contract; and the third is a Report of Review, in lieu of a final audit, by OME.

As soon as the Government's equity in the pipe, rail, etc., has been determined, we can process your final voucher. However, when payment is made, funds will be withheld pending settlement of the Government's equity, unless it is waived, and receipt of the Operator's Final Report. As soon as these two requirements are disposed of, a Report of Review will be requested and when it is completed, the balance of funds due will be released.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME(2) w/cys incoming
Voucher file
MacLaren

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1700 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

OME E(2)

February 6, 1964

U. S. Department of the Interior
Office of Mineral Exploration
157 South Howard Street
Spokane, Washington 99204

Re: OME (Gold-Silver-Bismuth-Tellurium)
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. MacLaren:

With reference to your letter of February 4, 1964, an inventory will be made at the mine, and a copy forwarded to you, with any explanations if there are any differences as indicated in your letter.

The bids will be asked from potential buyers and copies of the bids or replies will be forwarded to your office as requested.

Will you be able to finish processing our account for the final payment due Grand Deposit Mining Company at this time.

Yours very truly,

GRAND DEPOSIT MINING COMPANY

/s/ James D. Davenport

James D. Davenport

JDD:cw

Owel-v

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 6 1964

DATE	INITIALS	CODE
2/6	[illegible]	800
2/7	Murphy	500

No. 157 Howard Street
Spokane, Washington 99204
February 4, 1964

Air Mail

Mr. James D. Davenport
Grand Deposit Mining Company
1790 East Flamingo Lane
Reno, Nevada

Re: OME-6063 (Gold-Silver-Bismuth-Tellurium)
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. Davenport:

Article 8(c) of the contract provides for the disposal of salvageable property in which the Government has an interest. In this case the property to be disposed of appears to be 1-inch water pipe, 2-inch air pipe, 20-pound rail, and 2 switches. If less than 1,680 feet of each item was used (280 feet in the crosscut and 700 feet each in the north and south drift) an explanation of the difference should be presented.

You should request bids from at least three independent potential buyers or advertise in the paper for bids, sending us copies of your letters or advertisement and copies of any bids or replies received.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME(2) w/cys incoming
Voucher file
MacLaren

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1700 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

Mre (2)

January 20, 1964

United States Department
of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re: ~~OMB-6263 (Gold-Silver-~~
Bismuth-Tellurium)
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Attention: Mr. D. R. MacLaren,
Acting Field Officer
Region I

Gentlemen:

In reference to your letter of December 19, 1963, the $100.00 credit indicated by E. V. Chettle on his invoice was for 3" pipe which was not a part of the government contract.

All the pipe, rail, switches, etc. were included in the contract prices and are now on the property. Would you please tell us how the government equity is to be handled.

Sincerely yours,

GRAND DEPOSIT MINING
COMPANY

/s/ James D. Davenport
James D. Davenport

JDD:sw

RECEIVED
JAN 27 1964

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/6	Talbert	800
1/6	Murphy	500
	[illegible]	130
1/6	on leave	110
	[illegible]	100
1/6	cac	220
		500

JAN 6 1964

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Your December 19 memorandum requests advice as to the processing of the subject Operator's September 22 - October 21 MME Forms 60 and 61 in view of the deduction of $100.00 shown on the enclosed copy of E. V. Chettle's October 20 invoice.

In addition to the matter of what the $100.00 deduction actually represents there is the additional question, as indicated in your December 19 letter to the Operator's president, of the actual name of the independent contractor. Your letter states that the invoices show Whitco Development as performing the work; however, the copies of invoices in our files indicate performance by E. V. Chettle.

It is suggested that no further payment be approved under this contract until the name of the independent contractor is established, the $100.00 deduction is satisfactorily explained, and the Government's equity in the rail, air lines, water pipe, etc., is determined or waived. Furthermore, it is suggested that, after these accomplishments and receipt of the Operator's final report, the final voucher be submitted to the Contract Administration and Audit Division for issuance of a Report of Review prior to payment.

Enclosure

George C. Selfridge (gfa)

EDTalbert/ama 1-6-64

cc:
Docket
Director's Reading File
CA & A Division
Review Committee
Mr. Talbert
Fiscal Section

43683

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1700 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 2 1964
DATE

December 26, 1963

Mr. D. R. MacLaren
United States Department of Interior
South 157 Howard Street
Spokane, Washington 99204

Dear Mr. MacLaren:

This will acknowledge receipt of your letter dated December 19th to Mr. Steen. He is not expected in the office until after the first of the year. Your correspondence will be called to his attention on his return.

Yours very truly,

MARY WILSON
Secretary to Mr. Steen

RECEIVED
DEC 30 1963

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
December 19, 1963

OFFICIAL FILE COPY
1963

DATE		CODE
1/6		800
		50.0

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Enclosed is a copy of a final invoice to the Operator from the subcontractor which accompanied the Operator's voucher for the period September 22 - October 21, 1963. Please return it with your reply.

The voucher itself is correct except for the number of assays, but I am puzzled as to what I should do regarding the item in the invoice which states:

> "Less credit of $100.00 for purchase of about 300 feet of pipe with Vitaulic couplings located in main adit."

I have not received a reply to my letter of November 13, 1963, addressed to Walter E. Bauer, a carbon copy of which was sent to Charles A. Steen. However, I have received two telephone calls from Phil Shenon of Salt Lake City, Utah, Claim Owner, regarding the disposal of rail and pipe. Apparently, no one in the organization admits to knowing who, if anyone, authorized the subcontractor to turn some of the pipe and/or rail over to a neighboring operator. As I understand it, this was done and the material was subsequently reclaimed. Whether or not the credit of $100.00 on the invoice represents a refund to Grand Deposit for an improper sale or whether it represents an actual purchase of the pipe from Grand Deposit, I do not know.

Also enclosed are two copies of a letter of this date to Steen requesting clarification. In the meantime, in processing the voucher, should $100.00 be deducted from the total approved costs to date as it appears on MME Form 61?

D. R. MacLaren

Enclosures

No. 157 Howard Street
Spokane, Washington 99204
December 19, 1963

Air Mail

Mr. Charles A. Steen
President
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. Steen:

We note on the invoice dated October 20, 1963, from E. V. Chettle, Engineer, which accompanied your voucher for the period September 22 - October 21, 1963, that there is a "credit of $100.00 for purchase of about 300 feet of pipe, etc."

Kindly refer to my letter of November 13, 1963, to Walter R. Bauer, Geologist, a copy of which was sent to you. In that letter mention is made of the terms in a bid for doing the Grand Deposit work which accompanied your application. From the invoices which have been submitted apparently the work was not done by Whiteo Development unless E. V. Chettle is part of that organization. In any case, as his invoiced unit prices are the same as those quoted by Whiteo Development, is the assumption on our part correct that the cost of pipe, rail, switches, etc., are included in the price of $16.00 per foot for slabbing and the price of $47.00 per foot for drifting, or did the company purchase these items for E. V. Chettle's use? If our assumption is correct, the Government would appear to have an equity in these items and the terms of Article 8 in the OME contract would be in effect.

Before processing your September 22 - October 21 voucher, clarification as to the sale of the pipe and other items in which the Government might have an equity will be greatly appreciated.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls cc: OME(2)
MacLaren
Voucher file

(Excerpt of Memorandum to File by Mr. Selfridge concerning telephone call on 11/18/63 to Mr. McLaren. Complete memorandum dated 11/19/63 filed in OME-6324, Clayton Silver Mines.)

With regard to Pacific Minerals & Chemical Co., Inc., OME-6141, he stated that the recess started on October 11 as he had visited the property on the 10th and the diamond driller was folding up.

Mr. McLaren examined the Lombardi property on August 11. There is a claim conflict and the Applicant plans to submit a new application.

Mr. McLaren asked what if the Operator at the Grand Deposit Mining Company, OME-6263, had already sold the pipe and rail. The writer informed Mr. McLaren that the Government would participate to 50 per cent of the net. He has already written to Mr. Bauer to learn the status of these types of equipment.

Mr. McLaren asked if it would be all right for him to take leave between December 26, 1963, and January 3, 1964, to accompany his boy on a visit to certain schools. The writer informed him that he could think of no reason why he shouldn't be able to do this. In this connection, the writer informed Mr. McLaren that we would like to write as many contracts as warranted before early January. He also suggested that we might use the services of the Bureau of Mines to do some field work in order to give Mr. McLaren an opportunity to write up his reports. Mr. McLaren stated that his last trip had involved 3100 miles and that he would not be going into the field again until after the holidays. He further stated that there were three or possibly four projects that warranted OME assistance and that after clearing a couple of vouchers he would start to write up the favorable reports.

Mr. McLaren also asked if we had received a copy of a letter from Mr. James A. Williams, Director, Division of Mines and Minerals, State of Alaska. The writer informed him that the inquiry had been referred to the Legal Division for comment and that we would answer from here.

George C. Selfridge

GCSelfridge/gla (11-19-63)
cc to: Director's Reading File
Docket OME-6324
Copies of page 2 in Dockets OME-6141, OME-6263, and OME-6316
M&R, Region I file
Mr. Selfridge

One (2)

OFFICIAL FILE COPY

So. 157 Howard Street
Spokane, Washington 99204
November 13, 1963

11/18
11/20 Murphy 800 520

Mr. Walter F. Bauer, Geologist
New Park Mining Company
3115 Ottawa Street
Butte, Montana

Re: OME-6063 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. Bauer:

I have been informed by OME that my letter to you of November 4, 1963, may be in error.

Whitco Development's letter of June 23, 1962, to Grand Deposit Mining Company includes the cost of used 20-pound rail, 2-inch air line, and track switches in the contract price of $47.00 per foot. This suggests that Grand Deposit would be the owner of the track, pipe, and switches which were installed by the time the Independent Contractor finished the job. If this is the case, the Government would have an equity in these items.

Kindly advise me whether Grand Deposit owns the installed track and pipe, and if so, what it would cost to remove it and its present estimated value.

Sincerely yours,

D. R. Maclaren
Acting Field Officer, OME
Region I

cc: Mr. Charles A. Steam (Via air mail)
President
Grand Deposit Mining Co.
1790 East Plumb Lane
Reno, Nevada

DRMaclaren:mls cc: OME(2)
Voucher file
Maclaren

Director's Reading File
Resources Research Branch Chief

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/8	Murphy	500
11/8	on leave	500
11/8	Tolbert	800
	GCS	130
11/8	On leave	110
2	Fmly	100
11/8	cal	220
		500

NOV 8 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

With reference to your memorandum of November 4, 1963, a review of the vouchers for August and September suggests that for all practical purposes the work under the contract has been completed and seemingly a termination agreement is not required.

With regard to your letter of November 4 to Mr. Bauer, you will note in Whitco Development's letter of June 23, 1962, to the Operator that the used pipe and rail mentioned represents part of the cost of $47.00 per foot of drifting allowed under the OME contract. This suggests that the Operator would be the owner of these items when the Independent Contractor finished the job. If this is the case, the Government would have an equity in these items.

Possibly the cost of removing the used pipe and rail would exceed its value. For procedure in this matter, please refer to DMEA Circular 30 (incl. Supt. 1 and 2) and also to OME Circular 4, dated April 14, 1960, for authority to waive the Government's equity.

George C. Selfridge (gfa)

FMMurphy/mm
11/8/63
cc: Director's Reading File
Review Committee
Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
November 4, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 6 1963

DATE	INITIALS	CODE
11/6	[illegible]	800
		~~120~~
	Murphy	500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Work under the subject contract has been completed in a satisfactory manner and no certification of discovery will be recommended. A Termination Agreement by mutual consent is requested.

D R MacLaren
D. R. MacLaren

No Field Final Report received to date, but MacLaren will not recommend certification--See his Memo dated 11/4/63.

Termination agreement not necessary if work was completed in accordance with contract
Talbert
11/6/63

(one 2)

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 8 1963

DATE		CODE
11/6	Murphy	800
		120
		500

Sa. 157 Howard Street
Spokane, Washington 99204
November 4, 1963

Mr. Walter E. Bauer, Geologist
New Park Mining Company
5115 Ottawa Street
Butte, Montana

Re: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. Bauer:

The Government has no equity in any operating supplies or equipment as a result of the OME contract.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME(2) w/cys incoming
MacLaren

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

November 2, 1963

Mr. D. R. Maclaren
Office of Mineral Exploration
South 157 Howard Street
Spokane, Washington

Dear Mac,

Please advise on any possible Government ownership of the pipe and rail at the Excelsior Mine as a result of the OME 6263 project.

If there is a partial ownership, does it include the rail in the mine yard or the original Excelsior adit?

Thanks Mac,

Sincerely,

/s/ Walter E. Bauer

Walter E. Bauer, Geologist
New Park Mining Co.
3115 Ottawa St.
Butte, Montana

OMC-6263
MacLaren's 11/4/63 ltr. to Opr.

I can find no provision in this contract waiving the Govts. equity in pipe + rail.

What cost?

Talbot
11/6/63

MME FORM 6 REFERENCE SLIP
REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO: Chief, Div. of Field Operations | DATE 10/9/63 | INITIALS

1.

2.

3.

4. Mary L. Smelser

Mary L. Smelser

5 For: D. R. MacLaren

FROM: Acting Field Officer, Region I

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 11 1963
DATE INITIALS

FOR: Check items for ~~action desired~~

X	Action		Reply for signature of		
	Approval		Investigate		Surname
	Comment		Recommendations		Signature
	Conference		Rewrite		File
	Instructions		Your information		

REMARKS: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Co.
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Transmittal of Amendment No. 1.

GREAT DEPOSIT MINING COMPANY
MINERAL EXPLORATION AND DEVELOPMENT
1780 EAST PLUMB LANE • RENO NEVADA

TELEPHONE 329-42

A. STEEN
CHIEF GEOLOGIST

ORIGINAL FILE COPY
DATE
RECEIVED OCT 11 1963
DATE
10/11 Murphy 500

October 7, 1963

Mr. D. R. MacLaren
Acting Field Officer, OME
U. S. Department of the Interior
So. 157 Howard Street
Spokane, Washington

Dear Mr. MacLaren:

This will acknowledge receipt of your letter of September 30th with reference to the proposed amendment covering assay charges on our OME-6263 contract in Beaverhead County, Montana.

In accordance with your instructions, I have signed, and enclosed herewith, the original and three copies of the amendment.

Thank you for your cooperation in connection with this contract.

Yours very truly,

CHARLES A. STEEN

enc.

MME FORM 60
SEPT. 1959

RECEIVED
Via
OCT 4 1963
Air Mail

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. 6263
Contract No. 14-23-090-2163
Contract Amount $ 72030.00
Gov't. Participation % 50 $ 36015.00
Mineral(s) Gold-Silver-Bismuth and Tellerium

OPERATOR'S MONTHLY VOUCHER

For Month of Aug. 22-Sept.21,1963

Operator's Name Grand Deposit Mining Company
Address 1790 East Plumb Lane, Reno, Nevada

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting ~~xxxxxxxx~~	22466.00	35579.00	58045.00			
Slabbing		4480.00	4480.00			
Crosscutting						
Drilling						
Timbering	60.00	-0-	60.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work Assays	-0-	27.50	27.50			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	22526.00	40086.50	62612.50	22,526.00	40,059.00	62,585.00

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

Date Sept. 30, 1963 *Payee Grand Deposit Mining Company

Per Charlotte Title President

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 11,263.00

Signature BHB
(Authorized Certifying Officer)

Date 10/11/63 Vou. No. 5467

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2163

Signature D R MacKaven Title Acting Field Officer, Reg. I Date OCT 4 1963

Approved by OME Executive Officer or Alternate:

Signature D R MacKaven Title Acting Field Officer, Reg. I Date OCT 4 1963

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
Via
OCT 4 1963
Air Mail

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT — For Month of Aug. 22- Sept.21,1963 — Docket No. 6263

Operator's Name Grand Deposit Mining Company — Contract No. 14-23-090- 2163

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting ..... Slabbing	Ft.	478	1400 1235	58045.00	478	1235	58045.00
	Ft.	-0-	280 280	4480.00	—	280	4480.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Timbering ~~Miscellaneous~~	Ft.	30	100 30	60.00	30	30	60.00
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases Assays 11 @ 2.50				27.50			—
Analytical Work							
TOTAL TO DATE (per MME Form 60)				62612.50			

REMARKS

(Continue on back)

REMARKS
L W. Withheld Pending Operator's acceptance of proposed Amendment

(Continue on back)

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

Date Sept. 30, 1963 Operator Grand Deposit Mining Company

Per Charles Allen Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D. D. MacBoren

Title Acting Field Officer, Reg. I
Government Representative

Date OCT 4 1963

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 61577

V. CHETTLE, ENGINEER
4317 SO. 7TH EAST
SALT LAKE CITY 7, UTAH

DATE September 22, 1963, 19

INVOICE No. 63-33

ORDER No.

Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

For services rendered on partial completion of exploration work at the Excelsior Mine, Bannack Mining District, Beaverhead County, Montana - over period August 22, 1963 to September 22, 1963. Project is designated as Docket No. OME-6263. Work completed during the period described below:

(1)	North drift - 256 feet South drift - 222 feet Total drifting... 478 " at $57.00 per foot	$ 22,466.00
(2)	Timbering in north drift 30 feet at $2.00	60.00
	Total this invoice.....	$ 22,526.00

"I certify that the above bill is correct and just; that payment therefor has not been received; that all statutory requirements as to American production and labor standards, and all conditions of purchase applicable to the transactions have been complied with."

E. V. CHETTLE

September Progress Report (OME 6263)
Grand Deposit Mining Company
Excelsior Mine, Bannock, Montana.

During the month of August 22, 1963 through September 21, 1963 this project had a total advance of 478 feet, and 30 feet of drift timber installed.

The North Drift advanced 256 feet to complete the drifting program on this side of the mine.

Details of the geology involved is shown on the enclosed map. There is less granodiorite than was implied by surface geology. Since there is only a vague similarity between the surface and what we found underground, we had to resort to exploratory blasting to find where the granodiorite continued. This is evident in the area of brunton station N-11 where the northeastern extension of the granodiorite terminated, and in the area of N-12 where it looked like the granodiorite was terminating westward as well.

At this point we advanced the drifting northwest from N-5 to see if the granodiorite at N-5 and N-6 continued westward. It did not, and we found the faulted continuation by blasting into the left wall in the N-12 area which we followed to complete the program.

The detailed geology of the area is shown on the enclosed sketch. Three hydrothermal conduits were located and are shown as diagonally lined areas. These are the cause of the alteration from N-4 northward. The faulting is complex from N-12 westward; the most alteration is in the N-13 area.

The mineralization is epithermal (if not simply from hot spring conduits).

A number of samples were taken toward the latter part of the month and will be reported in next months report.

The South Drift advanced 222 feet along a strong contact that has a strike similar to the contact at the Excelsior ore body.

Metalization has been feeble to date. There is thin iron stained gouge on the fractures in the S-9 area and minor pyrite in the S-11 area.

The fractures shown have very little displacement.

The granodiorite between S-6 and S-7 is a chilled dyke that cuts the main granodiorite. This implies two ages of intrusives and it is probable that the epithermal (?) metalization of the north side followed this second intrusion.

Altho the dyke outcrops at the surface, the granodiorite we are following is not known to outcrop.

Respectfully submitted,

Walter E. Bauer

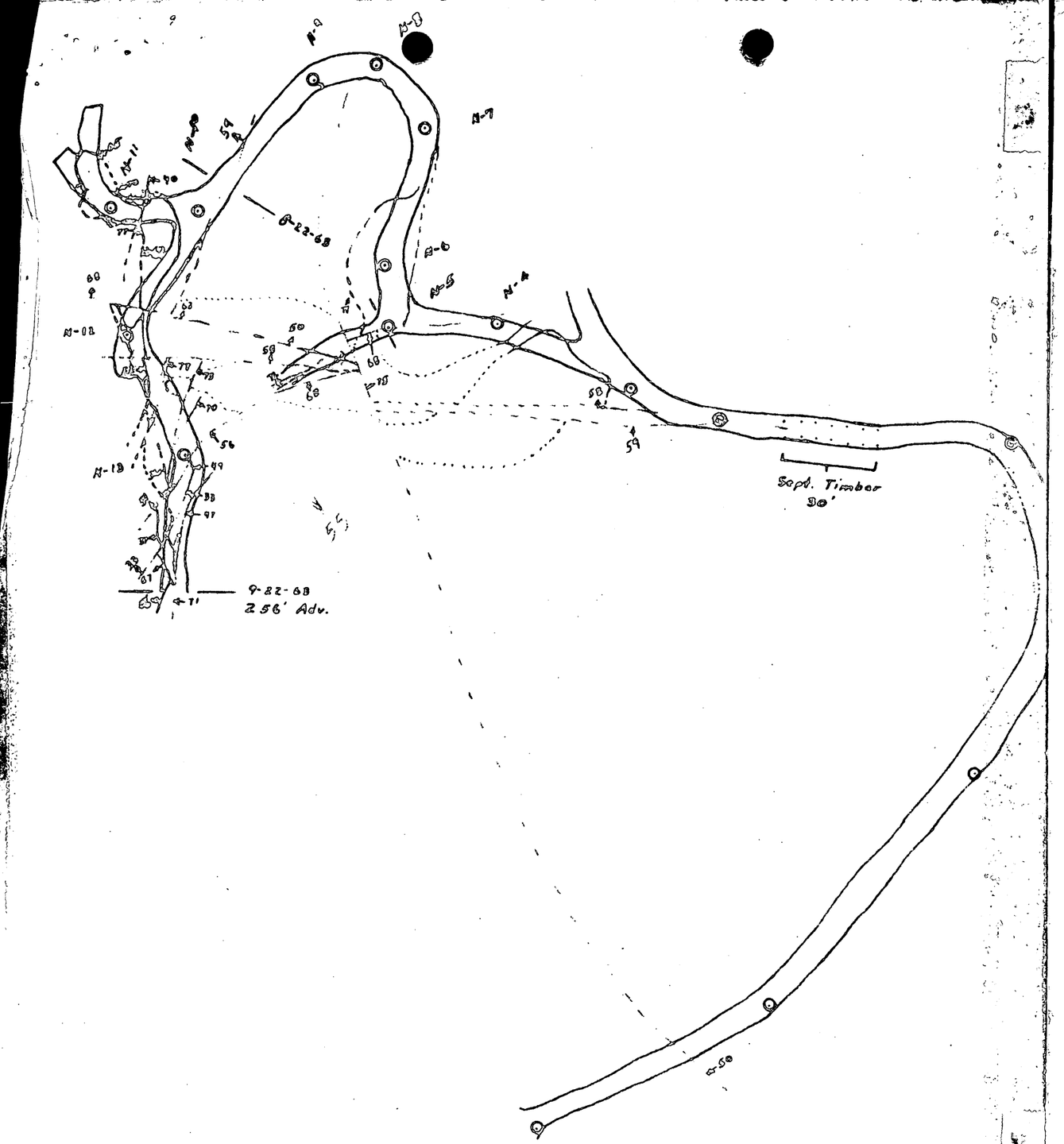
Walter E. Bauer, Geologist

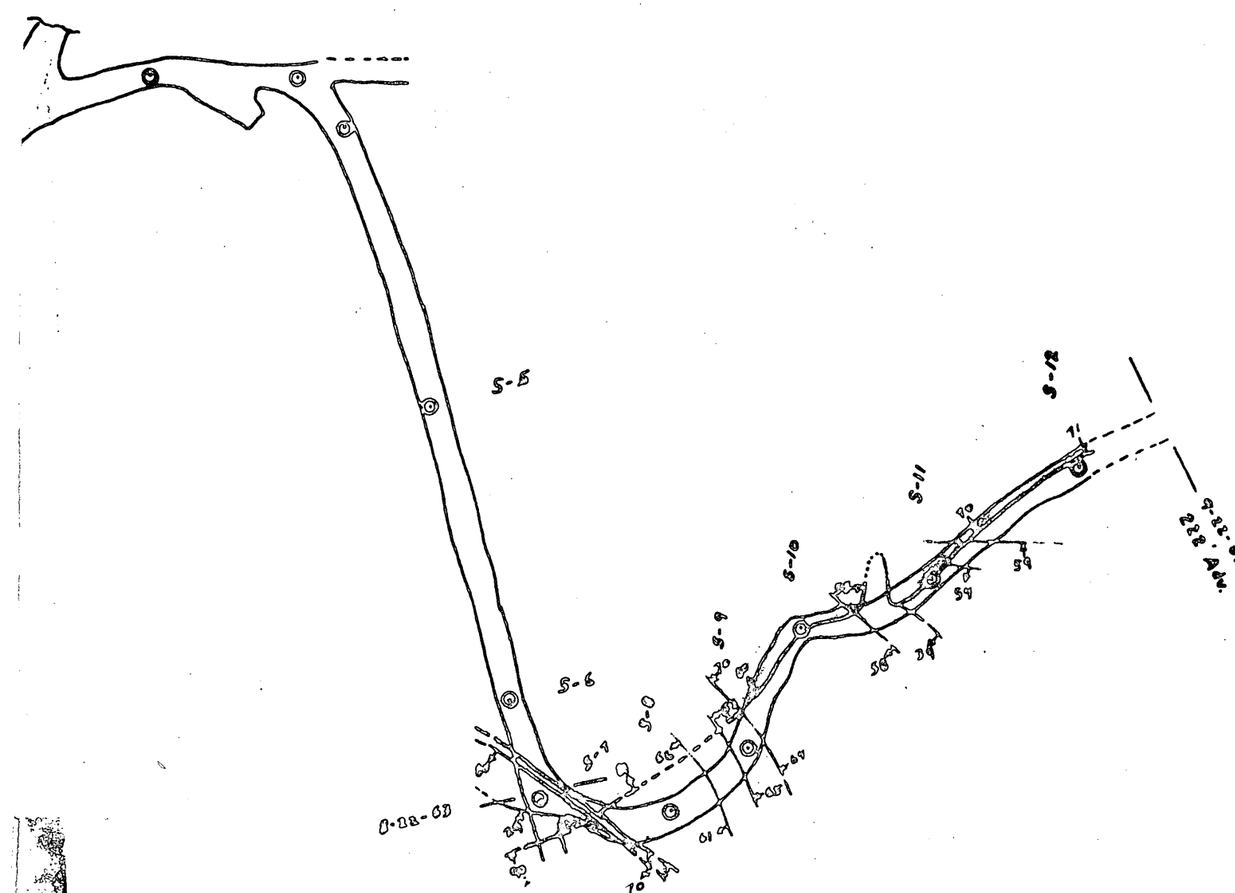
RECEIVED
OCT 4 1963
U.S.G.S.

EXCELSIOR MINE, BANNOCK MONTANA

GRAND DEPOSIT MINING COMPANY

OME – 6263 1" = 40'





OFFICIAL FILE COPY

DATE		
10/4	1007	800
	Murphy	500

So. 157 Howard Street
Spokane, Washington 99204
September 30, 1963

Mr. Charles A. Steen
President
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: GMK-6263 (Gold-Silver-Bismuth-Tellurium)
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. Steen:

Enclosed are the original and four copies of a proposed Amendment No. 1 to your GMK contract, which have been signed by the Director of GMK for the Government. This proposed amendment has been written in accordance with the information contained in Mr. Krueger's letter of September 9, 1963, to place assaying on a unit cost basis.

If the proposed amendment is satisfactory, please sign all copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies to us unsigned with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, GMK
Region I

Enclosures

MLSmalgerinis
cc: GMK(2)
MacLaren
Voucher file
Reading copies to:
Nolan; Killegaard

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/26	Murphy	500
9/26	on leave	500
9/26	Talbird	800
	GCS	130
9/26	Johnson	110
"	Frank	100
9/26	CAC	520
		500

SEP 26 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

In accordance with our memorandum of September 19, 1963, enclosed are the original and four copies of Amendment No. 1, signed by the Director for the Government. Also enclosed is an extra copy for field use.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Enclosures

George C. Selfridge

FMMurphy/mm
9/26/63
cc: Director's Reading File
Review Committee
Docket

43683

FMMURPHY/mm
DRAFT 9/23/63

EXPLORATION CONTRACT
GRAND DEPOSIT MINING COMPANY
OME-6263

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1963, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Grand Deposit Mining Company, hereinafter called the "Operator," that Exploration Contract 2163 (Docket No. OME-6263), dated March 8, 1963, is amended effective the date of the contract as follows:

1. In Exhibit A, under Estimated Costs of the Project, all references to Category (7) Miscellaneous ~~and below are~~ deleted and replaced as follows:

Fixed Unit Costs

100 samples assayed for Au, and Ag, content @ $2.25/~~assay~~	$225.00
50 assays for Bi @ $4.50/assay	225.00
50 assays for Te @ $8.00/assay	400.00
Total Estimated Costs	$ 71,880.00
Government Participation @ 50%	$ 35,940.00

2. In Article 1(b) of the contract the figures $72,030.00 and $36,015.00 are deleted and replaced by the figures $71,880.00 and $35,940.00, respectively.

3. This amendment changes assaying charges from Actual Cost to Fixed Unit Cost, decreases the estimated total cost of the project, and decreases the aggregate amount which theGovernment may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

GRAND DEPOSIT MINING COMPANY

BY _____

Title _____

rm 7
8)

OFFICIAL FILE COPY

Date	Surname	Code
9/19	Murphy	500
9/19	on leave	500
9/19	[illegible]	800
	GCS	130
9/19	on leave	110
	[illegible]	100
9/19	cal	320
		500

SEP 19 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

With reference to Mr. Talbert's memorandum of September 3 and yours of September 16, 1963, we will prepare an amendment with assays on the unit cost basis recommended in your memorandum. The amendment will be effective the date of the contract.

George C. Selfridge (gfa)

FMMurphy/mm
9/19/63
cc: Director's Reading File
Review Committee
Docket

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
September 16, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 18 1963
DATE INITIALS
9/18

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Enclosed are two copies of a letter dated September 12, 1963, from the subject Operator in reply to my letter of September 9, 1963, regarding assaying.

As the Operator maintains a complete assay office, it is recommended that the contract be amended to place assaying on a unit cost basis.

Peter Mack in Wallace, Idaho, and Union Assayers in Salt Lake City, Utah, both quote $2.50 for gold and silver; the former quotes $7.00, the latter, $5.00 for bismuth. The only quotation I have for tellurium is from Abbot A. Hanks in San Francisco, California, which is $10.00. It is therefore recommended that the unit cost be as follows:

Gold and silver	$2.25
Bismuth	$4.50
Tellurium	$8.00

I do not know what margin of profit the commercial assayers allow, and Abbot Hanks is considerably higher for all items than the others. The recommended prices are probably closer to the actual cost of the Operator than the maximum prices presently allowed by the contract.

D. R. MacLaren

Enclosures

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

September 12,1963

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 18 1963
DATE | INITIALS | CODE

Mr. D. R. MacLaren
Acting Field Officer, OME
South 157 Howard Street
Spokane, Washington

Dear Mr. MacLaren:

In reference to your letter dated September 9, 1963 in which you notified that the assaying claim has been disallowed we wish to inform you that paragraph four of your letter applies in our case. We operate, maintain and employ a full time metallurgist in a very complete laboratory consisting of spectrograph, furnances, etc. and do all our own assay work.

Enclosed find Operators Progress Report and Operators Monthly Voucher for period July 22 to August 21, 1963 in which we have included eight more assays performed for this property during the period.

Very truly yours,

/s/ Richard H. Krueger

RICHARD H. KRUEGER

RHK:cw

enc.

SEP

MME FORM 60
SEPT. 1959

RECEIVED
SEP 16 1963
U.S.G.S.
MENLO PARK, CALIF.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

SEP 26 1963

Docket No. 6263
Contract No.
14-23-090- 2163
Contract Amount $ 72030.00
Gov't. Participation % 50 $ 36015.00
Mineral(s) Gold-Silver-Bismuth and Tellerium

OPERATOR'S MONTHLY VOUCHER

For Month of July 22-Aug 21, 1963

Operator's Name Grand Deposit Mining Company
Address 1790 East Plumb Lane, Reno, Nevada

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting	12126.00	23453.00	35579.00			
Crosscutting Slabbing		4480.00	4480.00			
Drilling						
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work Assays	20.00	7.50	27.50			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	12146.00	27940.50	40086.50	12,126.00	27,933.00	40,059.00

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

Date Sept. 11, 1963 Payee Grand Deposit Mining Co.

Per Charles Otten Title President

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 6,063.00

Signature BLB
(Authorized Certifying Officer)

Date 9/23/63 Vou. No. 465-3

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2163

Signature [illegible] Title Acting Field Officer, Reg. I Date SEP 1 6 1963

Approved by OME Executive Officer or Alternate:

Signature [illegible] Title Acting Field Officer, Reg. I Date SEP 1 6 1963

OPERATOR'S MONTHLY REPORT

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THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
SEP 16 1963
U. S. G. S.
ANCH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of July 22,-Aug.21,1963 Docket No. 6263

Operator's Name Grand Deposit Mining Company Contract No. 14-23-090-2163

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	Ft.	258	757	35579.00	258	757	35,579.00
Crosscutting..Slabbing	Ft.	-0-	280	4480.00	—	280	4,480.00
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							—
Analytical Work Assay 11 @ 2.50				27.50			
TOTAL TO DATE (per MME Form 60)				40086.50			40,059.00

REMARKS

(Continue on back)

REMARKS
L' Withheld pending Contract Amendment

(Continue on back)

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

Date Sept. 11, 1963 Operator Grand Deposit Mining Co.

Per Charles A Teen Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title
Government Representative

Date

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

AUGUST PROGRESS REPORT (OME6263)
GRAND DEPOSIT MINING COMPANY
EXCELSIOR MINE, BANNOCK, MONTANA

During the month of July 22, 1963 through August 21, 1963 this project had a total advance of 258 feet.

North Drift

Total advance in the north drift was 140 feet. This drift advanced through a small outlier that along it's eastern end developed into a 2 to 3 foot wide dyke with a fissure along it's hanging wall. A left turn was made as the dyke began to pinch out, in order to crosscut additional structures and to pull back into the granodiorite area shown on the surface map. Four structures were cut, the first two containing calcite vugs, the third is a moderate shear zone, the fourth was a thin possible vein. The rest of the advance was in altered marbleized limestone.

Five samples were taken in this drift during the month:

Tag. No.	Width	Au	Ag	Discription
964	1.5	.00	0.0	Altered silicified granodiorite
965	0.3	.00	0.0	Limonite along structure
971	0.5	.00	0.0	Altered granodiorite
972	0.3	.00	0.0	A possible vein
973	1.0	.00	0.0	Similar to No. 972

The contact has been devoid of metalization to date.

South Drift

This drift had 118 feet of advance during the month. In doing so, it advanced through a fissure system that was somewhat mineralized. A 2 to 3 foot dyke was cut near the end of the months advance that is widening to the south.

Three samples were cut during the month and are included below:

Tag No.	Width	Au	Ag	Discription
968	½ in.	.00	0.0	Limonite along structure
969	½ in.	.00	0.0	" " "
970	0.2 ft.	.00	0.0	" " "

Respectfully submitted,

Walter E. Bauer

Walter E. Bauer, Geologist

E. V. CHETTLE, ENGINEER
4317 SO. 7TH EAST
SALT LAKE CITY 7, UTAH

DATE August 22, 1963, 19

INVOICE No. 63-31

ORDER No.

GRAND DEPOSIT MINING COMPANY
1790 East Plumb Lane
Reno, Nevada

For services rendered on the completion of exploration work over period of July 22, 1963 to August 22, 1963, Excelsior Mine, Bannack Mining District, Beaverhead County, Montana, under exploration contract designated as Docket No. OME-6263, said work being described as follows:

258.0 FEET OF 5'x7' DRIFT @ 47.00 PER FT. --- $12,126.00

"I certify that the above bill is correct and just; that payment therefor has not been received; that all statutory requirements as to American production and labor standards, and all conditions of purchase applicable to the transactions have been complied with."

E. V. Chettle

E. V. CHETTLE

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO, NEVADA

TELEPHONE 329-4216

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

August 22, 1963

Excelsior Mine
Bannack, Montana

Assay Report:

Description	Au oz/T	Ag oz/T
No. 964	0.00	0.0
No. 965	0.00	0.0
No. 966 x	0.00	0.0

x Hand sample from old stope used for guide.

Analysis by:

Robert A. Blake

Robert A. Blake

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

August 30, 1963

Account: Excelsior Mine
Bannack, Montana

Assay Charges for: August 1963.

Date:	Determinations	Rate	Charges
Aug. 22	3 Gold and Silver Assays	@$2.50	$7.50
Aug. 23	6 Gold and Silver Assays	@$2.50	$15.00
		Total	$22.50

GRA[illegible] DEPOSIT MINING COMPAN[illegible]
MINERALS EXPLORATION AND DEVELOPMENT
1700 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 3[illegible]-4216

August 23, 1963

Excelsior Mine
Bannack, Montana

Assay Report

Description	Au oz/T	Ag oz/T
968	0.00	0.0
969	0.00	0.0
970	0.00	0.0
971	0.00	0.0
972	0.00	0.0
973	0.00	0.0

Analysis by:

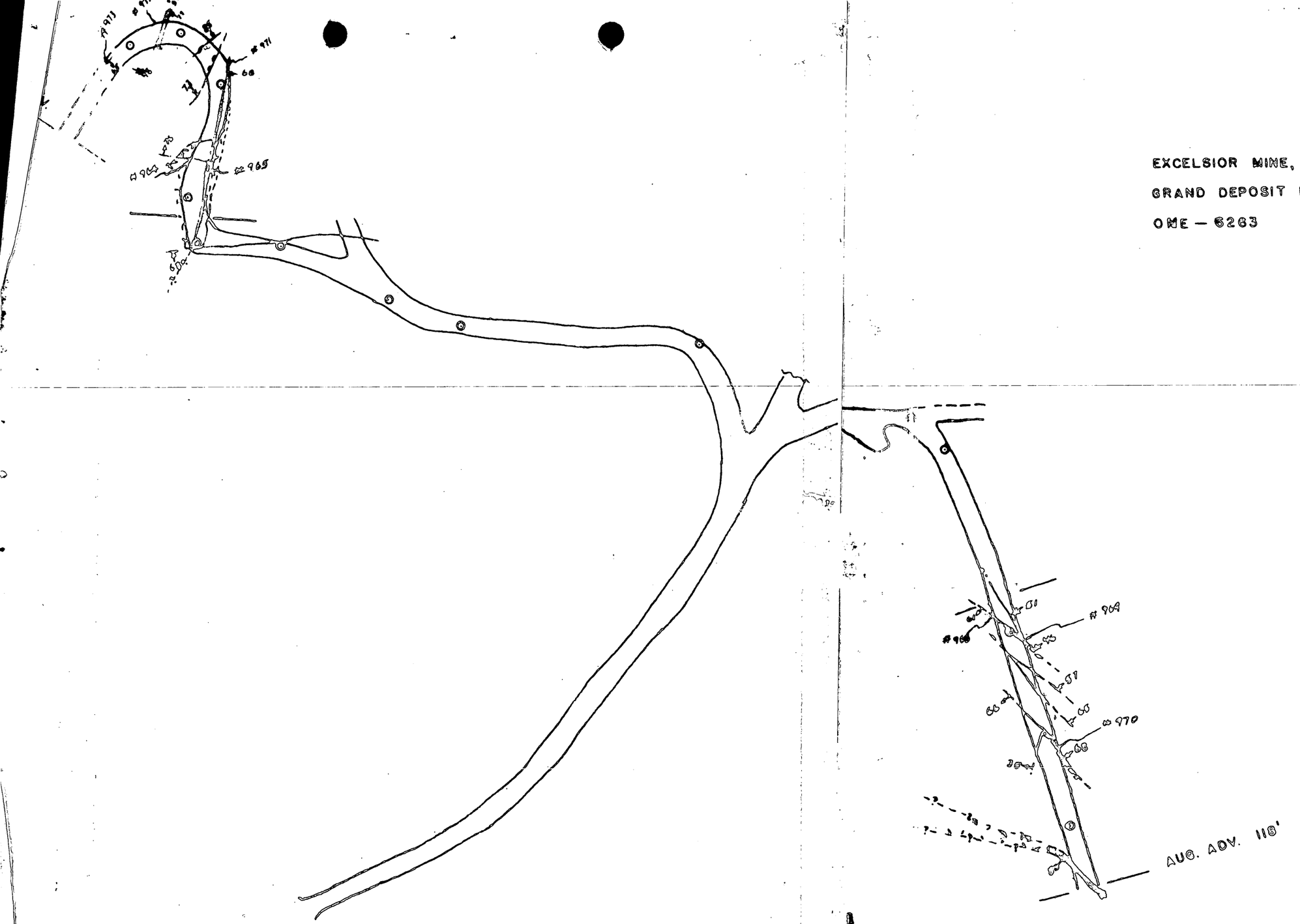
Robert A. Blake

Robert A. Blake

EXCELSIOR MINE, BANNOCK, MONT.

GRAND DEPOSIT MINING COMPANY

OME — 6263 1" = 40'



No. 157 Howard Street
Spokane, Washington 99202
September 9, 1963

OFFICE
RECEIVED
DATE
Murphy 500

Air Mail

Mr. Richard H. Krueger
Grand Deposit Mining Company
1750 East Plumb Lane
Reno, Nevada

Re: OMI-6863 (Gold-Silver-Bismuth-Tellurium)
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. Krueger:

I have been notified that $7.50 claimed on your June 21-July 21, 1963 voucher for assaying has been disallowed because of improper documentation.

The assay statement offered as documentary support of this claim appears to be simply a company assaying charge against this one of several projects. It is not proof of the actual costs incurred.

If assaying is done by a commercial assayer, copies of the assayer's invoices or priced assay certificates are required for support.

If the company maintains its own assay office, the contract should be amended. Please advise me if this is the case so that an appropriate amendment may be requested.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OMI
Region I

DRMacLaren:rsls
cc: CMA Div.(2)
Voucher file
MacLaren
Pending copies to:
Helen
Killingsord

MME FORM 50
SEPT. 1959

RECEIVED
AUG 12 1963
U.S.G.S.
MINERAL CLASS.

SEP 1963

9/13 Murphy

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. 6263
Contract No. 14-23-090-2163
Contract Amount $ 72030.00
Gov't. Participation % 50 $ 36015.00
Mineral(s) Gold-Silver-Bismuth and Tellerium

OPERATOR'S MONTHLY VOUCHER

For Month of June 22-July 21 1963

Operator's Name Grand Deposit Mining Company
Address 1790 East Plumb Lane, Reno, Nevada

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting Slabbing	17343.00	6110.00	23453.00	17,343.00		
Drilling		4480.00	4480.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work Assays	7.50	-o-	7.50			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	17350.00	10590.00	27940.50	17,343.00	10,590.00	27,933.00

Heets copy shows $17,352.50 B

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

Date August 1, 1963 *Payee Grand Deposit Mining Company

Per Charles Altery Title President

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 8,671.50

Signature BaB
(Authorized Certifying Officer)

Date 9/9/63 Vou. No. 373-2

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2163

Signature D.R. Macherson Title Acting Field Officer, Reg. I Date AUG 28 1963

Approved by OME Executive Officer or Alternate:

Signature D.R. Macherson Title Acting Field Officer, Reg. I Date AUG 28 1963

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

RECEIVED
SEP 3 1963
OFFICE OF THE SECRETARY
FISCAL SECTION

MME FORM 61
SEPT. 1959

RECEIVED
AUG 12 1963
U.S.B.M.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of June 22-July 21, 1963 Docket No. 6263

Operator's Name Grand Deposit Mining Company Contract No. 14-23-090- 2163

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	Ft.	369	499	23453.00	369	499	23,453.00
Crosscutting	Ft.	-0-	280	4480.00	—	280 L	4,480.00
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work Assay 3@ 2.50				7.50			7.50
TOTAL TO DATE *(per MME Form 60)*				27940.50			27,940.50

REMARKS

(Continue on back)

REMARKS
L Slebberg

(Continue on back)

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

Date August 1, 1963 Operator Grand Deposit Mining Co.

Per Charles A Steen Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D B Macharen

Title Acting Field Officer, Reg. I
Government Representative

Date AUG 28 1963

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

Research Laboratory

TELEPHONE 329-4216

Account: Excelsior Mine
Bannack, Montana

Assay Charges for: July 1963

Date:	Determinations	Rate	Charges
7/30/63	3 Gold and Silver Assays	@$2.50	$7.50
		Total	$7.50

E. V. CHETTLE, ENGINEER
4317 SO. 7TH EAST
SALT LAKE CITY 7, UTAH

DATE July 25, 1963 19

INVOICE NO. 63-28

ORDER NO.

GRAND DEPOSIT MINING COMPANY
1790 East Plumb Lane
Reno, Nevada

For services rendered on the completion of exploration work over period of June 22, 1963 to July 22, 1963, Excelsior Mine, Bannack Mining District, Beaverhead County, Montana, under exploration contract designated as Docket No. OME-6263, said work being described as follows:

(1)	Drive 5' x 7' drift 369 feet at $47.00	$17,343.00
(2)	Furnish timber stock requested by geologist as per attached invoice	305.57
	TOTAL THIS INVOICE	$17,648.57

"I certify that the above bill is correct and just; that payment therefor has not been received; that all statutory requirements as to American production and labor standards, and all conditions of purchase applicable to the transactions have been complied with."

E. V. Chettle

E. V. CHETTLE

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

July 30, 1963

Excelsior Mine
Bannack, Montana

Assay Report:

Lab. No.	Description	Au oz/T	Ag oz/T
R3942	No. 961	0.00	0.2
R3943	No. 962	0.00	0.0
R3944	No. 963	0.00	0.0

Analysis by:

Robert A. Blake

Robert A. Blake

July, 1963 Progress Report (OME 6263)
Grand Deposit Mining Company
Excelsior Mine, Bannock Montana

During the month of June 22 through July 21, 1963, this project had a total advance of 369 feet.

The north drift advanced 212 feet along or near the contact zone. Details of this are shown on the enclosed map.

The south drift and crosscut had an advance of 157 feet during the month. This drift holed the southern end of the old workings. The dotted drift outline corrects the old brunton survey to correspond with this holing.

The Excelsior outlier continued northwest into the adit. Another outlier with a S. 30 W. trend is shown where it crosses the adit. The dot-dash lines indicate this outlier on the surface, and the small X marks the point where iron oxides, increasing southwestward, begin to appear. A small dozzer cut about 340 feet S. 32 W. of this point exposed an impressive showing of iron oxide along the contact.

The southwest crosscut will continue until it intersects the granodiorite.

Three samples were taken in the north drift during the month and are included below:

Tag Number	Width	Au	Ag	Description
961	1.2 ft.	0.00	0.2	A pod of quartz and chlorite
962	0.5	0.00	0.0	Iron stained grd. on structure
963	0.3	0.00	0.0	Black chlorite along structure

No other mineralization was noted and no other samples were taken.

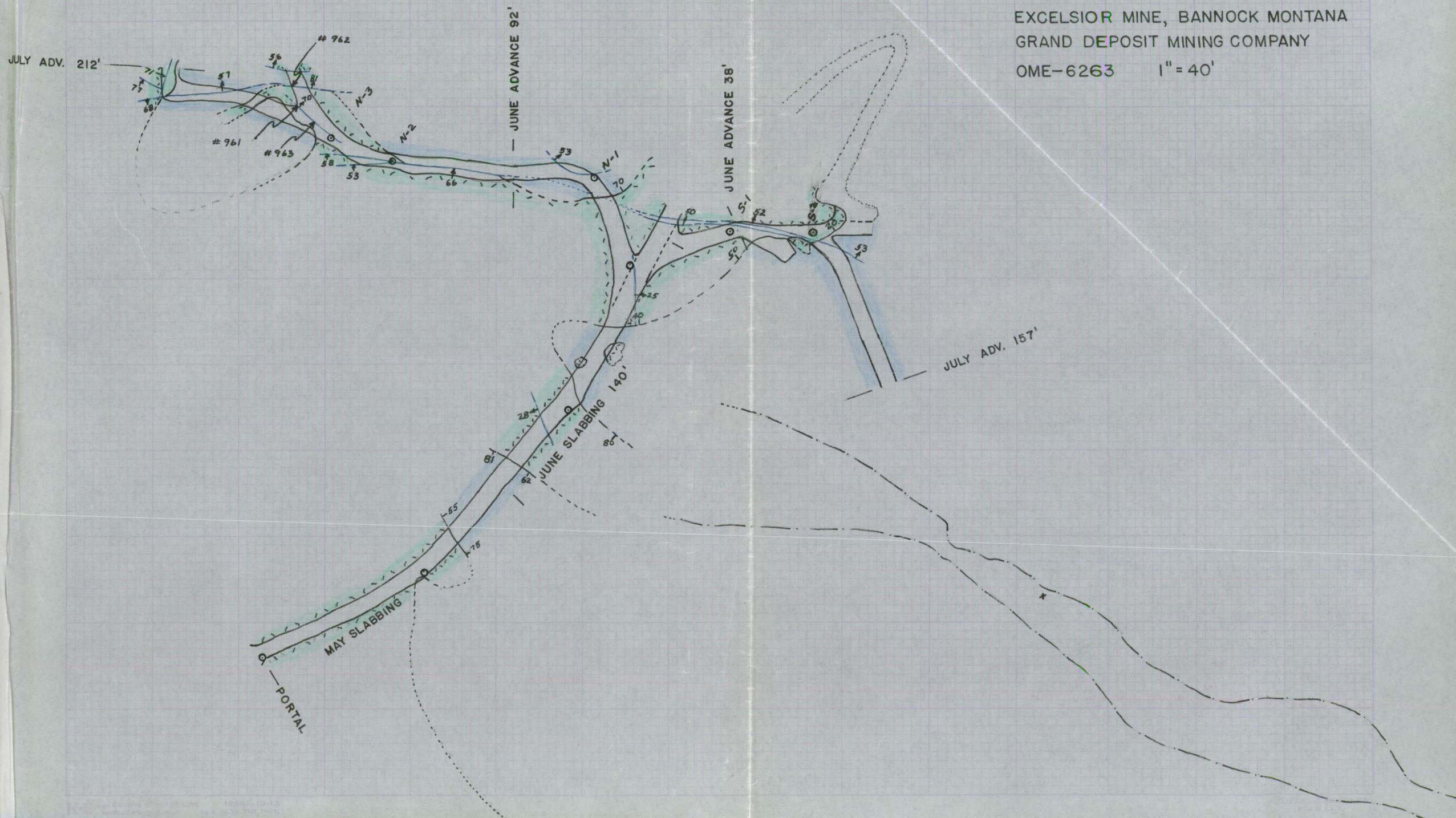
Respectfully submitted,

Walter E. Bauer

Walter E. Bauer, Geologist

RECEIVED
AUG 12 1963
U.S.G.S.
SPOKANE, WASH.

EXCELSIOR MINE, BANNOCK MONTANA
GRAND DEPOSIT MINING COMPANY
OME-6263 1" = 40'



MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/3	Selfridge	120
9/3		220
		501

SEP 3 1963

Memorandum

To: Acting Field Officer, Region I

From: E. D. Talbert, Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

The May 25 and June 22 invoices of E. V. Chettle for independent contract slabbing and drifting work, as submitted by your August 28 memorandum, are acceptable documentation. By copy of this memorandum the invoices are being forwarded to the Department's Fiscal Section for attachment to the original MME Forms 60 for April 22 through June 22, which were inadvertently approved for payment without such required proof of the actual costs incurred.

With regard to the assay costs claimed in the June 22 - July 21 MME Form 60 recently submitted to the Fiscal Section, the documentation is inadequate and the Fiscal Section has no alternative but to suspend the $7.50 claimed.

Even though the assay statement is on "letterhead" stationery, it is not proof of the actual costs incurred by the Operator. It is, as you have stated, "simply a notation of charge against this one of several projects". Accordingly, it is suggested that a determination be made as to whether the Operator performs its own assays or uses commercial assayers. If commercial assays are made, copies of the assayer's invoices or priced assay certificates are required to support claims. If the Operator does its own assaying, a recommendation that the contract be amended to place such work on a fixed unit cost basis appears to be in order.

EDTalbert/ama 9-3-63

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section w/invoices & inc. memo.
Mr. Talbert

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
August 28, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 30 1963

DATE	INITIALS	CODE
9/3	407	800
9/4	Murphy	500

Air Mail

Memorandum

To: Chief, Contract Administration & Audit Division

From: D. R. MacLaren, Acting Field Officer, Region I

Subject: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

While processing the subject Operator's July voucher, it dawned on me that this is a long form contract and the May and June vouchers had been approved and paid although there were no supporting documents.

Enclosed are invoices from the Independent Contractor for work vouchered for May and June. A similar invoice is appended to the original of the Operator's July voucher which is en route to the Fiscal Section.

The July voucher claims reimbursement for three assays, the claim being supported by a statement on the Operator's "letterhead" paper, and a similarly prepared assay return signed by the assayer. Apparently, the company has its own laboratory and thus the invoice is simply a notation of charge against this one of several projects. As the assay statement is on "letterhead" stationary, I have accepted it without certification in accordance with the third paragraph of your August 9 memorandum relative to OME-6270(Gold), Larrigon Mining Company, Ravalli County, Montana, Contract 2160.

Enclosures

OME (3)

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

August 26, 1963

United States Department of Interior
South 157 Howard Street
Spokane, Washington

Attention: D. R. MacLaren

Re: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Sir:

Enclosed find invoices for months of April, May and June per your letter to Mr. Charles A. Steen to be placed with our vouchers. We are sorry for this inconvenience to you and in the future these will be attached to our voucher claims.

Very truly yours,

RHK:cw

RICHARD H. KRUEGER

enc. 5

Ame (3)

OFFICIAL FILE COPY
RECEIVED C. M. E
AUG 26 1963
DATE

DATE		
8/26		500
8/29	Murphy	500

No. 157 Howard Street
Spokane, Washington 99204
August 22, 1963

Mr. Charles A. Steen, President
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OMM-6263 (Gold-Silver-Bismuth-Tellurium)
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. Steen:

It has just come to my attention that your vouchers for May, June, and July have not been supported by certified or true copies of the contractor's invoice.

The costs allowed under this contract are on an actual cost basis and therefore, as set forth in the first sentence of the next to last paragraph on the back of the BMM Form 60, Operator's Monthly Voucher, " . . . all costs claimed in this voucher must be supported by documentary evidence . . . ; (b) original or certified copies of invoices, statements of accounts . . . which indicate . . . services . . . unit prices, total charges . . ." Your attention is also directed to Articles 3(b) and 6(a) of the contract.

Similarly, any claim for analytical work must be supported by a copy of the assayer's statement and his assay results.

Although the May and June vouchers have been passed for payment, when a final audit is made, the claims therein will undoubtedly be disallowed and a refund requested unless the supporting documentation is submitted. Also, until the documentary support is submitted, it will be impossible to process your July voucher.

As the work is being done under an independent contract, possibly the requirement to submit monthly invoices for drifting and cross-cutting could be waived if you will send us a copy of your contract with the miners.

To summarize, please send one copy each of the following:

1. Your contract with the miners, or

a. Contractor's statement for 140 feet of slabbing for April 22 to May 22, 1963.

b. Contractor's statement for 140 feet of slabbing and 130 feet of drifting for May 22 to June 22, 1963.

c. Contractor's statement for 369 feet of drifting for June 22 to July 22, 1963.

2. Copy of assayer's invoice for 3 determinations for gold and silver content claimed in your July voucher.

When these documents are received, we will continue to process your July voucher and the May and June vouchers will be properly supported for audit.

I am sorry that this was overlooked when your May and June vouchers were processed.

Sincerely yours,

D. R. Maclaren
Acting Field Officer, OMS
Region I

cc: OMS(3)
Voucher file
Maclaren
Reading copies to:
Holma
Killaguard

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
August 2, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 5 1963

DATE	INITIALS	CODE
		100
8/5		~~110~~
		~~120~~
8/5		~~800~~
		500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Interim Inspection
OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

The subject property was visited July 20, 1963, and the progress was checked in the company of Harry Coleman, another contractor and their partners. About 2 hours were spent on the property. The last inspection was made May 21, 1963. A non-discrimination poster which was prominently displayed at the time of the last inspection has apparently been blown off the wall and lost. Another is being forwarded to the contractor for posting.

The crosscut has been slabbed to 5' x 7' section for a distance of 282 feet from the portal and 20# rail, 2" airline, and 1" water line have been installed nearly to the working faces.

Starting at 243 feet from the portal, the north drift was turned and driven a total of 256 feet; at 269 feet the south drift was turned and driven a total of 142 feet. Thick powder smoke from a blast in the north drift made it difficult to map in that direction with certainty, but it is believed that the enclosed sketch is approximate. Variations in magnetic attraction could account for the difference in the contact as shown in the applicant's map and on this sketch.

The drift north progressed rapidly until the granodiorite-limestone contact swung northerly. Near this point the rock became much harder to drill. The drift was turned to get back on the contact and after about 20 feet crossed the contact striking about N. 35° W. Accordingly, this face which was advanced a total of about 24 feet was stopped and the drift north was again started. The small embayment of the contact easterly is almost directly below a similar embayment seen on the surface.

The drift south crossed the contact at about 50 feet and broke into the old workings. The contractor started to turn to follow the contact, however, additional geologic mapping indicated that this would lead back to the crosscut where a small band of limestone was believed to be a pendant until the company geologist did some detailed geologic mapping both underground and on the surface. Accordingly, the drift was turned to a bearing of about S. 55 W. At this bearing it will cut the contact and any other apophysis that might occur. Some light iron staining in the face and a softening in the rock may indicate that the contact is closer than indicated in the sketch.

After holing into the old workings the north drift was continued along the S. 10° E. bearing an additional 30 feet. I do not believe this 30 feet should be accepted as conforming to the OME contract terms, but I do think that the S. 55° W. drift is proper as is the 24 feet spur from the drift northerly.

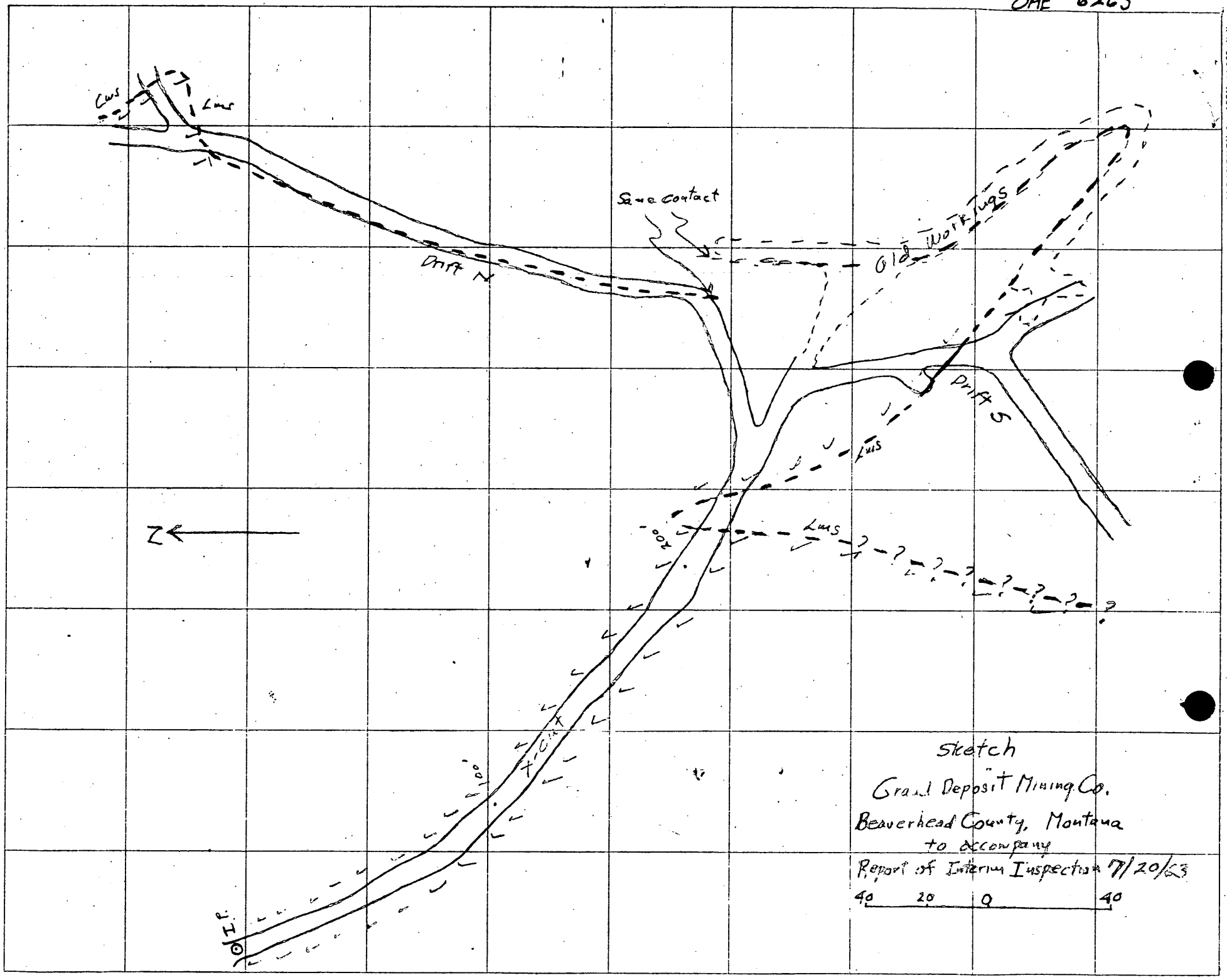
D. R. MacLaren

D, R. MacLaren

Enclosure

Distribution:
OME(Orig.&3)
MacLaren
Docket

OME 6263



"ALBANENE" NO. 105M K&E CO., N.Y.
REG. U.S. PAT. OFF.

MME FORM 61
SEPT. 1959

RECEIVED
JUN 28 1963
U.S.G.S.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Grand Deposit

OPERATOR'S PROGRESS REPORT For Month of May 22, June 22, 1963 Docket No. 6263

Operator's Name Grand Deposit Mining Company Contract No. 14-23-090-2163

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	Ft.	130	130	6110.00	130	130	$ 6,110.00
Crosscutting	Ft.	140	280	4480.00	140 L	280	4,480.00
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				10,590.00			$ 10,590.00

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 15 1963

DATE	INITIALS	CODE

REMARKS

(Continue on back)

REMARKS
L Slabbing

(Continue on back)

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

Date _____ Operator _____

Per _____ Title _____

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D. R. Macbaren

Title Acting Field Officer, Reg. I
Government Representative

Date JUN 28 1963

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

MME FORM 80
SEPT. 1959

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JUN 28 1963
GROUP E G. S. WASH

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. 6263
Contract No. 14-23-090-2163
Contract Amount $ 7,2030.00
Gov't. Participation % 50 $3,6015.00
Mineral(s) Gold-Silver-Bismuth and Tellerium

OPERATOR'S MONTHLY VOUCHER

For Month of May 22-June 22,1963

Operator's Name Grand Deposit Mining Company
Address 1790 East Plumb Lane, Reno, Nevada

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting	6,110.00	-0-	6,110.00			
Crosscutting Slabbing	2,240.00	2,240.00	4,480.00			
Drilling						
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	8,340.00	2,240.00	10,590.00	8,340.00	2,240.00	10,590.00

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

Date _____ *Payee _____

Per _____ Title _____

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 4,170 00

Signature BHB
(Authorized Certifying Officer)

Date 7/12/63 Vou. No. 210

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2163

Signature D R Macharen Title Acting Field Officer, Reg. I Date JUN 28 1963

Approved by OME Executive Officer or Alternate:

Signature D R Macharen Title Acting Field Officer, Reg. I Date JUN 28 1963

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

June Progress Report (OME 6263)
Grand Deposit Mining Company
Excelsior Mine, Bannock Montana

During the month of May 22, 1963 through June 21, 1963 this project had 140 feet of adit slabbing. This completes the slabbing program of this project.

Total drift advance is 130 feet. Of this advance, the south drift advanced 38 feet in granodiorite toward the contact zone. No structures were noted, no mineralization was present.

The north drift advanced 92 feet during the month as defined above. The contact of granodiorite-marbleized Madison limestone was crossed at 45 feet of drift advance. This was an irregular jagged normal contact devoid of either structures or metalization. The marbleized limestone has small minor spots of dendritic MnO_2 and a few thin films of gypsum.

Small irregular sills are increasing of the left side as the drift advances. This side of the drift is probably quite close to the contact.

No mineralization was noted in either drift and no samples were taken.

Respectfully submitted,

Walter E. Bauer

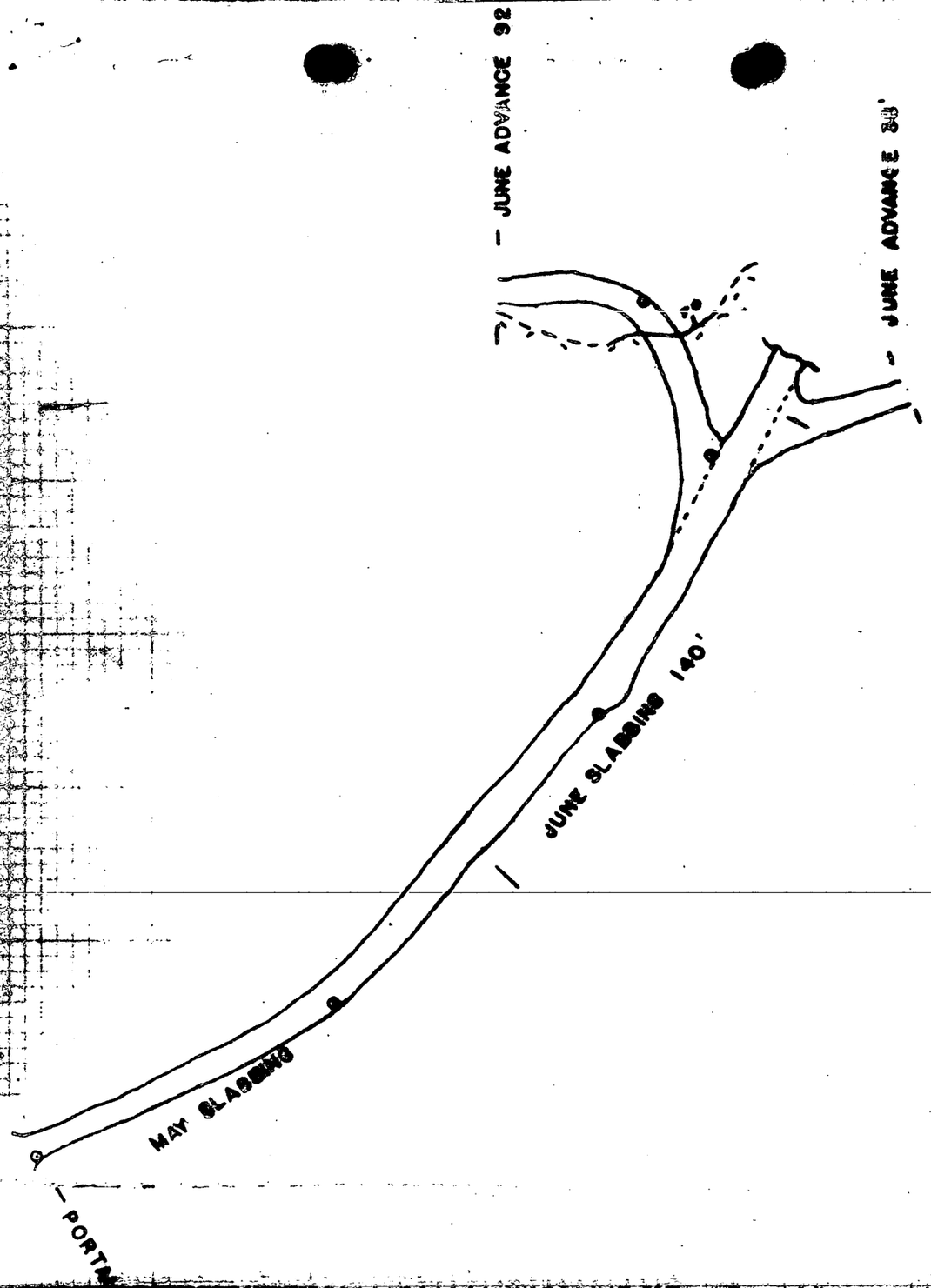
Walter E. Bauer, Geologist

RECEIVED
JUN 28 1963
U.S.G.S.
LIBRARY

EXCELSIOR MINE, BANNOCK MONTANA

GRAND DEPOSIT MINING COMPANY

OME-6263 1" = 40'



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JUN 28 1963
U. S. G. S.
SPOKANE WASH.

MME FORM 60
SEPT. 1959

RECEIVED
MAY 31 1963
U.S.G.S.
SPOKANE, WASH.

JUN 14 1963

Murphy

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. 6263
Contract No. 14-23-090-2163
Contract Amount $ ~~72,030.00~~
Gov't. Participation % 50 $ 36,015.00
Mineral(s) Gold, Silver, Bismuth and Tellerium

OPERATOR'S MONTHLY VOUCHER

For Month of April 22-May 22, 1963

Operator's Name Grand Deposit Mining Company
Address 1790 East Plumb Lane, Reno, Nevada

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting Slabbing	$2,240.00	-0-	$2,240.00			
Drilling						
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$2,240.00	-0-	$2,240.00	2,240.00	—	2,240.00

I certify that the above bill is correct and just and that payment therefor has been received.

Date May23, 1963 *Payee Grand Deposit Mining Company

Charles Otteen Title PRESIDENT

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

fully false statement or representation to any department or agency of the United as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, 01.)

(INSTRUCTIONS ON REVERSE)

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

$ 1,120.00

Signature BHB
(Authorized Certifying Officer)

Date 6/3/63 Vou. No. 6362

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2163

Signature D R Mackaren Title Acting Field Officer Date MAY 31 1963

Approved by OME Executive Officer or Alternate:

Signature D R Mackaren Title Acting Field Officer Date MAY 31 1963

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
MAY 31 1963
U. S. G. S.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT

For Month of April 22-May 22, 1963 Docket No. 6263 2163

Operator's Name Grand Deposit Mining Company Contract No. 14-23-090-

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting ~~Slabbing~~	Ft.	140	140	$2,240.00	140	140	$ 2,240.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$2,240.00			$ 2,240.00

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date May 23, 1963 Operator Grand Deposit Mining Company

Signature Charles Atley Title PRESIDENT

Willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D. A. Mecham

Title Acting Field Officer
Government Representative

Date MAY 31 1963

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

OME docket # 6263 May 23, 1963

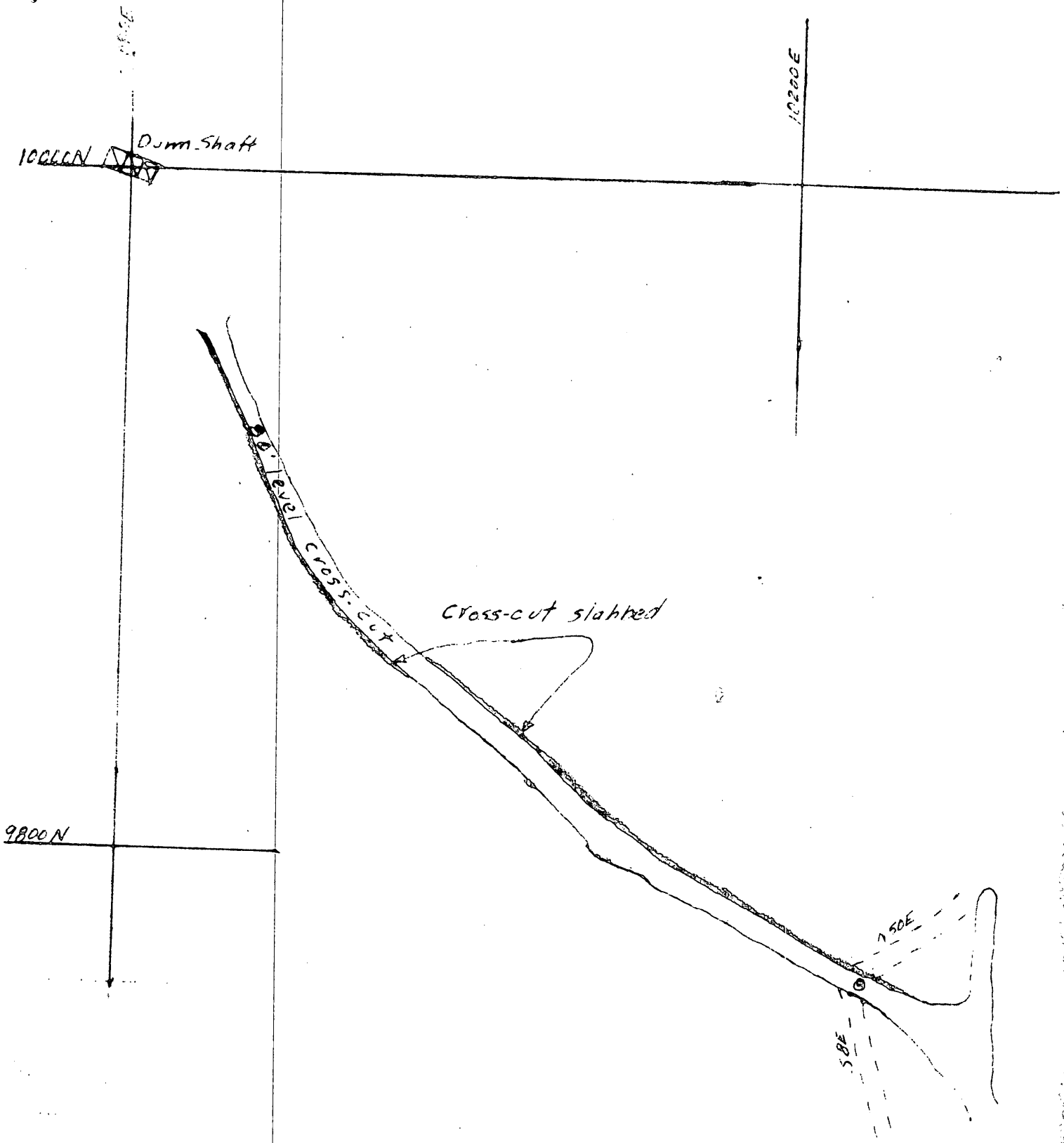
Monthly Narrative Report -OME contract #2163

During the period 4-22-63 to 5-22-63 the sub-contractor moved in the equipment and supplies and set them up. About 225 ft. of 24" gauge surface track from the portal of the Excelsior cross-cut to the north crest of the waste dump was completed. The cross-cut was slab drilled and blasted for a distance in excess of the 280 ft. stipulated; but was not mucked. Painted lines were installed for turning the new cross-cuts in both directions - (N50E & S8E) at 280 ft. from the portal of the existing cross-cut.

Respectfully submitted

gwalker

G. Walker,
Mining geologist & engineer
for: Grand Deposit Mining Company



Sketch Showing Location of Work done on OME contract 2136 from 4/22 to 5/22/63
1" = 40'

RECEIVED
JUN 3 1963
OFFICE OF THE SECRETARY
FISCAL SECTION

So. 157 Howard Street
Spokane 4, Washington
June 3, 1963

OFFICIAL FILE COPY
RECEIVED
DATE
6/5 800
~~6/5 Murphy 500~~

Mr. Charles A. Steen, President
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: GME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. Steen:

We are enclosing for your files a set of BME Forms 60 and 61 together with your monthly narrative and accompanying sketch.

We believe this set was submitted by you in accordance with the instructions on the reverse side of BME Form 60. However, this has been changed and the submission of the original and three copies of the completed forms is all that is necessary.

Sincerely yours,

Mary L. Smalser for
D. R. MacLaren
Acting Field Officer, GME
Region I

Enclosures

MLSmalser:mls
cc: GME
CFF
Reading copies to:
Mehan
McHalvey

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
May 29, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 31 1963

DATE	INITIALS	CODE
6-3		100
6/3		110
		~~120~~
6/4		~~800~~
		500
		510

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Interim inspection
OME-6263 (Gold)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

The Grand Deposit mine was visited May 21, 1963, and about one hour was spent on the property. Harry Coleman, who is contracting the work for the Operator, and Merrill Beyeler, his partner, were present. The Operator's representative, Mr. Walker, had been at the property and left about 20 minutes before my arrival.

Instead of putting in the bridge, as proposed in his application, the Operator has made arrangements with the Bannack Apex Mill to use their bridge and has constructed about a mile and a half of road to his property. According to Coleman, it required about one day to put in this road.

The back of the crosscut has been slabbed, starting at the innermost end, the slabbed material being left for subsequent mucking. At the time of the inspection, the mucking machine was at the portal, just starting the clean-up. As mucking progresses, track will be laid into the tunnel. Because the crosscut was about half full of muck, its cross section could not be checked. As no barring down of loose pieces in the back had yet been done, the crosscut was not entered. Twenty-pound rail has been laid from the portal to the edge of the dump, and piled ready for use are 2-inch air line and 1-inch water line. Coleman expects to have the crosscut cleaned out by May 26th.

D. R. MacLaren

DRMacLaren:my

Distribution:
OME(3)
Docket
MacLaren

So. 157 Howard Street
Spokane 4, Washington
April 26, 1963

DATE		
4/26	Grant	800
	Grawal	500
4/29	Murphy	500

Mr. Charles A. Steen, President
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Dear Mr. Steen:

We are enclosing a three-month supply of Operator's Monthly Voucher and Progress Report forms, MEE-60 and -61. The original and three copies of the completed report forms, as well as the narrative, maps, assays, and all technical data, should be submitted for each month in which costs have been incurred under the contract. However, in the event that you do not wish to submit a voucher for any month, the narrative report for the work done in that month is required. Delay in processing can be avoided if reports are submitted promptly to this office.

Also enclosed are three copies of Standard Form 38, entitled "Notice to Labor Unions or Other Organizations of Workers--Nondiscrimination in Employment." In accordance with Executive Order 10925, which is Exhibit "B" of your contract, you should complete one copy and send it to any labor union that may be involved in your OME contract work and should post one or more copies in conspicuous places available to employees or applicants for employment.

In addition, there is enclosed a poster which should also be exhibited in a conspicuous place available to both employees and applicants for employment.

Sincerely yours,

Margaret Yourt for
D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures
DRMacLaren:my
cc: OME
CFF
Reading copies to:
Nelson
McKelvey

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 18 1963

DATE		CODE
4-18		100
4/18		~~110~~
		~~120~~
		~~500~~
		~~300~~

APR 18 2 44 PM '63
GSA-REGION 3
TCS
COMMUNICATIONS

AXXXXXXXB093K

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FWB-034 WWAF FSP 13 I-MME

SPOKANE WASH 4-18-63 1106U

GEORGE C SELFRIDGE

CHIEF DIVISION OF FIELD OPERATIONS OFFICE OF MINERALS EXPLORATION

USDI WASHINGTON DC

RE OME-6263, GRAND DEPOSIT MINING CO., SIGNED CONTRACT NO. 2163

CEIVED THIS OFFICE APRIL 18, 1963.

D R MAC LAREN ACTING FIELD OFFICER REGION ONE

-6262 2163 18 1963

1107U

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Divn. of Field Operations	4/18/63	
2.		
3.		
4.		
5. DRMacLaren		
FROM: D. R. MacLaren, Act. Fld. Offr. Region I		

FOR: Check items for action desired

X Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions ____ Your information

REMARKS:

OME-6262 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana
Contract 2163

Government, Fiscal Section, and Audit copies of subject contract, signed by Charles Steen, President.

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329 4216

April 16, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 22 1963

DATE	INITIALS	CODE
4/22	Coe	210
4/22	[illegible]	500

Mr. D. R. MacLaren
Acting Field Officer, OME
Region I
United States Department of the Interior
South 157 Howard Street
Spokane 4, Washington

Re: OME-6262 (Gold-Silver-Bismuth-Tellurium) Grand Deposit Mining Company, Excelsior, et al., Claims Beaverhead County, Montana

Dear Mr. MacLaren:

At the direction of Mr. Steen, I am transmitting herewith, the original and three copies of executed contract for exploration on the above claims, in accordance with instructions in your letter dated March 12, 1963, to Mr. Steen.

Mr. Steen asked me to express his appreciation to you for your assistance and cooperation relative to this contract.

Yours very truly,

RUTH RICHARDS
Assistant Secretary

Enc. (4)
cc: Mr. J. D. Davenport
CERTIFIED MAIL - Return Receipt Requested

So. 157 Howard Street
Spokane 4, Washington
April 15, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 17 1963
DATE
Grassell 500
4/18 Murphy 500

Mr. Charles A. Steen, President
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OME-6262 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Dear Mr. Steen:

On March 12, 1963, we forwarded to you the original and four copies of a proposed contract for exploration on the Excelsior, et al., claims, signed by the Director of OME for the Government. If you did not receive the contract, please notify us.

If the contract was received and is satisfactory, kindly insert the starting date in Article I. This date must not be prior to the date of the contract. Then sign all copies, keep the Operator's copy, and return the other copies to this office.

The 6 percent interest accrues from the dates on which the individual payments are made by the Government and, like the principal, is repayable from royalty on production.

If the contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:my

cc: OME
Reading copies to:
Nolan
McKelvey

ORIGINAL FILE COPY
C. M. E.
MAR 15 1963

4
Received 5.00
~~3/15 Murphy 5.00~~

So. 137 Howard Street
Spokane 4, Washington
March 12, 1963

Mr. Charles A. Steen, President
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: ~~OMM-6262~~ 3 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Dear Mr. Steen:

Enclosed are the original and four copies of a proposed contract for exploration on the Excelsior, et al., claims, signed by the Director of OMM for the Government. The contract consists of MMM Form 30 (Long Form), Annex I (2 pages), One Lien or Subordination Agreement, Exhibit A (5 pages), Exhibit B, and two maps. An extra copy of the contract is enclosed for field use.

If the contract is satisfactory, kindly insert the starting date in Article I. This date must not be prior to the date of the contract. Then sign all copies, keep the Operator's copy, and return the other copies to this office.

The 6 percent interest accrues from the dates on which the individual payments are made by the Government and, like the principal, is repayable from royalty on production.

If the contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OMM
Region I

Enclosures

DRMacLaren:my

cc: OMM
Sending copies to:
Helen

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/7	Murphy	500
	[illegible]	500
3/8	Tolbert	800
	[illegible]	130
3/8	Johnson	110
3/8	Smith	100
3/8	Cole	220
		500

MAR 8 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6263 (Gold-Silver-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Enclosed are the original and four copies of a proposed contract for exploration on the Excelsior, et al., claims, signed by the Director for the Government. The contract consists of MME Form 50 (Long Form), Annex I (2 pages), one Lien or Subordination Agreement, Exhibit A (3 pages), Exhibit B, and two maps. An extra copy of the contract is enclosed for field use.

If the contract meets your and the Applicant's approval, kindly insert the starting date in the contract form and have the Applicant sign the original and all copies. Thereafter, distribute the copies in the usual manner.

Please advise the Applicant that the interest of 6 percent in Article 1(c) of the contract accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

If any part of the proposed contract does not have your approval or that of the Applicant and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

In view of Mr. Steen's letter of February 7, 1963, to you, relating to the road construction and compressor-tool house, we have not set up costs for these items.

George C. Selfridge

Enclosures

FMMurphy/mm
3/7/63
cc: Director's Reading File
Review Committee
Docket

8623

Docket Copy

MME Form 50
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6263	Gold-Bismuth-Tellurium	14-23-090-	Beaverhead	Montana

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Grand Deposit Mining Company, A Nevada Corporation

_____,

whose mailing address is **1790 East Plumb Lane, Reno Nevada**, hereinafter called the "Operator, as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 18 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $72,030. The Government will contribute 50 percent of the allowable costs as they are incurred, in a total sum not in excess of $36,015 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

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

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

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

See Annex I

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

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 4. Contribution by the Government.--(a) The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

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

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

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

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

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

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

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

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

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

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

CATEGORY (4)--OPERATING EQUIPMENT.

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

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

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

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

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

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

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

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--The Government will not contribute to the following costs:

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

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

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

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

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. This provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

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

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

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

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

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

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

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

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

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

See Article 16

~~ARTICLE 12. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.~~

~~The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.~~

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 14. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 15. Copeland (Anti-Kickback) Act--Rebate of wages.--The [illegible] of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (18 U.S.C. 874; 40 U.S.C. 276c) and to aid in the enforcement of the Anti-Kickback Act (40 U.S.C. 276b) are made a part of this contract by reference. The [illegible] will comply with these provisions and any amendments or additions [illegible] and will be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses, in accordance with the subcontract provisions. The Secretary of Labor may administrative rulings and interpretations, standards, tolerances, and exemptions.

ARTICLE 16. Changes and added provisions.--

(a) In Article 10(b)(2) of the contract, substitute the [illegible] three years" for the period "one year".

(b) Special Assessment Concerning Royalty. Notwithstanding the [illegible] provisions of this Article 7, and with no further [illegible] on the part of the Government, the Operator, or [illegible] the Operator in the premises, or an agent if the [illegible] shall pay to the Government [illegible] of its royalty shall pay to the Government [illegible] Where it is proposed [illegible] production [illegible] and thereafter any reduction of any [illegible] which the Government may [illegible] for the [illegible] Article 7 (b)(2) above, [illegible] pursuant to the terms of [illegible] of this. However, in no event shall gross than the royalty [illegible] under this contract [illegible] the same production."

(c) [illegible] Discrimination. The provisions governing performance [illegible] contract contained, as set out in Section 301 of the [illegible] dated March 6, 1961 (a copy of which is attached [illegible] and by reference hereby incorporated and made a part of this [illegible] shall be applicable to this contract.

[illegible] compliance with the Rules and Regulations (41 CFR, [illegible]) [illegible] Executive Order 10925 of March 6, 1961, the Contractor [illegible] agrees to include in each subcontract which it shall make [illegible] or supplier pursuant to (1) through (7) of Section [illegible] Executive Order, unless exempted pursuant to the rules, regulations [illegible] orders of the President's Committee on Equal Employment Opportunity.

The Operator shall require each of its subcontractors ([illegible]) to include in every subcontract with each of its subcontractors [illegible] the following clause: The (here identify the second-tier [illegible]) will incorporate by reference in each subcontract or purchase order [illegible] supplier pursuant to (1) through (7) of [illegible] Executive Order 10925 of March 6, 1961, unless exempted pursuant to the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity."

GRAND DEPOSIT MINING COMPANY

EXPLORATION CONTRACT
GRAND DEPOSIT MINING COMPANY
OME-6263

ANNEX I

The land referred to in Article 2 of the contract consists of four (4) patented and four (4) unpatented lode mining claims and one (1) patented mill site, including all rights pertaining thereto, in sec. 8, T. 8 S., R. 11 W., Bannack mining district, Beaverhead County, Montana. The patent and recording data of the claims are as follows:

Patented Claims

Name of Claim	U. S. Patent No.
Excelsior	234A
Excelsior Mill Site	234B
Excelsior Extension	3797
North Excelsior	3798
Bannack	3822

Unpatented Claims

Recorded in the Beaverhead County Court House, Dillon, Montana:

Name of Claim	Book	Page
Lissa	164	121 - 122
Michael	164	119 - 120
Patricia	167	123 - 124
North Excelsior Fraction	164	117 - 118

The outer boundary of the above group of claims is colored green on map Plate 2 entitled "Bannack Mining District, Beaverhead

County, Montana---Shenon Group---", attached hereto and made part hereof.

The Operator has rights to the patented claims under the terms of a Mining Lease and Option to purchase, dated February 28, 1962, granted by Philip E. Shenon and Marion Shenon, husband and wife, and Fred P. Shenon and Nelle D. Shenon, husband and wife, as Lessors, and to the unpatented claims by the terms of the fourth paragraph under Work Requirements on page 3 of the above mentioned Lease and Option.

A Lien or Subordination Agreement dated October 15, 1962, signed by all the above-named lessors is attached hereto and made part hereof.

EXPLORATION CONTRACT
GRAND DEPOSIT MINING COMPANY
OME-6263

EXHIBIT A

The purpose of this project is to explore for gold, silver, bismuth, and tellurium-bearing ore bodies by enlarging the existing 80 Level tunnel and drifting from this opening to the north and south along the contact of a granodiorite intrusive and limestone formation. Short crosscuts may be driven from the drift to further explore the contact zone.

General Provisions

No work ~~other than the access road~~ under this contract may be performed at distances nearer than 100 feet to any property not described in Annex I.

~~A D-6 dozer or equivalent unit of any other make shall be used to repair the road from Bannack to the mine.~~ cof

The tunnel and drifts shall not be less than 5' x 7' in the clear of timber and shall be timbered as necessary with sets at not less than 5-foot intervals, using standard drift sets of not less than 8" x 8" timber or equivalent round timber.

The mine rails shall not be less than 20 lb., air lines not less than 2-inch in diameter, and water lines not less than 1-inch in diameter.

All significantly mineralized areas traversed by the drifting shall be sampled normal to their trends at intervals of

not more than 10 feet. In addition, a representative bulk sample shall be taken of each round broken in areas showing significant mineralization.

All samples, from whatever source, shall be split. One split of each sample properly marked as to source and location shall be set aside and made available to the Government, and the Operator shall have one split assayed for gold, silver, bismuth, and tellurium, as appropriate. With prior Government approval the Operator may dispose of the Government's sample splits.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period, the general geologic formations and structures traversed, and the locations of all samples taken.

The Operator shall provide all supervisory and technical services as may be required to complete the work in a satisfactory manner.

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

Description of the Work

~~The road from Bannack on Grasshopper Creek to the Ex-Sister mine, a distance of about one mile, shall be rehabilitated with the use of a bulldozer.~~ out

Near the portal (at coordinates 9950N and 10025E) of the 80¢level tunnel, a wooden structure covered with galvanized iron sheeting and with a floor area of approximately 20' x 24' shall be constructed to serve as a combination compressor, storage, and change room. OUT

The existing 4' x 5'-6" 80¢level tunnel shall be slabbed to a dimension of 5' x 7' for a distance of approximately 280 feet in from the portal. From this point a drift shall be driven on a bearing of approximately N. 50° E. for about 40 feet or to the contact of the granodiorite and limestone exposed by the old workings. Thereafter, it shall be continued along or near the contact on the north side of the tunnel. From about the same point in this tunnel a drift shall be driven on a bearing of about S. 8° E. for about 70 feet or to the contact of the granodiorite and limestone exposed in the old workings. Thereafter, it shall be continued along or near the contact on the south side of the tunnel. From the north and south drifts short crosscuts may be driven to further explore favorable areas traversed by the drifts. It is estimated that each of the drifts including crosscuts will average 700 feet in length. Either the north or south drift and attendant crosscuts may exceed this figure; however, the aggregate total of drifting and crosscutting shall not be more than 1400 feet.

The locations and extent of the proposed work are shown in red on Plate 1 entitled "Sketch showing working, geologic relations as observed on the surface, and proposed drifting----", attached hereto and made part hereof. The locations of the underground work as well as the surface road work are also shown in red on Plate 2, referred to in Annex I.

Estimated Costs of the Project

Actual Costs:

Category (1) Independent Contracts

Road rehabilitation

~~D-6 dozer or equivalent unit~~	
~~24 hours @ $12.50/hr.~~	~~$ 300.00~~
~~Combination compressor, storage, and change~~	
~~room with 20' x 24' floor area~~	~~[illegible]~~
280 lineal feet slabbing and rehabilitating 80' level adit ~~[illegible]~~ @ $16.00/ft.	4,480.00
1400 feet drifting and crosscutting @ $47.00/ft.	65,800.00
100 feet timbering in tunnel and drifts @ $7.50/ft.	750.00

Category (7) Miscellaneous

None except:

100 samples assayed for Au & Ag content @ $2.50/sample ~~assays for Au & Ag @ $2.50/assay~~	250.00
50 assays for Bi @ $5.00/assay	250.00

50 assays for Ta @ $10.00/assay	$ 500.00
Total Estimated Cost	~~$72,140.00~~ 72,030.00
Government Participation @ 50%	~~$36,470.00~~ 36,015.00

~~* The allowable cost will be limited to 50% of the actual costs (not in excess of $610.00) and, in consideration thereof, the Government waives its salvage interests under Article 8.~~

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

February 22, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 26 1963

DATE	INITIALS	CODE

Mr. Frank E. Johnson
Acting Director
Office of Minerals Exploration
Washington 25, D. C.

Re: OME 6263

Dear Mr. Johnson:

Enclosed you will find a copy of a recent letter to Mr. Steen from Mr. Frank Fumich Jr. and our reply to his letter.

This matter concerns the instrument granting the unpatented Shenon Claims to the Grand Deposit Mining Company.

Sincerely,

Robert K. Wyant

ROBERT K. WYANT

enc

Enclosures destroyed as material referred to is in files.

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

February 22, 1963

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 26 1963

DATE	INITIALS	CODE
	Griswold	500
	~~Murphy~~	~~500~~

Mr. W. R. Griswold, Chief
Division of Minerals
Office of Minerals Exploration
U. S. Dept. of Interior
Washington 25, D. C.

Re: OME 6263

Dear Mr. Griswold:

Enclosed you will find a copy of a recent letter to Mr. Steen from Mr. Frank Fumich Jr. and our reply to his letter.

This matter concerns the instrument granting the unpatented Shenon Claims to the Grand Deposit Mining Company.

Sincerely,

Robert K. Wyant

ROBERT K. WYANT

enc

Enclosures destroyed as material referred to is ~~copies are~~ in docket.

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

OFFICIAL FILE COPY
O.M.E.
RECEIVED FEB 25 1963

DATE	INITIALS	CODE
	Gruwell	500
	Murphy	500

February 22, 1963

Mr. George Fumich Jr., Director
Office of Minerals Exploration
U. S. Department of Interior
Washington 25, D. C.

Re: OME 6263 Grand Deposit Mining Co.,
Claims Beaverhead Co., Montana

Dear Mr. Fumich:

During the brief absence of Mr. Charles A. Steen, I shall reply to your airmail letter of February 19, 1963 to Mr. Steen concerning the instrument granting the unpatented claims to the Grand Deposit Mining Company.

On page 3 of the Mining Lease and Option to Purchase, Exhibit VII, submitted in July 1962 with our O. M. E. application, paragraph four states:

> "Lessee further agrees that as soon as weather will permit, it will stake and record notices of location to the land previously located as the Patricica, Lissa, Michael and North Excelsior Fraction; that said claims will be located by Lessee in the name of Philip J. Shenon and Fred P. Shenon and when so located shall comprise a part of the property covered by this lease."

These covering claims were re-located in June 1962 in the name of Philip J. Shenon and Fred P. Shenon. As indicated on page 2 of the O. M. E. application, the claims are recorded in the Beaverhead County courthouse, Dillon, Montana. Recordings are in Book 167, page 123-4, Book 164, page 119-20, and Book 164, pages 117-8.

As noted in your letter, the lein and subordination agreement pertaining to both the patented and unpatented claims has been forwarded to your office.

Thank you very much for your interest in this matter, and we shall look forward to hearing from your office in the future.

Sincerely,

Robert K. Wyant

ROBERT K. WYANT

cc: Mr. Steen
P. J. Shenon
D. H. MacLaren
W. R. Griswold
F. A. Johnson

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/19	Murphy	500
	on leave	500
2/19	Schmit	800
	Selfridge	120
		110
2/19	Fumich	100
2/19	Coe	220
		500

AIR MAIL

FEB 19 1963

Mr. Charles A. Steen, President
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OME-6263 (Gold-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Dear Mr. Steen:

In order to continue processing the referenced application we require a copy of the instrument granting the Grand Deposit Mining Company the rights to the Lissa, Michael, Patricia, and North Excelsior Fraction mining claims.

Our Region I office has forwarded copies of the lien and subordination agreement pertaining to these claims, signed by the same lessors that granted the Mining Lease and Option to Purchase the five (5) patented claims.

Your early attention to this matter, which was mentioned in the Acting Director's letter of December 27, 1962, will be appreciated.

Sincerely yours,

George Fumich, Jr.

Director

(pt)

FMMurphy/ama 2-19-63

cc:
Docket
Director's Reading File
Region I (2)
Code 500

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
February 15, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 18 1963

DATE	INITIALS	CODE
2/18	Received	500
	Murphy	50

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6263 (Gold-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Enclosed is a copy of a letter dated February 7, 1963, with enclosures, from the subject applicant. This is most of the additional documentary support requested from the applicant in my letter of December 14, and the Director's letter of December 27, 1962. Missing is any reference to the four unpatented claims mentioned in the application and the Director's letter.

covered in lien or subordination agreement. Jerry

In his letter the applicant requests that the items of road work, bridge construction, and a tool and compressor house be deleted from Section 7a of the application and avers that the company will assume full responsibility and cost of these items. With the possible exception of the bridge, these items are properly necessary parts of a contract. My estimate of access road cost is within the limits of Eberline's bid, and I believe it is a reasonable allowance for contract purposes. It is also believed that my estimate for cost of a tool and compressor house is probably not too far out of line. I recommend those two items be included on a unit cost basis.

In view of the three bids submitted, I wonder if my estimated cost for back slabbing has been too conservative; I still believe my drift costs are in line. Yes!

D R MacLaren
D. R. MacLaren

Enclosures

1/ see breakdown attached to proposed contract draft. Jerry

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

February 7, 1963

Mr. D. R. MacLaren
Office of Minerals Exploration
U. S. Dept. of Interior
South 157 Howard Street
Spokane 4, Washington

RE: OME 6263 (Au, Bi, Te) Grand Deposit Mining Company

Dear Mr. MacLaren:

Enclosed you will find additional data and information that was requested for our OME application #6263 at Bannack, Montana. We are very sorry for the unavoidable delay and hope that the application may continue to be processed:

The following information is to be submitted:

1. Five copies of MME Form 52, Lien or Subordination agreement, signed by the owners of the property.

2. Sec. 7 Estimates of Cost.

A. Independent Contracts -- Drifting Bids

(1) Whitco Development Co. - submitted with original application as Exhibit IX.

(2) Boland Development Co. - four copies enclosed.

(3) Boyles Bros. Co. - four copies of bid and copy of Grand Deposit letter of bid request enclosed.

B. Independent Contracts - Misc.

As to be noted in the original OME application #6263, Sec. 7, Estimate of Costs, (a) Independent contracts, Phase I, three auxiliary items were listed, these include (1) Road construction and rehabilitation, (2) Compressor and Tool House 20' x 24' and (3) Wooden Bridge, 40' x 15".

Considerable effort was made to obtain bids for the above mentioned auxiliary items. As to be noted on the enclosed bid IX-A, only one rather qualitative bid was obtained from Mr.

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Eberline for the road work. Although contractors are undoubtedly available to build the tool shed and small bridge, bids for these items have not been forthcoming.

In view of the urgency of processing the application and the lack of three competitive bids for (a) road work, (b) bridge construction and (c) tool and compressor house, the Grand Deposit Mining Co. will assume full responsibility and cost for the installation of these three items, and I, Charles A. Steen, President, authorize their deletion from Sec. 7a as items of Independent contracts.

Sincerely,

CHARLES A. STEEN

cc: Mr. W. R. Griswold
Mr. Frank E. Johnson

BOLAND DEVELOPMENT COMPANY LTD.
MINING ENGINEERING CONTRACTORS

SUITE 505
100 UNIVERSITY AVENUE
TORONTO, ONT.
CANADA

OTHER OFFICE
P.O. BOX 352
BUTTE, MONTANA
U.S.A.

TELEPHONE
364-0119

CABLE ADDRESS
"BODEVCO"-TORONTO

August 24, 1962

Grand Deposit Mining Co.
1790 East Plumb Lane
Reno, Nevada

Attention: Mr. R.K. Wyant

Dear Sir:

We are pleased to quote herewith on the two phases of your proposed mine development project at Bannock, Montana.

If you so desire we would be willing to revise our quotation and include all the permanent installations on surface as listed and accept all risk.

The following prices are contingent upon the enclosed 'Conditions' and 'Specifications'.

1. Slashing Adit -
   Approximately 290 linear feet
   Per lineal foot ..... $32.50 ?

2. Drifting -
   Approximately 1,400 linear feet
   Per lineal foot ..... $57.00 ?

3. Ground support such as timbering
   and/or rock bolting and other
   'Extras' ..... Cost plus 10% ?

N.B.: Costs as used in Item 3 above are defined as follows:

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FEB 11 1963

U.S.G.S.
SPOKANE, WASH.

(a) Wages and salaries as paid.
(b) Payroll taxes at 23½% of Item (a).
(c) Equipment rentals and operations pro-rated at $3,500.00 per month.
(d) Materials and supplies at invoice cost plus delivery charges.
(e) General overhead at 10% of the sum of Items (a), (b), (c) and (d).

We thank you for this opportunity to quote on your requirements.

Yours very truly,

BOLAND DEVELOPMENT COMPANY, LTD.

C S Boland

C.S. BOLAND, P.Eng.
President & General Manager

CSB:EA
Encl.

CONDITIONS FOR SLASHING ADIT AND DRIFTING

1. THE CONTRACTOR

(a) Shall provide and pay for all men required for the project (except as provided for under The Company) and including all payroll taxes, maintenance and transportation.

(b) Shall provide, install and maintain at his expense all equipment and tools required for the project; such equipment and tools to remain the property of The Contractor.

(c) Shall provide at his expense all materials entering into the construction of the work (except as provided for under The Company).

(d) Shall provide at his expense all consumable supplies required for the project.

(e) Shall provide at his expense public liability and property damage insurance to the limits of $250,000/$500,000 and $50,000.

(f) Shall perform the task in a diligent and workmanlike manner to the direction of The Company's representative and to the requirements of the Montana Mining Code.

2. THE COMPANY

(a) Shall provide and pay for all men required for engineering, surveying, geological and sampling services; and including maintenance, transportation and all payroll taxes.

(b) Shall provide and maintain at its expense all equipment, tools, facilities and supplies required for services under Item (a) above.

CONDITIONS FOR SLASHING ADIT AND DRIFTING (Cont'd.)

2. (c) Shall provide and maintain including snow plowing; road from Bannock, Montana, bridge, compressor house, powder and cap magazines and any other permanent installations as may be required.

(d) Shall pay The Contractor full earnings to date within fifteen days following the fifteenth and last days of each Month.

SPECIFICATIONS

SLASHING ADIT

1. Shall be slashed from its present size to a minimum of 5' x 7'.

2. Track of 25# rail at 18" gauge, placed on 5" ties at 24" centres.

3. Pipe lines to be installed:
   (a) Air Line 3" Victaulic
   (b) Water Line 2" Victaulic?

4. Rock bolting and/or timbering to be done as an Extra.

DRIFTING

1. Nominal size of drift to be 5 feet wide by 7½ feet over rail.

2. Track of 25# rail at 18" gauge, placed on 5" ties at 24" centres.

3. Pipe lines to be installed:
   (a) Air Line 2" Victaulic
   (b) Water Line 1" Victaulic

4. Rock bolting and/or timbering to be done as an Extra.

5. Six track switches and allied slashes are provided for.

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS
General Offices and Plant
1624 Pioneer Road P. O. Box 58 HUnter 7-7595
SALT LAKE CITY 10, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

January 8, 1963

Reply to:

Grand Deposit Mining Co.
1790 East Plumb Lane
Reno, Nevada

Attention: Mr. Robert K. Wyant

Gentlemen:

We have had our man look over your Excelsior Mine near Bannock, Montana. Our estimate is made on your company rehabilitating the road into the mine. At this time we are not estimating any support, but, if needed, this could be on a negotiated basis.

We would slab and clean up 280' of drift for $18.50 per foot and drive approximately 1,400' for $59.00 per linear foot.

Thank you for the opportunity to submit an estimate on your work. We do have men and equipment and could start immediately.

Very truly yours,

Frank E. Peters

Frank E. Peters
Ass't. Manager, Mining Division

FEP:bg

RECEIVED
Cert. - Ret. recpt.
FEB 11 1963

U S G. S.
SPOKANE, WASH.

December 20, 1962

Mr. Victor Stevens
Manager, Mining Division
Boyles Brothers Co.
1624 Pioneer Road
Box 58
Salt Lake City, Utah

Dear Mr. Stevens:

As soon as possible, our firm is interested in obtaining bids for 1400 feet of 5' x 7' drifting at the Excelsior Mine near Bannack, Montana. This district is located 29 miles southwest of Dillon, Montana. The drifting would consist of 700 ft. to the north and 700 ft. to the south along the granodiorite-limestone contact from the 80 ft. level adit, just south of the Excelsior shaft. The purpose of this drifting is exploratory in nature in that we wish to drift along the contact in search of ore bodies of the type common to the district.

We would also be interested in having the adit slabbed to 5 ft. x 7 ft. from it's present dimensions (approx. 4' x 5'-6') for a distance of 280 feet in from the present portal. Timbering would not be required.

As indicated on the enclosed maps, the Excelsior Mine is approximately 2 miles east of the old town of Bannack. Under normal weather conditions the mine is accessible in a pickup by fording Grasshopper Creek at the old mill, 3/4 of a mile east of Bannack and then south-southeast one mile to the Excelsior headframe and adit. A four wheel drive vehicle might be needed in bad weather.

If at all possible, we would like to have the drifting contractors furnish all of his own mining equipment. One mile of rehabilitated road, a bridge and compressor house will be installed.

RECEIVED
Cert.-Ret. rept.
FEB 11 1963

U S G S
SPOKANE, WASH.

Enclosed you will find:

I Claims map of the area showing the Excelsior shaft, adit and location of the present access road which will be rehabilitated.

II General geologic and topographic map of the area.

III Geologic map of the property showing the 80 ft. level and location of the proposed drifting to the north and to the south.

Should you not be interested in making a bid on this project, would you please return the maps to us.

In the event that there are some questions concerning the work, please call either myself or Mr. James D. Davenport of the Grand Deposit Mining Company, FA9-4216 in Reno. Thank you very much for your interest in this matter and we shall look forward to hearing from you.

Sincerely,

ROBERT K. WYANT

RKW:ab

Mr. Loren M. Eberline
Route I, Box I09
Dillon Montana
January I2, I963

Mr. Robert K. Wyant
Grand Deposit Mining Co.
I790 East Plumb Mining Co.
Reno, Nevada

Dear Mr. Wyant:

In answer to your letter on the exploration work at the Excelsior mine at Bannock, I have contacted several contractors on the bridge and building. I made a trip to Bannock with Mr. W. P. Gillingham, the chief engineer of the mining division for the Boyles Brothers Drilling Co., who went over the work location at the old drift.

I was unable to get anyone to submit a bid on any of the work until they were sure of the exact location of the bridge and tool house.

As for the road, I could give you a bid on that work when I know if it is to be done at this time of the year or when there is no frost in the ground. If this road is to be put in on a six or seven per cent grade and at the time of year when there is no frost to contend with I could estimate this work to cost between 250 and 350 dollars. With frost in the ground that bid would run considerably higher.

I contacted Mr. Nigren at Argenta, but he is to busy and tied up to do any contract drifting at all. However there is a Mr. John Hand in Argenta who you may be able to get in a couple of months, but no sooner. His address is: Mr. John Hand, Dillon, Montana, Argenta Star Route.

I am sorry I could not get this information to you any sooner, but it is slow trying to get these contractors out to look at the jobs.

I do hope this is of some help to you and if I can help you again call me anytime.

Sincerely

Loren M. Eberline

RECEIVED
Cert.-reg. recpt.
FEB 11 1963
U S G. S.
SPOKANE, WASH.

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

February 7, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 11 1963

DATE	INITIALS	CODE
		500
2/11	Murphy	500

Mr. W. R. Griswold, Chief
Division of Minerals
Office of Minerals Exploration
U. S. Department of Interior
Washington 25, D. C.

RE: OME 6263, Grand Deposit Mining Co., Excelsior Claims, Beaverhead Co., Montana

Dear Mr. Griswold:

The additional data requested for OME application #6263 has been sent to Mr. D. R. MacLaren of your Spokane, Washington office.

A copy of the letter to Mr. MacLaren is enclosed.

Thank you very much for your interest in this matter.

Sincerely,

Charles A. Steen

CHARLES A. STEEN

enc

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1790 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

February 7, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 11 1963

DATE	INITIALS	CODE
2/11	JEJ	~~EPB~~ 500 (120)

Mr. Frank E. Johnson
Acting Director
Office of Minerals Exploration
U. S. Department of Interior
Washington 25, D. C.

RE: OME 6263, Grand Deposit Mining Co., Excelsior Claims, Beaverhead Co., Montana

Dear Mr. Johnson:

The additional data requested for OME application #6263 has been sent to Mr. D. R. MacLaren of your Spokane, Washington office.

A copy of the letter to Mr. MacLaren is enclosed.

Thank you very much for your interest in this matter.

Sincerely,

Charles Steen

CHARLES A. STEEN

enc

February 7, 1963

Mr. D. R. MacLaren
Office of Minerals Exploration
U. S. Dept. of Interior
South 157 Howard Street
Spokane 4, Washington

RE: OME 6263 (Au, Bi, Te) Grand Deposit Mining Company

Dear Mr. MacLaren:

Enclosed you will find additional data and information that was requested for our OME application #6263 at Bannack, Montana. We are very sorry for the unavoidable delay and hope that the application may continue to be processed:

The following information is to be submitted:

1. Five copies of MME Form 52, Lien or Subordination agreement, signed by the owners of the property.

2. Sec. 7 Estimates of Cost.

A. Independent Contracts -- Drifting Bids

(1) Whitco Development Co. - submitted with original application as Exhibit IX.

(2) Boland Development Co. - four copies enclosed.

(3) Boyles Bros. Co. - four copies of bid and copy of Grand Deposit letter of bid request enclosed.

B. Independent Contracts - Misc.

As to be noted in the original OME application #6263, Sec. 7, Estimate of Costs, (a) Independent contracts, Phase I, three auxiliary items were listed, these include (1) Road construction and rehabilitation, (2) Compressor and Tool House 20' x 24' and (3) Wooden Bridge, 40' x 15'.

Considerable effort was made to obtain bids for the above mentioned auxiliary items. As to be noted on the enclosed bid IX-A, only one rather qualitative bid was obtained from Mr.

Eberline for the road work. Although contractors are undoubtedly available to build the tool shed and small bridge, bids for these items have not been forthcoming.

In view of the urgency of processing the application and the lack of three competitive bids for (a) road work, (b) bridge construction and (c) tool and compressor house, the Grand Deposit Mining Co. will assume full responsibility and cost for the installation of these three items, and I, Charles A. Steen, President, authorize their deletion from Sec. 7a as items of Independent contracts.

Sincerely,

CHARLES A. STEEN

cc: Mr. W. R. Griswold
Mr. Frank E. Johnson

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/31	Murphy	500
	[illegible]	800
1/31	[illegible]	420
1/31	[illegible]	110
1/31	[illegible]	100
1/31	Cole	220
		500

Mr. Charles A. Steen
President
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

JAN 31 1963

Re: OME-6263 (Gold-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Dear Mr. Steen:

Will you kindly advise the approximate date we may expect to receive the additional information requested in the Acting Director's letter of December 27, 1962.

Sincerely yours,

W. R. Griswold (gla)

W. R. Griswold, Chief
Division of Minerals

FMMurphy/mm
1/31/63
cc: Director's Reading File
Region I (2)
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/26	Murphy	500
	[illegible]	500
	on leave	800
	Selfridge	120
		110
		100
12/28	cal	220
		500

Mr. Charles A. Steen
President
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

DEC 27 1962

Re: OMM-6253 (Gold-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Dear Mr. Steen:

In order to continue processing the referenced application we require the following additional information:

1. The Mining Lease submitted covers only the five (5) patented claims. Are the other four (4) unpatented claims listed in the application owned by the Company? If not, we will require a copy of the document showing the Company's rights to these claims. As mentioned in our letter of July 18, 1962, we will require five copies of MME Form 52, Lien or Subordination Agreement, covering the claims not owned by the Company. According to our files six copies of MME Form 52 were mailed to Mr. Wyant on August 2, 1962, by our Region I office.

2. Only one bid by an independent contractor for the proposed work was submitted. To process the application we require bids from two other contractors for the work. The bid submitted covers only the enlarging of the 80 foot level and for 1400 feet of drift work. The bids should cover all the items listed under "7. Estimate of Costs" submitted as part of the application.

Upon receipt of the above additional information we will continue to process your application.

Sincerely yours,

FMMurphy/ama 12-26-62

(signed) FRANK E. JOHNSON (gla)

ACTING Director

cc:
Docket
Director's Reading File
Region I (2)

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
December 18, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 21 1962
DATE | | CODE
130
Reserved 500
Murphy

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Application examination
OME-6263 (Gold-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

INTRODUCTION

Grand Deposit Mining Company applied for OME aid to explore for gold, bismuth, and tellurium ores on the Excelsior, et al., claims situated in sec. 8, T. 8 S., R. 11 W., Bannack Mining District, Beaverhead County, Montana.

The applicant proposes a two-stage program to explore along the contact between limestone and an intrusive granodiorite by driving 1,900 feet of drift. Additional items of work included in the proposal are 24 hours of bulldozing an access road, construction of a bridge 15 feet wide and 40 feet long, construction of a 20 by 24-foot compressor and tool house, 280 feet of drift back slabbing, and installation of rail and water and air lines to existing workings. His estimated total cost is $101,080.00.

The property was visited October 8, 1962, in the company of R. K. Wyant, exploration geologist for the applicant. About six hours were spent on the property.

PROPERTY, LOCATION, AND ACCESSIBILITY

The property, comprising five patented and four unpatented claims, is about 26.8 road miles distant from Dillon, Montana. The claims are:

Patented

Claim	Patent No.
Excelsior	234A
North Excelsior	~~3798~~ -3798
Mill Site	234B
Excelsior Extension	3797
Bannack	3822

LEASE

EXAM. REPORT

Unpatented

Claim	Book	Page
Patricia	167	123-124
Lissa	164	121-122
Michael	164	119-120
North Excelsior Extension	164	117-118

The unpatented claims are recorded in the Beaverhead County Court House, Dillon, Montana.

The property may be reached from Dillon by proceeding south on U. S. Highway 91 a distance of 4.2 miles from the Creston Motel. From here, turn right and follow paved State Highway 278 for 17.2 miles to sign proclaiming Bannack State Monument. Turn left and follow a graded graveled road for 4.7 miles, passing through the old town of Bannack to a road split. Here make a half-right turn and follow a poor mine road 0.3 miles, fording Grasshopper Creek. Just across the creek, turn right and follow poor mine road 0.4 miles to the Excelsior mine.

MINE WORKINGS AND GEOLOGY

Workings at the mine are a shaft, an adit crosscut, and a few surface trenches.

The shaft is $2\frac{1}{2}$ compartment with skipway, manway, and pipeway. The skipway and pipeway compartments are boarded over, but from the manway compartment the shaft appears to be open for more than 100 feet and the timbers appear to be in good condition. An 8 by 8-inch piece of timber a few feet below the collar and loosely wedged across the manway, as well as the unknown condition of the vertical ladder, made it inadvisable to try to descend, a decision in which Mr. Wyant concurred. Wyant has not been down the shaft, but from maps accompanying the application, near the bottom of the shaft the 290 level has been driven southeasterly to pass below an old stope that has apparently been mined to the surface. How far below the stope the 290 level passes is not known by Wyant. According to the applicant's map marked Exhibit III, two raises have been run from the 290 level in barren ground, one northeasterly, the other southwesterly. A third raise, apparently vertical, was also run from the 290 level. The 250 level apparently was started from the vertical raise. At a point of unknown height, an inclined raise was run from the vertical raise and intersected the southwesterly raise from the 290 level.

On the 80 level, an adit has been driven about 330 feet southeasterly, where it cut an ore shoot that has now been stoped; apparently this is the same ore shoot mentioned above as having been stoped from above the 290 level to the surface. On the 80 level, the stope is about 50 feet long and has an average width of about 8 feet. The stope is

open below and above the level and could not be crossed; however, the walls appear to stand well. About 15 feet above the 80 level, the stope branches into a Y-shaped opening. The footwall of the stope is limestone, and along or close to the hanging wall the rock is granodiorite. In the vicinity of the stope, the attitude of the limestone beds is difficult to determine, but in general the beds strike N. 10° E. and dip 40° to 45° northwesterly. The granodiorite-limestone contact in the 80 level crosscut strikes N. 10° E. and dips about 50° to 55° southeasterly.

On Plate I, based on the applicant's map marked Exhibit II, the feature called "old stope" may represent the surfacing of the northerly branch of the stope seen on the 80 level; essentially it is a trench but there is an old cribbed raise or winze, now full of debris, near its southerly end. Near the northerly end of the "old stope," there is what appears to have been an opening of some sort to the west, but it has been carefully back-filled. The rock on the westerly side of the "old stope" is granodiorite; that on the easterly side is limestone.

The L-shaped feature south of the "old stope" also is essentially an old trench, but at the bend on the westerly side is what may be an old opening possibly connected to the south branch of the 80 level stope. Although the applicant's map indicates that the trench is entirely in granodiorite, this was found to be in error; most of the trench is in limestone, but the part east of the indicated southeast-striking fault and south of the northeast-striking fault is granodiorite--the reverse of the rock relationship observed elsewhere. About 20 feet west of the "old stope," a belt of limestone 80 to 100 feet wide was seen. The granodiorite in this area is probably the surface cropping of the apophysis of granodiorite seen on the 80 level. About 100 feet southeasterly from the L-shaped trench is an exposure of limestone in which there is evidence of recrystallization accompanied by some garnetization. Other evidence of garnetization was seen in the limestone near the granodiorite contact about 200 feet north of the "old stope" trench, but none was seen in the circular patch of limestone in this area.

The "ridge top" shown on the applicant's Exhibit II continues in a south-southwesterly direction, as indicated on Plate I, and south of the east-west grid line that passes through the "old stope" trench it is close to or along the southward continuation of the granodiorite-limestone contact. A shallow cut about 300 feet southwest of the L-shaped trench exposes the contact. A sample taken by Wyant from the limestone at the contact assayed 0.03 ounce gold and 0.5 ounce silver per ton.

Examination of the tunnel and shaft dump disclosed only occasional pieces of rock containing sulfides. There is some evidence that this dump covers an older one that could have come from a second adit to

the north of the 80 level and possibly 25 to 30 feet lower in altitude. This adit, if it exists, is covered by the present dump. However, there is no record of such an adit, and the evidence of its existence is not conclusive.

After the application had been submitted, Wyant took four samples, the assayer's report for which he had with him. The first sample is of the limestone at the contact on the surface, the assay of which is given above. The second sample, taken from dump material near the "raise" between the "old stope" and the L-shaped trench, assayed 0.49 ounce gold and 0.10 ounce silver per ton. The third was a sample of granodiorite containing specular hematite taken from the wall rock at the north end of the 80 level stope; it assayed 2.3 ounces gold and 0.5 ounce silver per ton. Finally, a sample of selected material containing pyrite and chalcopyrite taken from the shaft and 80 level dump assayed 1.45 ounces gold and 0.3 ounce silver per ton.

EXPLORATION POSSIBILITIES

According to Philip J. Shenon in "Geology and Ore Deposits of Bannack and Argenta, Montana," Montana Bureau of Mines and Geology Bulletin No. 6 (1931), pp 27-28 and 39-43, production of lode gold in the Bannack District since about 1862 has been about $2,000,000, most of which has come from six mines: Excelsior, Wadams, Wallace, Golden Leaf, Blue Grass, and Gold Bug. The estimated production from the Excelsior mine is $300,000 from one ore shoot.

"The ore deposits are at or near the contact between the granodiorite and limestone and occur chiefly along the apex of apophyses (granodiorite outliers) which extend into the limestone. * * * Although some rich deposits distant from the contact have been mined, the largest and most important ones occur as irregular bodies in limestone near the contact with the granodiorite." From this statement by Shenon (1931), the applicant's proposal to explore along the contact is well worthy of consideration, particularly to the north of the 80 level ore shoot. However, nothing was seen at the surface to indicate the existence of possible ore shoots other than the one mined, or of any apophyses south of that on which the ore occurs.

The advisability of preliminary work involving detailed mapping of the contact zone, geochemical testing, and diamond drilling was discussed with Mr. Wyant. North of the 80 level crosscut, the ground slopes steeply to the east and west, and the ridge line plunges steeply north of the circular patch of limestone. The topography here is particularly well adapted to drilling. South of the crosscut, the contact is fairly straight, and no indication of mineralized sections is known to Mr. Wyant. The topography in this area is also favorable to drilling. Soil sampling should pick up any target areas in both sections, and detailed mapping of the contact zone would aid in locating the soil samples. Soil cover is not deep, but bulldozing trenches would involve some drilling and blasting of the bedrock surface, which appears to be irregular in places.

Mr. Wyant said he had been trying to get the applicant to drill the area north of the crosscut, and he seemed to favor the suggested preliminary work. He agreed that without some preliminary surface work considerable drifting could be done without finding any ore and said he would discuss the proposal with the applicant. In a letter dated October 16, 1962, a copy of which was sent to you, Wyant stated that the Grand Deposit Mining Company would prefer the "drifting" approach and "would not care to undertake the alternative exploration plan of geochemical survey and drilling, etc." As Wyant's term, "alternative exploration plan," suggested a possible misunderstanding, the preliminary nature of geologic mapping to trace the contact, geochemical lines across the contact to locate possible exploration targets, and diamond drilling to test the target areas at drift level was emphasized in a letter to him dated November 2, 1962. Because of the terms of the company's contract with Philip J. Shenon, owner, the matter was referred to him for his comments. Shenon sent the field office a copy of his reply to Wyant. A Thermo-Fax copy of Wyant's letter of November 30, 1962, to this office and one of Shenon's letter to Wyant are enclosed. The applicant's rejection of any work preliminary to drifting leaves only the latter to be considered.

CONCLUSIONS AND RECOMMENDATIONS

In October, Grasshopper Creek was in low water, about 8 to 10 feet wide and 2 to 2.5 feet deep, and could be forded without difficulty by a sedan. The east bank is about 4 to 4.5 feet high and is abrupt; the west bank reaches approximately the same height but is more gently sloping. Bits of driftwood in the weeds and scrub growth, particularly along the west bank, indicate that there are periods of high water when the stream would be as much as 4 feet deep and 20 to 25 feet wide, too deep to ford by car or truck. The highest water would be in the spring months during the runoff of melting snow and could very well continue as long as two to three months. After heavy or frequent rainy periods during the rest of the spring and summer, the water would also be too deep to ford by vehicle. Much of the time that the stream could not be forded by car, it could be forded on foot with high boots. At such times, the miners might object or even refuse to cross, and there could be delays in getting supplies and equipment to the project. If the contractor should set up a trailer camp at the property (I do not know that such is his intention) and is judicious in keeping reasonably ahead of his supply and equipment, there might be no need of a bridge. It is recommended that this item be omitted if a contract is prepared; if the applicant insists, it could be added by amendment.

The road from Grasshopper Creek to the mine, about half a mile distant, is little more than wheel tracks and in places is so close to the creek bank as to be unsafe. It is recommended that 24 hours of D-6 bulldozer work be approved.

Buildings on the property are a combined hoist-compressor-tool house and a small shed. They are in poor condition, principally because over the years snow has caused the roofs to collapse. This has resulted in some buckling of the walls. While some of the lumber could be salvaged, the cost of repairing the present structures would probably be more than it would be worth. It is recommended that a 20'x24' compressor and tool house be approved. ?

Most of the 80 level crosscut is too low to permit passage of a mucking machine or, after air and water lines are installed, to permit passage of standard mine cars. It is recommended that back-slabbing be approved.

Most of the ore bodies found in the district occur along the granodiorite-limestone contact, particularly near the apex of apophyses of the granodiorite that extend into the limestone. Such an apophysis exists north of the crosscut. Another frequent ore control has been along fractures which extend into the limestone nearly at right angles to the contact. The contact, indicated by a dotted line on the applicant's exhibit II, has apparently not been accurately traced on the surface south of the crosscut. The overburden, although not deep, pretty well masks the contact trace. There may be other granodiorite apophyses in that direction, but none were known to Wyant or observed during the examination. The other possible ore control, along fractures extending into the limestone, would be rarely observable at the surface but may exist. It is concluded that drifting northerly from the crosscut along the contact to and around the surface-indicated apophyses in that area would have a good chance of finding ore and that drifting southerly, although a much longer shot on the basis of available information, is justified.

It is recommended that 1,400 feet of drifting be approved, 700 feet to the north of the crosscut as proposed by the applicant, 500 feet to the south, and 200 feet on promising fractures that extend into the limestone. The existing short drift north of the crosscut is smaller in section than the crosscut and is full of debris. The cost of cleaning it out, slabbing the corner, and enlarging the drift plus additional back-slabbing in the crosscut would probably cost nearly as much as the applicant's proposed turnoff from the crosscut.

COSTS

Road Construction

The entire 0.5 mile of road will be over loose conglomerate valley fill. No bids were submitted with the application, and the applicant has been requested to submit them. A D-6 dozer should be able to do the required work in not more than 24 hours, and the proposed rate of $12.50/hour is reasonable and possibly low. In the event bids are not received, the following is recommended:

1. Independent Contracts
   D-6 Dozer, 24 hours at $12.50/hr. $300.00

2 through 7. None

Total dozing costs $300.00

Compressor-Tool House

No bids were received with the application but have been requested. In the event none are received, the following guide for cost is offered.

John Zupan, DMEA-4588:
8x10 or 80 ft.^{2}--estimated cost, $250 or $3.125/ft.^{2}

Paymaster Mines, Inc., OME-6144:
Compressor-power house 8x10=80 ft.^{2}--estimated cost $317 or $3.96 ft.^{2}
Hoist house-charge house 12x14=168 ft.^{2}--estimated cost $438 or $2.60 ft.^{2}

The average cost per square foot for these three buildings is $3.06. The unit cost will decrease as the floor area increases, but not in a straight line ratio. A unit cost of $2.75/ft.^{2} is probably not too far out of line.

1. Independent Contracts
   Wooden structure, 20'x24' $1,320.00

2 through 7. None

Total building $1,320.00

Slabbing Drifts

The cost of slabbing the drift back I should think would be almost the same as for sideswiping. Certainly the bid estimate of $16.00/ft. seems very high. Sideswiping costs have ranged from $0.45 to $0.50 per foot. If the cost of installing track, air and water lines is included, $1.25 per foot should be ample allowance. cost see pg. 8

1. Independent Contracts
   280 ft. back-slabbing in crosscut, plus installing track, air and water lines at $1.25/ft. $ 350.00

2 through 7. None

Total $ 350.00

Drifting

Although the observation of garnetized areas in the limestone was limited, largely due to overburden, they probably are common along the limestone-granodiorite contact. In the limited contact area observed

underground, the non-garnetized limestone is extremely hard and massive. It is therefore concluded that drilling and breaking may be more than usually difficult. However, I agree with the suggestion in your July 8, 1962, memorandum referring the application to the field that the applicant's estimate of $47.00 per foot appears to be high. This estimate is based upon a bid from Whitco Development and includes all supplies and equipment, as well as mobilization costs. The bid includes a $2.00/ft. additional cost for timbering. From what was observed, the ground stands well and little, if any, timber will be required.

There is no equipment at the property, nor, as he plans to contract the work, has the applicant furnished any list of equipment he might have that would be used if he were to do the work himself. The bidder gives no breakdown showing how he arrives at his estimated cost per foot. Therefore, there are no available data on which to base a formal cost estimate. I should think that something in the order of $42.00 to $43.00 per foot for drifting and the bidder's estimate of an additional $2.00, or $44.00 to $45.00 per foot of drift sections that might require timber, would be fair and reasonable.

1. Independent Contracts		
1,400 ft. untimbered drift at $42.50/ft.	$59,500.00	
100 ft. timbered drift at $44.50/ft.	4,450.00	$59,700.00*
2 through 6.		None
7. Assaying		
100 determinations for gold and silver at $2.50	$ 250.00	
50 determinations for bismuth at $5.00	250.00	
50 determinations for tellurium at $10.00	500.00	1,000.00
Total drift w/timber		$59,700.00*

*1,300 ft. untimbered at $42.50/ft.= $55,250.00.
100 ft. timbered at $44.50/ft. = 4,450.00.

Recapitulation

Road construction, 24 hrs. bulldozing at $12.50/hr.		$ 300.00
Compressor-tool house, 20'x24'	Job	1,320.00
~~Back~~-slabbing 280 ft. of crosscut and installing rail, water and air lines at $1.25/ft. 1/		350.00
Drifting, 1,400 ft.		59,700.00
Assaying		1,000.00
Total estimated cost		$62,670.00
Government participation at 50%		$31,335.00

1/ This is about equal to 50% of the cost of air-water lines only. DRM

Distribution:
OME(3)
Docket
MacLaren
SRO

D. R. MacLaren

Mr. [illegible]
[illegible] Lane
[illegible], Nevada

Dear [illegible]

Thank you for [illegible] with the attached copies [illegible] from [illegible] McLaren, Inc. [illegible] tar [illegible] 1?2.

In your report you state that the [illegible] the Excelsior mine was [illegible] credited [illegible] production of $[illegible] of the Company [illegible] Bureau of Mines [illegible] at [illegible] water [illegible] of the Anaconda Company and the known [illegible] feel [illegible] the great [illegible]

But [illegible] will very [illegible] that [illegible] the nature of the [illegible] a geochemical survey [illegible] be of value [illegible] have known [illegible]

[illegible]

financed in [illegible]

[illegible] the st[illegible] below [illegible]

As you [illegible] at the [illegible] seen [illegible] on the [illegible] located to [illegible] around the [illegible] that [illegible] the [illegible] the [illegible] quite sure th[illegible] drilling, as a means [illegible] ation, could [illegible] able [illegible] the [illegible] by [illegible].

[illegible]

[illegible] frequently [illegible] rich, is still the best [illegible] I have suggested a minimum [illegible] first, but if it should [illegible] that the [illegible] southwestward along the [illegible] extension and Fannuce claims, and [illegible] made into the Montana claim which we [illegible] own. The contact takes a very sharp [illegible] from the Fannuce claim into the Montana claim [illegible] I have always felt that this was a particularly [illegible] area.

Bob, at this time [illegible]

[illegible]

[illegible]

Best wishes,

[illegible]

[illegible]

[illegible]

Spokane 4, Washington
So. 157 Howard Street
December 14, 1962

DATE		
		120
	Deposit	500
12/19	Murphy	500

Mr. Robert K. Wyant
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OME-6263 (Gold-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Dear Mr. Wyant:

The above-cited application states that the proposed work will be done by independent contractors. A bid from Whitco Development for the underground work accompanied the application, but no bids were submitted for road, bridge, and tool house construction. As I believe I mentioned to you, but possibly without emphasis, while we were discussing the possibilities in the car, OME requests in item 7(b) on the reverse side of the application form that cost estimates should be supported by bids from three contractors if possible.

Please submit bids from two other contractors for the underground work and bids from three contractors for road, bridge, and tool house construction jobs. In the event no independent contractors wish to bid, you should submit two copies of their letters of refusal.

This request for bids should in no way be considered as any assurance that a contract will be forthcoming, as the final decision is made elsewhere.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:my
cc: OME
Reading copies to:
Nolan
McKelvey

So. 157 Howard Street
Spokane 4, Washington
December 4, 1962

ORIGINAL FILE
C. M. E.
RECEIVED DEC 7 1962

DATE		CODE
	~~Grimord~~	500
12/11	~~Murphy~~	~~500~~

Mr. Robert K. Wyant
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: CME-6263 (Gold-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Dear Mr. Wyant:

Thank you for your letters of November 23 and 30 regarding the possibility of preceding the proposed drifting at the Excelsior mine by a moderate amount of topographic and geologic mapping, geochemical surveying in the vicinity of the contact, followed, if warranted, by a small amount of core drilling from the surface to determine the nature and attitude of any indicated ore occurrences along the contact.

I have received a copy of Mr. F. J. Shenon's letter of November 26, 1962, addressed to you and will certainly give every consideration to his views and those of Grand Deposit Mining Company in the preparation of my report of examination.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, CME
Region I

DRMacLaren:my

cc: CME
Reading copies to:
Nolan
McKelvey

November 26, 1962

Mr. Robert K. Wyant
1790 East Plumb Lane
Reno, Nevada

Dear Bob:

Thank you for your letter of November 23, 1962 with the attached copies of two letters from Mr. MacLaren, the copy of your letter to Mr. MacLaren, and the copy of your report to Mr. Steen dated October 10, 1962.

In your report you state that the production of the Excelsior mine was $200,000. I credited it with a production of $300,000 in Bulletin 6 of the Montana Bureau of Mines and Geology although on the basis of stoped areas later mapped by C. B. Bass of The Anaconda Company and the known high grade of the ore I feel sure the gross production must have been considerably greater.

Bob, I doubt very much that because of the nature of the deposits at Bannack that a geochemical survey would be of value. A few years ago we tried it over known deposits on the west side of the district without success. As you know the deposits are in limestone, generally near the intrusive contact but some of the better deposits, on the west side, have made out along fissures in the limestone for considerable distances. After I wrote my report William Dunn mined three pipe-like shoots, each on the same fissure but along different beds in the limestone. From one, called the Dunn stope, he took out $180,000 but I do not know how much the stopes below it produced.

As you noted, very little prospecting has been done at the Excelsior. Practically all of the work was concentrated on the one shoot. My feeling is that it is logical to expect that other shoots exist, particularly around the irregular apophyses of granodiorite that project into the limestone. Because of the nature of the deposits at Bannack I feel quite sure that diamond drilling, as a means of exploration, would not be adaptable. I believe the practice followed by the old timers,

that is drifting on the contact, and following mineralized fissures into the limestone where in the past they frequently opened up into shoots some of which were very rich, is still the best prospecting procedure in Bannack. I have suggested a minimum program of drifting, 1400 feet, but if it should lead to one or more shoots I would hope that the Grand Deposits Company could continue southwestward along the contact through our Excelsior Extension and Bannack claims, and if arrangements can be made into the Montana claim, which we do not own. The contact takes a very sharp bend from our Bannack claim into the Montana claim and I have always felt that this was a particularly favorable area.

Bob, at this time I do not believe a detailed topographic map would add much. Al Taylor, formerly of The Anaconda Company, made a detailed Brunton and tape survey of the Excelsior and North Excelsior claims. I believe this mapping will sufficiently serve as a guide for the drifting I have suggested because I feel sure, due to the irregular nature of the contact, that accurate projections will be next to impossible. In other words, in my opinion at least, the most logical way to prospect deposits of this type is to stay on the contact and watch for mineralized fissures leading off into the limestone. If this is done I think the chances are reasonably good that one or more worthwhile deposits can be found.

With kindest personal regards,

Sincerely,

PJS/s P. J. Shenon

cc Messrs. Charles A. Steen
D. R. MacLaren
Fred P. Shenon

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Divn. of Field Operations	11/26/62	
2.		
3.		
4.		
5. D R MacLaren		
FROM: D. R. MacLaren, Act. Fld. Offr. Region I		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: OME-6263 (Gold-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Reply to our letter of November 2, 1962, to Mr. Robert K. Wyant.

GRAND DEPOSIT MINING COMPANY
MINERALS EXPLORATION AND DEVELOPMENT
1780 EAST PLUMB LANE • RENO, NEVADA

CHARLES A. STEEN
PRESIDENT AND CHIEF GEOLOGIST

TELEPHONE 329-4216

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 28 1962

DATE	INITIALS	CODE
	Stewart	500
11/29	Murphy	300
		6263

November 23, 1962

Mr. D. R. MacLaren
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

RE: O.M.E. 6263, Grand Deposit Mining Co.
Bannack, Mont.

Dear Mr. MacLaren:

Your letter of Nov. 2, 1962, concerning the Excelsior property at Bannack has been received and discussed with Mr. Charles A. Steen. As we understand it, the whole exploration picture at Bannack would consist of the following phases:

Phase I

(a) Preparation of a topographic map, 1" = 40'
(b) Preparation of a detailed geologic map, 1" = 40'
(c) Formulation and execution of a geochemical study involving bismuth, tellurium or gold

Phase II

(a) Core drilling (wire line) of possible target areas derived from detailed geologic and geochemical studies.

Phase III

(a) Underground drifting to the north or south to explore and develop target areas indicated by Phase II.

As such, this program was discussed with Mr. Steen. Upon receipt of your letter of Nov. 4, 1962, Mr. Steen suggested that I consult Mr. Shenon concerning his thoughts on this matter.

RECEIVED
NOV 26 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 7 1962
DATE | INITIALS | CODE
~~120~~
Received 500
~~H.E. Murphy 500~~
6263

So. 157 Howard Street
Spokane 4, Washington
November 2, 1962

Air Mail

Mr. Robert K. Wyant
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OME-6263 (Gold-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Dear Mr. Wyant:

Upon rereading your letter of October 16, 1962, it occurs to me that there may exist a misunderstanding regarding the exploration at the Excelsior property. The suggestion was not that the mapping, geochemical survey, and diamond drilling be an alternative to drifting but that it be a preliminary stage to drifting.

I was under the impression that you agreed with the suggestion that without some preliminary work to test for possible targets along the contact it would be quite possible to do considerable drifting without finding an ore body.

The purpose of the mapping would be to facilitate a more precise location and thus reduce the cost of the geochemical work. The geochemical work would more precisely locate areas to be drilled, and the drilling in turn would give an indication of where potential ore shoots could be expected.

This letter is not intended to urge in any way that part or all of the outlined preliminary work be accepted. Rather, the intent is to emphasize that it is not an alternative to drifting but merely a preliminary step that might result in changing the location and reducing the cost of subsequent underground work should targets be discovered.

I will be out of the office from November 6 to 19.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:my
cc: OME
Reading copies to:
Bolan
McKelvey

So. 157 Howard Street
Spokane 4, Washington
October 19, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 22 1962

10/23 Murphy 500

Mr. Robert K. Wyant
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

6263

Re: OME-6263 (Gold-Bismuth-Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Dear Mr. Wyant:

Thank you for your letter of October 16, 1962, in which you give your company's reaction to a possible alternative approach to exploration at the Excelsior mine.

With any luck I will have my report on our inspection under way next week. If the application is approved, a proposed contract will be routed to the Grand Deposit Mining Company through this office; if it is denied, word will be sent from Washington direct.

I enjoyed meeting you and our visit together on the property. Thank you for your cooperation and assistance.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:mp

cc: OME w/ay incoming
Sending copies to:
Nolan
McKelvey

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 1 1962

DATE	INITIALS	CODE
10/1	[illegible]	800
10/3	[illegible]	500
~~10/8~~	~~[illegible]~~	

So. 157 Howard Street
Spokane 4, Washington
September 27, 1962

Mr. Max D. Pierson
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OME-6263 (Gold, Bismuth, Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Dear Mr. Pierson:

I plan to arrive in Dillon, Montana, Sunday afternoon, October 7, 1962, and to visit the Excelsior Mine the following day. It will be most helpful in this stage of processing the referenced application if you or your representative could accompany me. I will stay at the Creston Motel. Your representative should be authorized to discuss costs and possible variations of the proposed exploration.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:my
cc: OME
Reading copies to:
Nolan
McKelvey

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
September 19, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 21 1962

DATE	INITIALS	CODE
9/25	Gravel	500
10/8	Murphy	500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6263 (Gold, Bismuth, Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

The field referral of the subject application, dated July 18, 1962, was received at the field office July 24, since when I have been in the office a total of 20 days. Much of that time was required to catch up and keep on top of routine correspondence and administrative work, the balance in preparing interim and examination reports and maps.

I have on hand three examination reports and one interim inspection report to prepare. When these are completed, I will go into the subject application and two other referrals involving properties in Montana. If a report and recommendations can be made without an on-site examination, it will be prepared, probably the first week in October. If all require examinations, a trip will be made the first or second week in October, after which the reports will be prepared as soon as possible. On the basis of referral date, the report on subject application will be prepared first and should be in your office by the end of October.

D. R. MacLaren

D. R. MacLaren

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/13	Murphy	500
	[illegible]	500
9/14	Facheux	120
"	on leave	
"	Johnson	110
9/13	on leave	100
9/13	Case	220
		500

SEP 13 1962

Memorandum

To: Acting Field Officer, Region I

From: ~~WARTIN~~ Griswold
Chief, Division of Field Operations

Subject: OMX-6263 (Gold, Bismuth, Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Will you kindly advise the status of the subject application which was referred to Region I on July 18, 1962.

W. R. Griswold (gla)

FMMurphy/gla
9-13-62
cc to: Director's Reading File
Review Committee
Docket

43683

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 6 1962
DATE
8/6 Burnett 580
8/6 Murphy 540

So. 157 Howard Street
Spokane 4, Washington
August 2, 1962

Mr. Robert K. Wyant
1790 East Plumb Lane
Reno, Nevada

Re: OME-6263 (Gold, Bismuth, Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claim

Dear Mr. Wyant

Enclosed are six copies of OME Form 52, Lien or Subordination Agreement. These forms should be filled out and executed by the claim owners, and five copies returned to this office. The sixth copy is for the records of the executors. If a contract is approved, it will include a copy of the form for your files.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosure

cc: OME w/incoming

Reading copies to:
Nolan
Selvey

DR MacLaren:lr

Grand Deposit Mining Company

MINE AT ALTA, UTAH

~~J. J. BELDEN~~
~~MANAGER~~
~~P. O. BOX 1984~~
~~SALT LAKE CITY 10, UTAH~~
~~PHONE ELGIN 9-0527~~

CHARLES A. STEEN
PRESIDENT

MARY HOPE WESTBROOK
VICE PRESIDENT AND TREASURER

[redacted]

1790 East Plumb Lane

[redacted]

Reno, Nevada

July 31, 1962

Mr. D. R. MacLaren
Region I, Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

Dear Sir:

Relative to a recent O.M.E. application submitted by the Grand Deposit Mining Company, it is our understanding that five copies of Lien or Subordination Agreement is required.

Since we do not have copies of this form, would you please forward five copies of the Lein or Subordination Agreement to us.

Thank you very much for your interest in this matter.

Sincerely yours,

ROBERT K. WYANT

RKW-m

RECEIVED
AUG 1 1962
U. S. G. S.
SPOKANE, WASH

RECEIVED
AUG 2 1962
SPOKANE, WASH

Grand Deposit Mining Company

MINE AT ALTA, UTAH

~~J. J. BEESON~~
~~MANAGER~~
~~P. O. BOX 1284~~
~~SALT LAKE CITY 10, UTAH~~
~~PHONE ELGIN 9-8927~~

CHARLES A. STEEN
PRESIDENT

~~MARY HOPE WESTBROOK~~
~~VICE PRESIDENT AND TREASURER~~
~~XXXXXXXXXX~~
~~XXXXXXXXX~~
~~XXXXXXXXXXXXXXXX~~

1790 East Plumb Lane
Reno, Nevada

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 3 1962

DATE	INITIAL	
8/3	~~Chamberlin~~ 500	
8/3	Murphy	

July 31, 1962

Director
U. S. Department of the Interior
Office of Minerals Exploration
Washington, D. C.

Re: OME-6263 (Gold, Bismuth, Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Dear Sir:

This will acknowledge and thank you for your letter of July 18th in connection with the subject application.

Relative to the statement on page four of the Mining Lease and Option to Purchase which you directed our attention to, it was not the intention of either party to convey any money from the Federal government, and the portion in question can be deleted from the agreement.

We shall appreciate your advising if additional information is required concerning our application.

Yours very truly,

Charles A. Steen

CHARLES A. STEEN

CAS-m

2 copies to Region I

Application referred to R-I
7/18/62

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/16	Murphy	500
	[illegible]	500
7/17	Talbot	800
7/17	[illegible]	130
"	Johnson	110
7-18	[illegible]	100
7/18	Cae	220
		500

JUL 18 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6263 (Gold, Bismuth, Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

The captioned application is referred to Region I for review, a field examination if deemed advisable, and recommendations.

The estimated costs for the compressor-tool house and bridge construction appear high, as does the unit cost per foot of drifting unless the garnetized limestone is difficult to drill and break.

In the event you consider a contract might be warranted, the Applicant should be requested to submit bids from two other contractors for the drift work. Also, the Applicant should be requested to submit bids from three independent contractors for the work under Items (1), (2), and (3) of Phase I.

George C. Selfridge

(543)

FMMurphy/gla 7-13-62
Rewritten: FMMurphy/gla 7-16-62
cc to: Director's Reading File
Review Committee
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/18/62	Murphy	500
	Brown	500
7/18	Fulford	800
7/18	Selfridge	130
"	Johnson	110
7-23	Ferrick	100
		220
		500

JUL 18 1962

Mr. Charles A. Steen
President
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Re: OME-6263 (Gold, Bismuth, Tellurium)
Grand Deposit Mining Company
Excelsior, et al., Claims
Beaverhead County, Montana

Dear Mr. Steen:

The application for assistance in exploring the subject property has been reviewed by the Division of Minerals of the Office of Minerals Exploration and referred to Mr. D. R. MacLaren, Acting Field Officer, Region I, Office of Minerals Exploration, South 157 Howard Street, Spokane 4, Washington.

In the event a contract to perform the proposed exploration is approved, we will require five copies of a Lien or Subordination Agreement covering the five patented and four unpatented claims listed in the application. The agreement should be signed by the four lessors. Copies of this form may be obtained from our Region I field office.

We call your attention to the statement on page 4 of the Mining Lease and Option to Purchase submitted with the application which provides, in part, that "any funds received on said loan (OME) by Lessee not expended on the property covered hereby shall be paid over to Lessor." This statement is obviously based upon a misunderstanding inasmuch as the Office of Minerals Exploration does not advance funds on any project. The Operator under an OME contract presents his vouchers each month and, after approval and clearance, the Government reimburses the Operator for half of such sums as are approved.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

Director

FMMurphy/gla 7-13-62
Rewritten: FMMurphy/gla 7-16-62
Rewritten: FMMurphy/gla 7-18-62
cc to: Director's Reading File
Region I (2)
Docket

43683

7/13/62

Re: OME-6263

George -

On page 3 of Lease under "Work Requirements" the applicant is committed to perform the exploration work regardless of obtaining OME assistance.

On page 4 under "Lessee's Right of Surrender" funds received from OME assistance not expended are to be paid to Lessor, and on page 5, also equipment, tools, etc. purchased with OME funds.

These points raise some questions about financial eligibility.

Bid on work covers only part of the work to be performed under contract. Applicant should be required to obtain at least two other bids from contractors located near the property on all the work proposed to be performed under Independent Contract. Also it would be better to advise applicant it would be required to obtain Subordination Agreements on both patented and unpatented claims, if leased, before a contract could be executed.

The Lessor has agreed in the Lease (first paragraph, page ~~4~~ 6) to execute the required documents.

FEJohnson

July 11, 1962

Mr. Charles A. Steen, President
Grand Deposit Mining Company
1790 East Plumb Lane
Reno, Nevada

Subject: OME - 6263

Dear Mr. Steen:

Your application for exploration assistance, dated July 6, 1962 submitted to our office at Spokane, Washington has been assigned Docket Number OME-6263.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy: Region I

Note: Base from Exhibit II accompanying application

Explanation

gd Granodiorite

lms Limestone

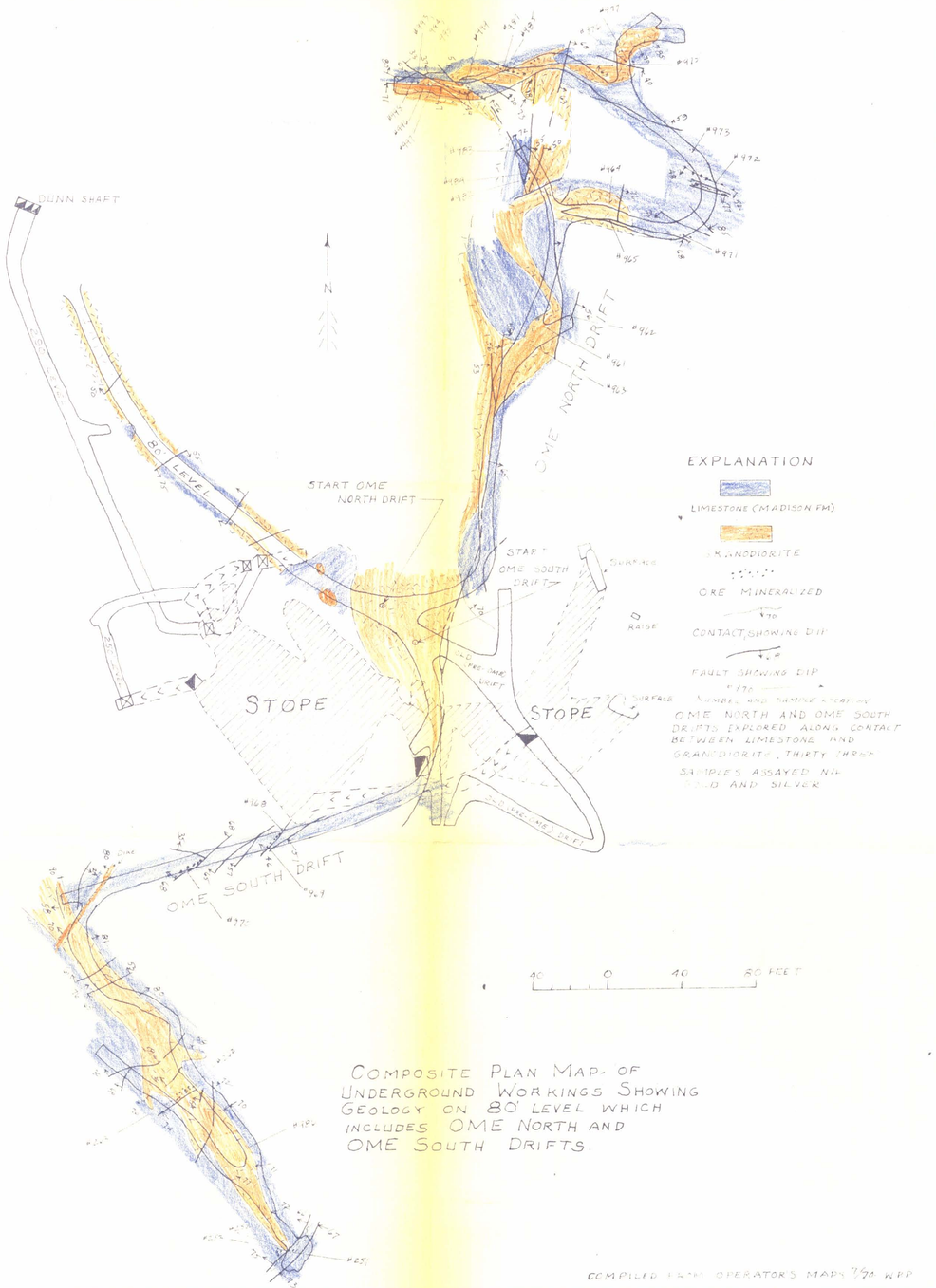
Apparent Contact

Proposed Drift

Sketch Showing
Working, geologic relations as observed on the surface and proposed drifting
General Deposit Mining Company
Excelsior et al. Claims
Beaverhead County Montana

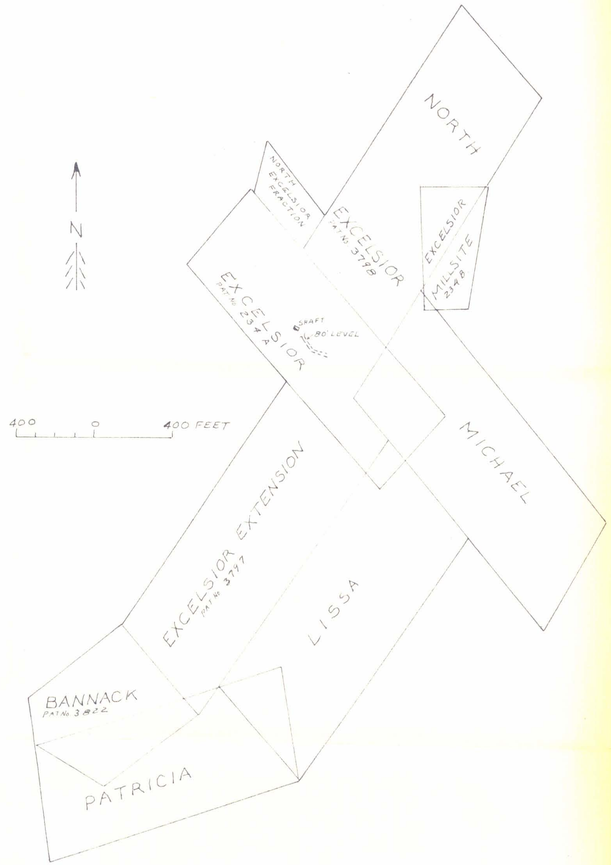
40 0 40 80 Feet

Oct. 1962
Plate I

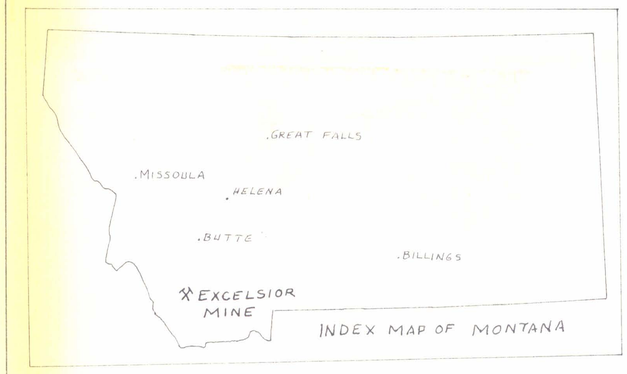


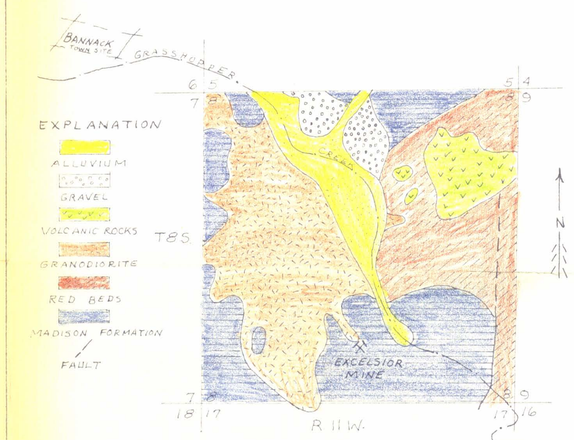
COMPOSITE PLAN MAP OF UNDERGROUND WORKINGS SHOWING GEOLOGY ON 80' LEVEL WHICH INCLUDES OME NORTH AND OME SOUTH DRIFTS.

COMPILED FROM OPERATOR'S MAPS 7/74 WPP



CLAIM MAP



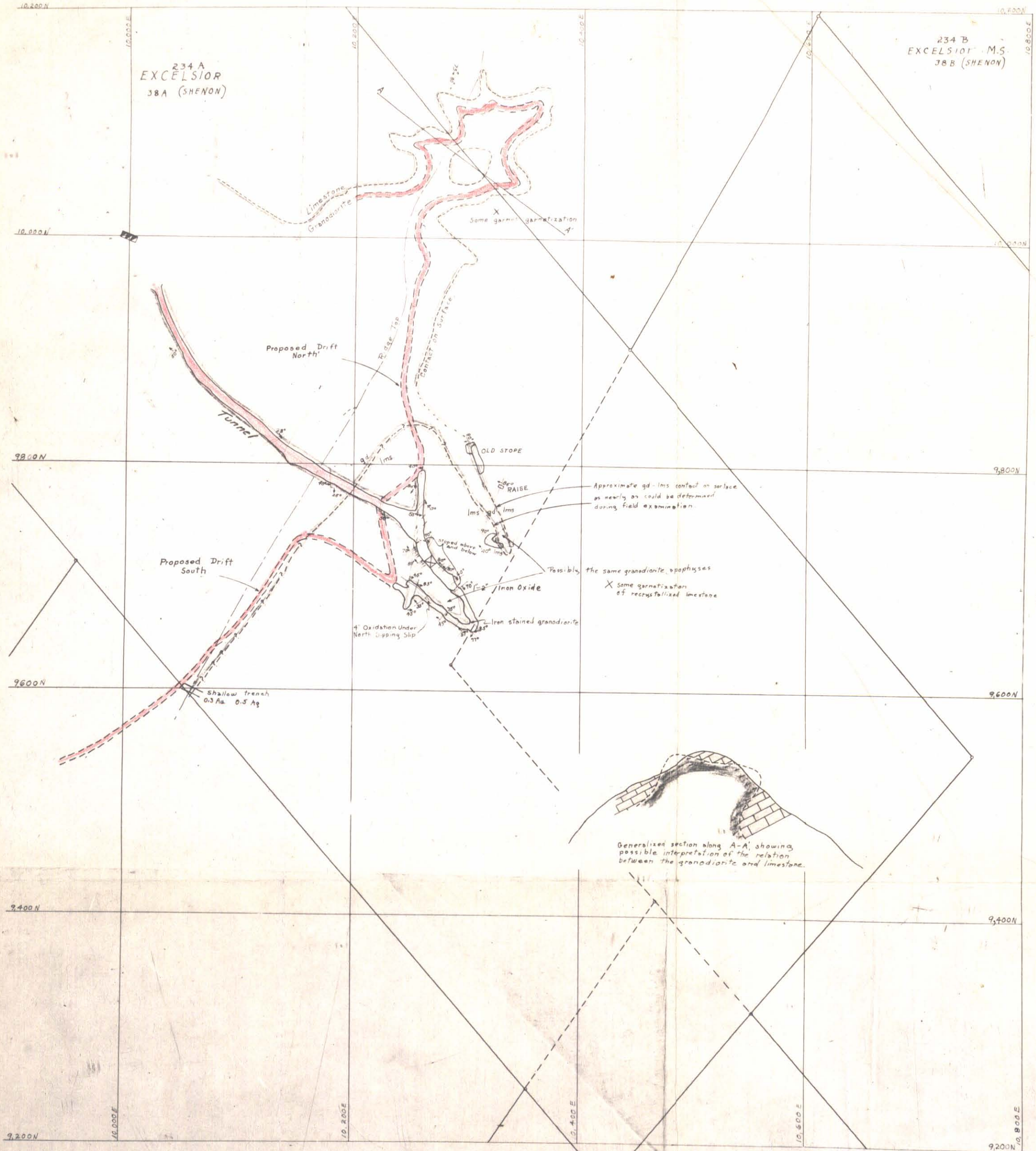


GEOLOGIC MAP SECTION 8

FROM PLATE I MONTANA BUREAU MINES BULL 6

FIGURE 1- GEOLOGIC, COMPOSITE PLAN, CLAIM, AND INDEX MAPS, EXCELSIOR MINE, SEC. 8, T.8S., R.11W., BANNACK MINING DISTRICT, BEAVERHEAD COUNTY, MONTANA

BANNACK MINING DISTRICT
Beaverhead County, Montana
Compiled from Official Surveys and other data
By P.J. SHENON
SHENON GROUP
SCALE 1 inch = 200 feet
Drawn by E.L. Phillips
January 15, 1949
Plate-2
GRASSHOPPER CREEK
FINK and JOHN T. MEADE PLACER
6795 CURNS
NIGHTHAWK (Underwood)
433 MULKEY PLACER 37
3847 ZEULANDA
6013 SENATOR
5039 FREE SILVER (Graves Roe)
2483 JUNCTION M.S.
1281 PIONEER
683 BLUE GRASS 43
LOOKOUT (Underwood)
5036 GOLD BUG (Graves Roe)
FRACTION (Underwood)
684 WASHINGTON 44
Initial Point
248 SPRINGFIELD 42
FRENCH M.S. 398
3848 ARCATA
SUFFIELD (Gibson)
5407 HENDRICKS (Greeter)
2893 JUNCTION 56A
1282 SOUTH SIDE PLACER 46
1283 PIONEER PLACER 47
247 GOLDEN LEAF 41
2890 WALLACE 53
2889 EXCELSIOR PLACER 52
JIMMIES BAR PLACER (Underwood)
PROPOSED ROAD
3534 HILL SIDE PLACER
WADAMS 40
NORTH EXCELSIOR FRACTION (Shenon)
NORTH EXCELSIOR (Shenon)
2348 EXCELSIOR M.S. 38B (Shenon)
2349 EXCELSIOR 38A (Shenon)
235 FRENCH 39A
7610 HORACE PLACER
MICHAEL (Shenon)
EXCELSIOR EXTENSION (Shenon)
LISSA (Shenon)
2891 MONTANA 54
3822 BANNACK (Shenon)
PATRICIA (Shenon)
2891 EMPIRE 55
Mill
Refinery
Power plant
Shaft
Priscilla Tunnel
Golden Leaf Tunnel
Wallace Tunnel
Tunnel
BRIDGE
West 399.96 Ft.
East 399.96 Ft.
West 522 Ft.
N



Note: Base from Exhibit II accompanying application

Explanation

Granodiorite

Limestone

Apparent Contact

Proposed Drift

Sketch Showing
Working, geologic relations as observed on the surface and proposed drifting
General Deposit Mining Company
Excelsior et al. Claims
Beaverhead County Montana

40 0 40 80 Feet

Oct. 1962
Plate I