MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/21/69	[illegible]	

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

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

Re: OMR-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 1201

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

Therefore, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from May 13, 1965, to May 13, 1976, or until the total amount contributed by the Government ($20,916.00) is fully repaid with interest at the rate of 6-1/4 percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

As heretofore, royalty payments should be made in favor of the U. S. Geological Survey and mailed or delivered to the Field Officer, Office of Minerals Exploration, U. S. Geological Survey, Region I, U. S. Courthouse, Room 656, West 920 Riverside Avenue, Spokane, Washington 99201. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the date of sale, name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

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

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of said rights should be furnished to the Field Officer.

Dated this 26th day of February, 1969.

THE UNITED STATED OF AMERICA

FRANK E. JOHNSON

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

cc: Director's Reading File
Economic Geology File
Branch of Budget and Finance
Assoc. Sol. - Room 6554
Docket Copy
OME Region I
OME Reading File
Mr. Frank E. Johnson
130(2)
Mr. Kirkemo

cc: Inar Norgaard and
Henning Norgaard
411 Rodney Street
Helena, Montana 59601

Mr. Albert Haab
Clancy, Montana 59634

SILVER -LEAD
MASCOT/MINES, INC.
418 Symons Bldg.
Spokane, WN 99204

8 February 68

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
U. S. Court House, Rm. 656
920 Riverside Avenue
Spokane, WN 99201

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines
Meadow Mine
Jefferson County, Mont.
Contract 2201

Dear Mr. MacLaren:

We are enclosing two copies each of three sketch maps to be added to our recent application. They show geochemical data from the few soil samples that I took on my last two visits to the Meadow Mine. The data contoured on the three maps are as follows:

Exhibit 3-f-1 Readily extractable heavy metals
Exhibit 3-f-2 Readily extractable copper
Exhibit 3-f-3 Heavy Metal/Copper Ratio

There are not enough samples to give a really significant picture and we have none over an oreshoot for comparison. Soil samples from the flood-plain of Prickley Pear Creek on the east would probably be meaningless. We have no data on the copper content of the Meadow vein, but known ore has been associated with considerable lead and zinc, which would be indicated by high Heavy Metals and high HM/Cu Ratio.

The contours on all three maps show that something interesting happens near the west end of the Meadow claim. They appear to suggest another large northeasterly fault with left lateral displacement, offsetting the vein to the south. There is some evidence in the Meadow Mine that the northeasterly faults are pre-mineral and that oreshoots formed adjacent to them.

Sincerely,

Malcolm C. Brown
Consulting Engineer

Ben Smick

Drawn Feb, 1968

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:
1. Chief, OME
2. Re: OME-6379 (Silver)
3. Hecla Silver-Lead Mines
Meadow Mine
4. Jefferson County, Montana
5. Contact 2201

FROM:

DATE	INITIALS

OFFICIAL COPY
O. M. E.
RECEIVED
12 1968

INITIALS	CODE

FOR: Check items for action desired

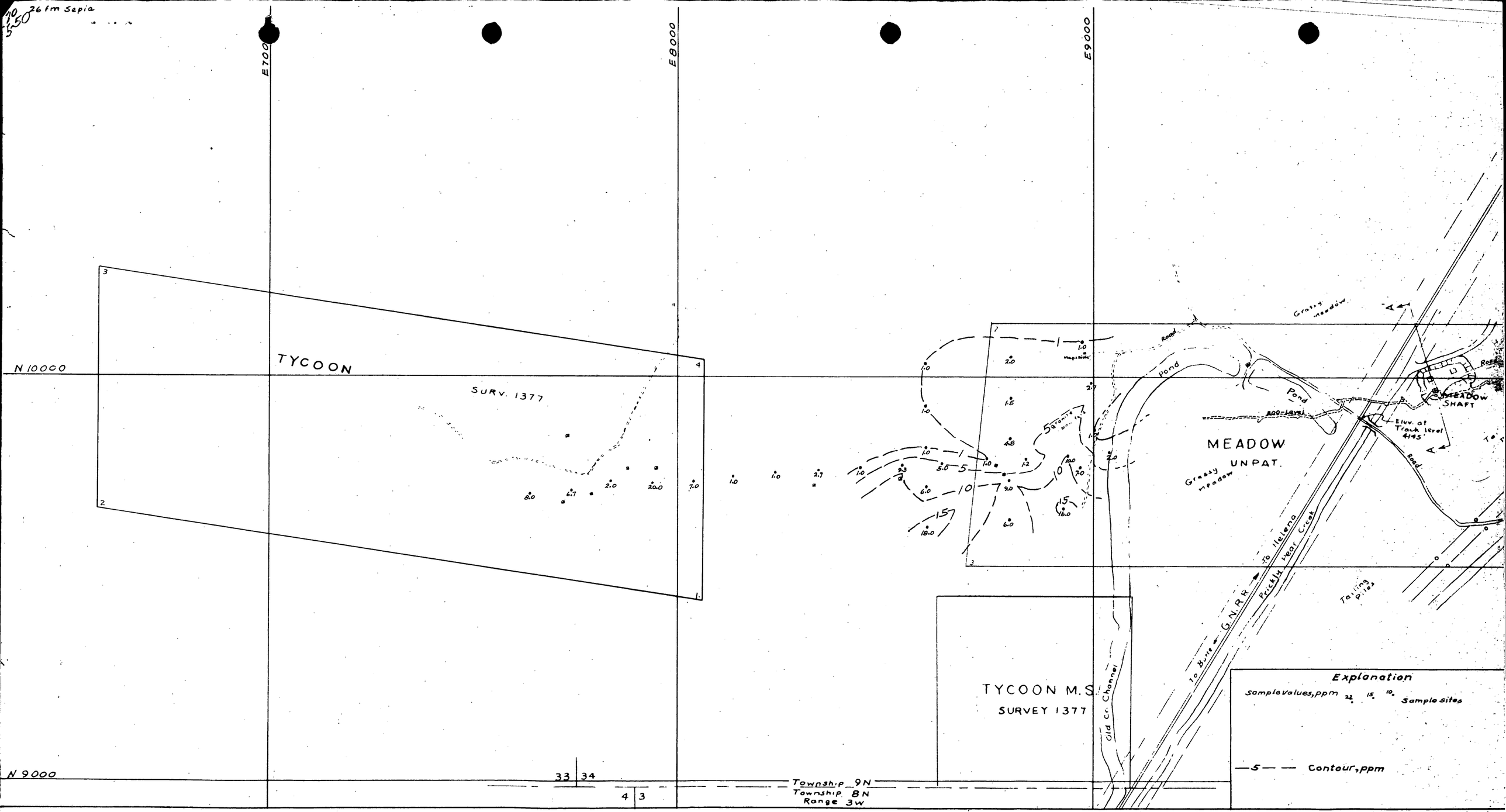
____ Action ____ Reply for signature ____ Surname
____ Approval ____ Investigate ____ Signature
____ Comment ____ Recommendations ____ File
____ Conference ____ Rewrite
____ Instructions X Your information

REMARKS:
To accompany application for additional work

INT.-DUP. SEC., WASH., D.C. M56300-62

MASCOT MINES, INC.
BOX 989
KELLOGG, IDAHO

Sincerely,



Base from print of A.E. Nugent, 1951
Additions by compass & tape and pace
Drawn Feb, 1968 M.C. Brown

MEADOW MINE

Clancy Mining District
Jefferson County, Montana
Scale: 1"=200'

Soil Samples
HM/Cu Ratio

Exhibit 3-f-3

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

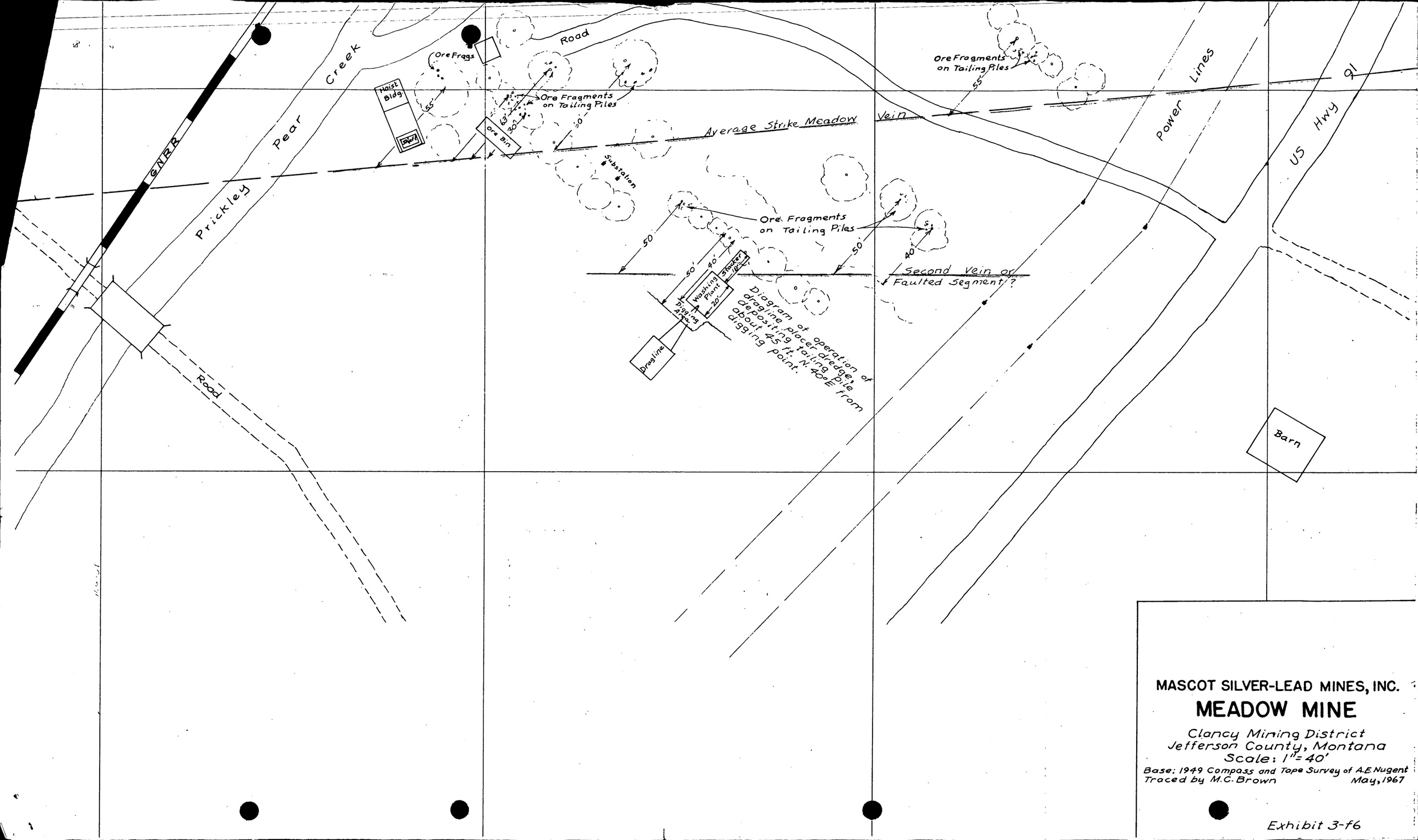
TO:	DATE	INITIALS
1. Chief OME	1/29/68	[illegible]
2. OME-6379 (Silver)		
Mercat Silver-Lead Mines Inc.		
3. Meadow Mine		
4. Jefferson County, Montana		
5.		
FROM:		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions Your information

REMARKS: To Accompany application dated 12/14/67 for additional exploration

INT.-DUP. SEC., WASH., D.C. M56300-62



MASCOT SILVER-LEAD MINES, INC.

MEADOW MINE

Clancy Mining District
Jefferson County, Montana
Scale: 1" = 40'

Base: 1949 Compass and Tape Survey of A.E. Nugent
Traced by M.C. Brown May, 1967

Exhibit 3-f6

MME FORM 6 REFERENCE SLIP
REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	12/18/67	
2. Re: Transmittal of Application for Financial Assistance (~~Silver-Lead-Zinc~~)		
3. Mascot Silver-Lead Mines, Inc.		
Meadow Mine		
4. Jefferson County, Montana		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I		

FOR: Check items for action desired

X Action ____ Reply for signature of
____ Approval ____ Investigate
____ Comment ____ Recommendations
____ Conference ____ Rewrite
____ Instructions ____ Your information

OFFICIAL COPY
Surname
Signature
Date
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DEC 20 1967

REMARKS:

INITIALS	CODE
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	110
	120

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

M56300-6

CODE	INITIALS

JAN 31 1968

MME Form 40
Jan. 65

RECEIVED
DEC 14 1967
SPOKANE, WASH.

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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.)*

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER amendment to 6367

DATE RECEIVED 12-20-67

REGION I

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL	
CORPORATION	XX
PARTNERSHIP	
OTHER *(Specify)*	

STATE IN WHICH FIRM IS ORGANIZED Idaho

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Ben Smick	418 Symons Bldg., Spokane	President
Harold Reugh	Spokane, Wash.	Vice-President
Ronald E. Eggart	Kellogg, Idaho	Sec-Treasurer
Malcolm C. Brown	Kellogg, Idaho	Director
Claude Nugent	Gillette, Wyoming	Director

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Silver, Lead and Zinc

ESTIMATED COST OF PROJECT
$ $88,553.80

PROPERTY NAME	LOCATION COUNTY	STATE
Meadow Mine	Jefferson	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 two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 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, D.C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME Field Office.

CERTIFICATION

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

12-14-67
DATED

Mascot Silver-Lead Mines, Inc.
BEN SMICK BY *(Signature)* President
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include 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 drillings *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

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

RECEIVED
DEC 12 1967
O.M.E.
SPOKANE, WASH.

Note: Information in many of the following categories remains unchanged from Mascot's previous application, Docket No. OME-6379. In such sections reference is made to OME-6379.

1. a. Annexed hereto (Exhibit 1-a) are photocopies of correspondence in which Mascot Silver-Lead Mines, Inc. attempted unsuccessfully to obtain a loan from the First National Bank, Spokane, Washington and National Bank of Washington, Spokane Branch, Spokane, Washington.

   b. Refer to OME-6379.

   c. Refer to OME-6379.

2. a. Refer to OME-6379.

   b. Refer to OME-6379.

   c. Refer to OME-6379.

3. a. Refer to OME-6379. Subsequently, between September, 1965, and October, 1967, under contract No. 2201 with the Office of Minerals Exploration, Mascot deepened the shaft and opened a 200-foot level. Drifts on the 200-foot level extend 190 feet easterly and 560 feet westerly from the shaft. Detailed geologic sketch maps and assay data have been submitted with periodic progress reports under contract 2201.

   b. Mascot conducted all the operations under contract 2201, but had no interest in previous operations.

   c. Refer to OME-6379. Subsequent production consists of one test shipment of ore sorted from muck piles in the 200-foot west drift during February and March, 1967. A photocopy of the smelter settlement sheet (Exhibit 3-c) is attached, showing that 16.46 dry tons contained 562.96 ounces of silver, 197.53 pounds of lead and 16.46 pounds of copper. Gross smelter value was $933.61 or $56.72 per ton.

   d. Ore reserve blocks and calculations are on Exhibit 3-d. All computations use an ore thickness of one foot and a "density

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

3. d. factor" of 0.5, which assumes that only half of each area will be of ore grade; the remainder would be left as low grade pillars during stoping.

We consider there are no "Measured Ore" reserves in the mine. "Indicated Ore" exists in two shoots. Oreshoot No. 1, near the shaft, is estimated to contain 620 tons of a grade equal to previous shipments, i.e., 1.6% lead and 135 oz. of silver per ton. Recent work under contract 2201 has indicated Oreshoot No. 2, about 150 feet farther west, which may contain 1,065 tons averaging 34 oz. of silver and 2% lead. This was the assay of the only shipment from this Oreshoot. Secondary enrichment has obviously been important in Oreshoot No. 1, where ruby silver occurs as deep as 200 feet in the intensely sheared zone around the shaft. Tighter ground to the west may have prevented secondary enrichment to this depth. Nevertheless, there is a possibility that the grade of Oreshoot No. 2 may be enriched at higher elevations.

e. Refer to OME-6379, and to periodic reports under contract 2201.

f. Refer to OME-6379. In addition we refer to annexed Exhibit 3-f, and state the following reasons:

5. The 200-level west drift has demonstrated that oreshoots may occur at intervals along the shear zone. The vein in the west face is not commercial but looks very strong. We might expect better oreshoots the farther west we go, because we will be getting closer to the Liverpool mine, the largest silver producer in the Clancy district (Mont. Bur. Mines Bull. 16, p. 106).

6. We recently obtained A. E. Nugent's original field sheets on which are identified the dredge tailing piles containing excavated ore fragments. From Albert Haab we obtained the dimensions and relationship of the dredging plant from digging pond to tailings stack. These indicate the probability that two oreshoots may exist east of the shaft, either in two parallel veins about 80 feet apart or in the same vein with a southerly displaced segment. The latter would require right lateral displacement on a cross fault followed by equal

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

3. f. 6. left lateral displacement on another cross fault to bring the vein back in line with its original projection. The displacements which can be observed on cross faults in the west drift appear to be all left lateral, so the odds seem to favor the theory of two parallel veins.

g. Refer to OME-6379.

4. a. Refer to OME-6379.

b. Refer to OME-6379.

5. a. Refer to Exhibit 3-f annexed hereto. We propose to extend the 200-foot level west drift 800 feet westerly along the Meadow vein. At some point, to be determined by sample results, we propose to drive a 2-compartment raise approximately 180 feet up dip on the vein to sample the ore in the vertical dimension and determine the extent of secondary enrichment.

From the 200-foot level east drift we propose to drill two diamond drill holes (DDH 10 & DDH 11) about 150 feet and 100 feet respectively to explore for a second vein segment south of the drift. If these holes penetrate such a vein, then DDH 12 and DDH 13, each about 100 feet would be drilled to test the parallel vein theory. Holes will be drilled Ax, allowing reduction to Ex, if necessary, to complete.

If DDH 10 or 11 intercepts ore we propose to enlarge the present doghole crosscut, 20 feet long, and extend it southerly approximately 60 feet, or to the vein, and then drift on the vein easterly and/or westerly for 300 feet. At some point, to be determined by sample results in the drift, we propose to drive a 2-compartment raise approximately 150 feet up dip on the vein to sample the ore in the vertical dimension.

In summary, the program calls for 1180 feet of drifting and crosscutting, 330 feet of raising, and 450 feet of diamond drilling.

b. No additional access road is required.

c. The work will start within 30 days after the execution of an OME contract and require 33 months for completion. This is based on an estimated average progress of 50 feet per month

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

5. c. for drifting and crosscutting, 70 feet per month for raising, 250 feet per month for diamond drilling, and 2.9 months for contingencies.

6. Refer to OME-6379.

7. Refer to OME-6379. The estimates of drifting cost submitted in OME-6379 have proven to be very close to the actual costs experienced during the work under contract 2201, with a few exceptions which are explained below.

a. Independent contracts: None.

b. Personal Services: During the past year labor cost for drifting has been $2.89 per foot or 10.75% more than our OME-6379 estimate, because it proved impossible to achieve our estimated 80 feet of progress per month. With even greater tramming distance in our new proposal progress may be even less, so we are adding 11% to our old estimates for both drifting and raising.

Estimated labor costs per foot of drifting and cross cutting:

	Cost per foot	Total Cost (1180 ft)
Direct Labor	$ 13.88	$ 16,378.40
Service Labor	9.66	11,398.80
Supervisor	4.22	4,979.60
Engineer & Geologist	2.08	2,454.40
Total	$ 29.84	$ 35,211.20

Estimated labor costs per foot of raising:

	Cost per foot	Total Cost (330 ft)
Direct Labor	$ 12.21	$ 4,029.30
Service Labor	7.77	2,564.10
Supervisor	3.39	1,118.70
Engineer & Geologist	1.66	547.80
Total	$ 25.03	$ 8,259.90

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

7. b. Estimated labor costs per foot of diamond drilling:

	Cost per foot	Total Cost (450 ft)
Direct Labor	$ 2.85	$ 1,282.50

c. Materials and supplies. In OME-6379 we greatly underestimated the pumping cost, the principal item in the cost of utilities. For a year the electric power bill averaged $273.55 per month, so we have increased the cost of utilities in the present estimate. We also thought that very little drift timber would be required; actually about 30% of the 200-foot level has been timbered. In this estimate we omit timber from the basic drift cost, but include as a separate item the added cost of timber when required, which will be about 30% of the footage.

Estimated cost of materials and supplies for drifting and cross-cutting:

	Cost per foot	Total Cost (1180 ft)
Track	$ 1.20	$ 1,416.00
Pipe	.60	708.00
Drill steel and bits	2.20	2,596.00
Explosives	3.20	3,776.00
Vent pipe	1.00	1,180.00
Utilities	4.90	5,782.00
Total	$ 13.10	$ 15,458.00

Estimated additional cost of timber when required:

	Cost per foot	Total Cost (354 ft.)
Timber	$ 4.05	$ 1,433.70

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

7. c. Estimated cost of materials and supplies for raising:

	Cost per foot	Total Cost (330 ft)
Drill steel and bits	$ 4.00	$ 1,320.00
Explosives	5.00	1,650.00
Timber and chute	2.00	660.00
Utilities	6.75	2,227.50
Total	$ 17.75	$ 5,857.50

Estimated cost of materials and supplies for diamond drilling:

	Cost per foot		Total Cost (450 ft Ax)
	Ex	Ax	
Diamond bits	$ 1.05	$ 1.45	$ 652.50
Utilities	0.14	0.18	81.00
Lubricants, etc.	0.37	0.47	211.50
Total	$ 1.56	$ 2.10	$ 945.00

d. Major additions to the list of operating equipment are the following pumps which were required to handle the drainage problem:

	Fair Market Value Each	Monthly Rental Each
1 3RVH25 I-R Pump	$ 900.00	$ 30.00
1 1-1/2" B12 Type Lu Paco pump	400.00	13.33
1 DA6 Layton Pump	400.00	13.33
Total	$ 1,700.00	$ 56.66

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

7. d. This is added to the previous total estimate from OME-6379 below:

	Estimated Rental Cost per foot		Total Cost	
	Drifting & Crosscutting	Raising	Drifting & Crosscut (1180 ft)	Raising (330 ft)
Previous total	$ 3.95	$ 2.75	$ 4,661.00	$ 907.50
Additional pumps	1.13	.81	1,333.40	267.30
New Total	$ 5.08	$ 3.56	$ 5,994.40	$1,174.80

For the diamond drilling, Mascot proposes to use its own Sullivan HS-15 underground diamond drill which, with drill rods, casing and other accessories, has a fair market value of $2,500.00, or a monthly rental of $83.33, to be included in the drilling costs only:

Estimated cost of equipment rental for diamond drilling:

	Cost Per foot	Total Cost (450 ft.)
Drill rental	$ 0.33	$ 148.50

e. No rehabilitation and repair is required.

f. No new buildings are required.

g. Estimated cost of miscellaneous charges for drifting and crosscutting:

	Cost per foot	Total Cost (1180 ft)
Repairs	$ 2.00	$ 2,360.00
Liability of Industrial Compensation insurance	2.53	2,985.40
Payroll taxes	1.78	2,100.40
Total	$ 6.31	$ 7,445.80

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

7. g. Estimated cost of miscellaneous charges for raising:

	Cost per foot	Total cost (330 ft)
Repairs	$ 1.60	$ 528.00
Liability & Industrial Compensation insurance	2.15	709.50
Payroll taxes	1.50	495.00
Total	$ 5.25	$ 1,732.50

Cost of assaying has nearly doubled since OME-6379. Current cost of assay for silver, lead and zinc is $8.50. We assume about 200 assays will be required.

Estimated cost of assaying:

	Cost each	Total cost
200 assays @	$ 8.50	$ 1,700.00

Estimated cost of miscellaneous charges for diamond drilling:

	Cost per foot		Total cost
	Ex	Ax	
Liability and Industrial Compensation insurance	$ 0.40	$ 0.40	$ 180.00
Payroll taxes	.20	.20	90.00
Total Misc.	$ 0.60	$ 0.60 (for (450 ft)	$ 270.00

Estimated contingent miscellaneous costs of diamond drilling:

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

7. g.

	Ex	Ax	Total Cost
Reaming 200 ft. @	$ 2.50	$ 2.50	$ 450.00
Install and remove casing 200 ft. @	1.25	1.25	250.00
Drilling cement 400 ft. @	1.50	1.50	600.00
Cementing 20 hours @	10.00	10.00	200.00
20 sacks lumnite cement @	7.00	7.00	140.00

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

7. g. Following is a summary of the total estimated cost:

	Estimated Cost Per Unit	Estimated Total Cost
Drifts and Crosscuts (1180 ft)		
Labor	$ 29.84	
Materials and Supplies	13.10	
Equipment Rental	5.08	
Miscellaneous	6.31	
Total, 1180 feet @	$ 54.33	$ 64,109.40
Timber, when required, 354 feet @	$ 4.05	1,433.70
Raises (330 feet)		
Labor	$ 25.03	
Materials and Supplies	17.75	
Equipment Rental	3.56	
Miscellaneous	5.25	
Total, 330 feet @	$ 51.59	17,024.70

Diamond Drilling (450 feet)	Ex	Ax	
Labor	$ 2.85	$ 2.85	
Materials and Supplies	1.56	2.10	
Equipment Rental	0.33	0.33	
Miscellaneous	0.60	0.60	
Total, 450 ft. Ax @	$ 5.34	$ 5.88	2,646.00
Contingent Drilling Costs:			
Reaming, 200 feet @	$ 2.50	$ 2.50	450.00
Install & remove casing, 200 ft. @	1.25	1.25	250.00
Drilling cement, 400 feet @	1.50	1.50	600.00
Cementing, 20 hours @	10.00	10.00	200.00
20 sacks lumnite cement @	7.00	7.00	140.00
Miscellaneous Fixed Costs			
Assays, as required, 200 @ $8.50			1,700.00
		PROJECT TOTAL	$88,553.80

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

Estimation of Ore Reserves

MEADOW MINE

Clancy District, Jefferson County, Montana

30 October 1967

Block	Sq. ft.	Density factor	Net sq. ft.	Cu. ft.	Tons @ 12 cu. ft.	Estimated Silver oz/ton	Grade Lead %
MEASURED ORE: None							
INDICATED ORE:							
No. 1 Oreshoot							
A	1,325	0.5	663	663	55		
B	3,350	0.5	1,675	1,675	139		
C	1,225	0.5	613	613	51		
D	9,000	0.5	4,500	4,500	375		
		Total No. 1 Oreshoot			620	135	1.6
No. 2 Oreshoot							
E	25,560	0.5	12,280	12,280	1,065	34	2.0

EXHIBIT 3-d

November 27, 1967

Mr. James Brennan, President
First National Bank
W. 502 Riverside Avenue
Spokane, Washington

Dear Mr. Brennan:

Mascot Silver-Lead Mines, Inc. has been doing some exploration work at the Meadow Mine located approximately two miles north of Clancy, Montana. This exploration work has disclosed approximately 1,685 tons of ore of which 620 tons runs approximately 135 oz. silver per ton and 1.6% lead per ton. The second oreshoot of estimated 1,065 tons runs approximately 34 oz. of silver per ton and .02% lead per ton.

Mascot Silver-Lead Mines, Inc. has assets, such as equipment at the mine, valued at approximately $25,000. Discovery of the above described oreshoot indicates that more exploration work should be done. Our engineer has made an estimate for the drifting, raising and diamond drilling that is contemplated will cost $88,553.00. Mascot Silver-Lead Mines, Inc. is willing and prepared to give a chattel mortgage on the equipment at the mine, and also the ore that is described in the mine. However, I must point out that Mascot Silver-Lead Mines, Inc. has already received a loan from the Office of Minerals Exploration of $21,150.00 which will have to be paid from any ores mined or shipped from the Meadow Mine prior to any other loans or mortgages.

Any consideration you can give to my request will be very much appreciated.

Sincerely yours,

BEN SMICK, President
Mascot Silver-Lead Mines, Inc.

BS:ec

ED
DEC 15 1967
SPOKANE, WASH.

First National Bank IN SPOKANE
BOX 2149, TEmple 8-2761
SPOKANE, WASHINGTON 99210

JAMES BRENNAN
PRESIDENT

November 30, 1967

Mr. Ben Smick, President
Mascot Silver-Lead Mines, Inc.
416 Hutton Building
Spokane, Washington 99204

Dear Mr. Smick:

We have considered the matter of your request for a loan for the drifting, raising, and drilling at the Meadow Mine.

We very much regret that we will be unable to assist you in this program.

Sincerely yours,

James Brennan

JB:MLB

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

November 27, 1967

Mr. Carl C. Kiilsgaard, Vice-President
National Bank of Washington
W. 835 Sprague Avenue
Spokane, Washington

Dear Mr. Kiilsgaard:

Mascot Silver-Lead Mines, Inc. has been doing some exploration work at the Meadow Mine located approximately two miles north of Clancy, Montana. This exploration work has disclosed approximately 1,685 tons of ore of which 620 tons runs approximately 135 oz. silver per ton and 1.6% lead per ton. The second oreshoot, of estimated 1,065 tons, runs approximately 34 oz. of silver per ton and .02% lead per ton.

Mascot Silver-Lead Mines, Inc. has assets, such as equipment at the mine, valued at approximately $25,000. Discovery of the above described oreshoot indicates that more exploration work should be done. Our engineer has made an estimate for the drifting, raising and diamond drilling that is contemplated will cost $88,553.00. Mascot Silver-Lead Mines, Inc. is willing and prepared to give a chattel mortgage on the equipment at the mine, and also the ore that is described in the mine. However, I must point out that Mascot Silver-Lead Mines, Inc. has already received a loan from the Office of Minerals Exploration of $21,150.00 which will have to be paid from any ores mined or shipped from the Meadow Mine prior to any other loans or mortgages.

Any consideration you can give to my request will be very much appreciated.

Sincerely yours,

BEN SMICK, President
Mascot Silver-Lead Mines, Inc.

BS:ec

RECEIVED
DEC 15 1967
U.M.E.
SPOKANE, WASH.

ESTABLISHED 1885

National Bank of Washington

INLAND EMPIRE BANKING CENTER

CARL C. KIILSGAARD
VICE PRESIDENT

SPOKANE, WASHINGTON

November 29, 1967

Mr. Ben Smick, President
Mascot Silver-Lead Mines, Inc.
416 Hutton Building
Spokane, Washington 99204

Dear Mr. Smick:

In reference to your request for a loan to the Mascot Silver-Lead Mines, Inc., I am sorry to inform you that Montana is out of the area which we feel that we can adequately service at this time.

It would appear from your request that possibly you could go back to the Office of Minerals Exploration and request the additional funds needed to properly drill and explore your discovery.

You may be able to sell stock and raise the funds you reuqest. Possibly, interest from one of the larger companies could be developed and they in turn could do the exploration work.

I am sorry we cannot meet your request at this time. Thank you for considering our Bank. Ben, if I could be of service in any other way, please call me.

Yours very truly,

Carl

AGREEMENT

THIS AGREEMENT, Made and entered into this 2nd day of June, 1964, by and between INAR NORGAARD and HENNING NORGAARD, by his Attorney-in-Fact, Inar Norgaard, Parties of the First Part, known hereinafter as "Norgaard", and MASCOT MINES, INC., an Idaho corporation, Party of the Second Part, known hereinafter as "Mascot";

W I T N E S S E T H;

RECITALS:

1. Norgaard is the lessee mentioned in that certain agreement, a copy of which is marked Exhibit "A" and attached hereto, and by this reference incorporated herein as if fully set forth.

2. Mascot is a mining corporation duly organized and existing by virtue of the laws of the State of Idaho and has in the past owned and operated mining properties, the underground work for Mascot being under the supervision of Norgaard.

3. Mascot is desirous of exploring and developing the property mentioned in Exhibit "A" and to assume and comply with all the terms, covenants and provisions of said contract.

4. Norgaard is an experienced miner, having operated several mining properties, and has experience in contracting to sink, drift, explore and develop mining properties.

5. Mascot does not have equipment to conduct a mining venture such as contemplated by this agreement; however, Norgaard has much of the equipment needed and agrees to furnish the same under the terms and conditions mentioned herein. A list of said equipment is attached hereto, marked Exhibit "B".

6. Mascot agrees to utilize all the resources it may have available to secure funds to carry on the development, exploration and mining work contemplated herein.

NOW, THEREFORE, for and in consideration of the promises, terms and conditions hereinafter set forth and the mutual covenants and agreements herein contained, it is hereby agreed between the parties as follows:

I.

That Norgaard does hereby sell, assign, transfer, set over and convey unto Mascot all of its right, title and interest in and to said lease agreement, attached hereto marked Exhibit "A", in consideration of the acceptance by Mascot of the terms, provisions and covenants in said lease agreement (Exhibit "A"), and the agreement on the part of Mascot to perform all of the terms and conditions of said agreement to be performed by Norgaard, and shall be entitled to receive and demand of the party of the first part mentioned in said lease agreement a performance of the said terms and provisions of said lease agreement, and Norgaard does hereby constitute and appoint Mascot as its true and lawful attorney-in-fact to demand and receive of the party of the first part mentioned in said lease agreement the faithful performance of the terms and conditions thereof.

II.

Norgaard agrees to sell, assign, transfer and set over to Mascot the title to said materials and equipment shown on Exhibit "B" and at the price shown thereon or to be later agreed upon by the parties hereto.

III.

Mascot agrees that within ninety (90) days from the signing of this agreement to go in and on the premises and to proceed diligently with mining operations for the proper exploration of the property which is the subject of this agreement so that any ore or ores discovered may besubjected to such mining procedures usually commenced for the profitable extraction of commercial ore, and that said work shall be done in a good and minerlike fashion.

IV.

Mascot agrees to raise sufficient funds, through its own means and/or through advances or loans from others, to accomplish the work contemplated by this agreement, and deposit funds adequate for the purposes of this agreement and contemplated work in a bank of its choosing.

V.

Mascot agrees to employ Inar Norgaard as superintendent of the work in the mining operation at a wage to be agreed upon, or agrees to enter into a contract with Norgaard to conduct the mining operations upon terms and conditions to be agreed upon.

VI.

The parties hereto mutually agree as follows:

(a) To deduct from the profits from the operation of the property money to repay Mascot for funds so advanced as aforesaid until all funds so advanced from any source are repaid in full.

(b) After the advances and loans are retired as aforesaid from the profits then to pay to Inar Norgaard the amount agreed upon for the value of the materials and equipment furnished as shown by Exhibit "B" and Norgaard agrees to execute a good and sufficient Bill of Sale conveying the same to Mascot.

(c) Net profits shall be construed as meaning the proceeds from the net smelter returns less the cost of transportation from the mine to the smelter.

(d) That after the payment of the items mentioned in paragraphs (a) and (b) above and after the payment of the royalty mentioned in Exhibit "A", Mascot and Norgaard shall divide the profits equally between Norgaard and Mascot. An administrative charge payable to Mascot for office overhead shall be agreed upon between Mascot and Norgaard in accordance with the kind of agreement made and hereinbefore mentioned.

(e) Mascot shall have at all times the right to market its share of any and all ores and concentrates which may be produced under this agreement and Norgaard shall have the right at all times to market his share of any and all such ores and concentrates. In the absence of instructions to the contrary Mascot shall, however, on its own behalf and as agent for Norgaard, market the entire production from the said property.

(f) It is understood and agreed that Mascot does not claim or hold any right to Norgaard's fifty (50%) per cent economic interest in the ores mined or produced from the property under this lease, and Norgaard may choose to take delivery of his share of the ores or concentrates in kind at the mine or mill and it is understood that it would or might be inequitable to make a division upon the basis of weights of crude ores or concentrates since it is known that the ore may be mined from day to day and may differ greatly in grade of marketable contents as well as in contents of penalty minerals. It is therefore agreed that the proportionate share to be delivered to each party shall be measured upon the basis of the weights and grade of said ores or concentrates. It is also understood that if each party receives its own share of the ores or concentrates

mined from said property said parties may sell to different purchasers and at different prices.

It is not the intent of this agreement that any adjustment of ore deliveries to the respective parties hereto shall be such as would deprive either party of the benefit of a more favorable selling contract price than that enjoyed by the other party and it is therefore agreed that each party hereto shall receive from the sale of its share, if any, of the ores sold by the other party an amount equal to the amount which it would have received for such adjusted ore had it sold its share for its own account.

VII.

Mascot shall keep a strict account of all the costs and expenses which shall be incurred in connection with its operation of the mine under the terms of this agreement and shall furnish Norgaard an itemized statement of the costs and expenses so incurred until Mascot shall have been paid in full for all advances.

VIII.

Mascot shall expend a minimum of Fifty Thousand ($50,000.00) Dollars in work and equipment on the property, said minimum work to consist essentially of sinking the shaft a minimum of one hundred thirty (130) feet and drifting at least five hundred (500) feet, substantially as shown on the map which is attached hereto, marked Exhibit "C", and by this reference incorporated herein as if fully set forth.

IX.

It is understood and agreed that if any controversy or dispute shall arise between the parties hereto with respect to any provision of

this agreement or with respect to any act or thing done or omitted to be done by either of the parties, such controversy or dispute shall be settled, if possible, by conference between the managements of the respective parties, but if such controversy or dispute cannot be so settled, then the same shall be referred to a panel of three arbitrators, one member of such panel shall be chosen by Mascot and one member by Norgaard and the two members thus chosen shall select a third member. Any and all data which shall be requested by such panel shall be promptly furnished by the party in possession of the same and said panel's determination of such controversy or dispute by a majority vote of the members of said panel shall be accepted as final and binding.

IN WITNESS WHEREOF, the parties of the first part have hereunto set their hands and the party of the second part has caused this instrument to be executed by its duly and properly authorized and qualified officers the day and year in this agreement hereinabove first written.

INAR NORGAARD
Inar Norgaard

HENNING NORGAARD
Henning Norgaard

By INAR NORGAARD
His Attorney-in-Fact

Parties of the First Part

MASCOT MINES, INC.

BEN SMICK
President

ATTEST:

HAROLD J. REUGH
Secretary

Party of the Second Part

STATE OF IDAHO)
: ss.
County of Shoshone)

On this _____ day of June, 1964, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared INAR NORGAARD, known to me to be the person whose name is subscribed to the within instrument, both individually and as the Attorney-in-fact of HENNING NORGAARD, and acknowledged to me that he executed the same individually, and that he subscribed the name of the said HENNING NORGAARD thereto as principal, and his own name as Attorney-in-Fact.

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

JOHN J. PEACOCK
Notary Public for the State of Idaho
Residing at Kellogg, Idaho

STATE OF WASHINGTON)
: ss.
County of Spokane)

On this 21st day of September, 1964, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared BEN SMICK and HAROLD J. REUGH known to me to be the President and Secretary, respectively, of MASCOT MINES, INC., the corporation that executed the within and foregoing instrument, and acknowledged to me that such corporation executed the same.

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

GLENYS BURQUIST
Notary Public for the State of Washington
Residing at Spokane, Washington

EXHIBIT "A"

L E A S E

THIS AGREEMENT, made and entered into this 20th day of June, 1963, by and between ALBERT HAAB, of Clancy, Montana, party of the first part, and INAR NORGAARD, of Kellogg, Idaho, and HENNING NORGAARD, of Helena, Montana, parties of the second part,

W I T N E S S E T H :

THAT, WHEREAS, the party of the first part is the owner of certain lands in Jefferson County, Montana, which may be valuable in mineral and he is desirous of having the same explored for mineral values; and

WHEREAS, the parties of the second part are desirous of entering upon the said premises for the purpose of exploring the same for its mineral value and in that connection wish to be protected in their endeavors and desire a lease setting forth the terms under which they are to explore and operate.

NOW, THEREFORE, for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations passing from the parties of the second part to the party of the first part, and the mutual covenants and agreements hereinafter contained, it is hereby mutually understood and agreed by and between the parties hereto as follows:

1. The party of the first part agrees to lease, let, and demise unto the parties of the second part upon the terms and conditions hereinafter set forth, the following described real property, situate, lying and being in the County of Jefferson, State of Montana, to-wit:

So much of the surface as is needed for mining as hereinafter set forth, and all mineral rights in the following described property,

to-wit:

> All of Lot Eight (8), all right, interest and title to Lot Two (2), all of Lots Three (3), and Four (4), Section Thirty-four (34), Township Nine (9) North, Range Three (3) West; and the parties will warrant and defend the title to said premises as against all persons claiming the same.

2. It is understood and agreed that any mining claims adjoining the property herein demised located by either of the parties hereto subsequent to the date of this agreement, shall be included in this lease and the two unpatented mining claims, the certificate of location, of which is filed for record in the office of the County Clerk and Recorder of Jefferson County, Montana, in Book 46 at page 547, are also included in this lease agreement.

3. It is understood and agreed that the party of the first part has a tax title to the Tycoon Patented Mining Claim and Mill Site, Patent No. 1377, in Section Thirty-four (34), and Lots Three (3) and Four (4), in Section Thirty-three (33), Township Nine (9) North, Range Three (3) West, and that the same shall be covered by this lease, except that the party of the first part does not warrant the title thereto, and at any time the parties of the second part may have such title cleared by obtaining an abstract and paying for the quiet title action, and first party will cooperate by doing all things necessary to obtain a clear title.

4. It is understood and agreed that the term of this lease shall be ten (10) years.

5. The parties of the second part shall have the privilege and option of renewing this lease at the expiration of the ten (10) years, for which it is written, for a like period of time and terms; provided that, in the event of an assignment of this agreement, the party of the first part must consent to an extension of this agreement.

6. It is understood and agreed that the parties of the second part will pay the party of the first part the sum of One Hundred Dollars ($100.00) per month as advance royalties for the use and occupation of the said premises, which payments shall commence within thirty (30) days of the date of signing this agreement; provided that such advance royalties shall be deducted from any royalties thereafter due upon shipments made as herein provided.

7. It is understood and agreed that the parties of the second part will pay as rental for said premises a royalty of ten per cent (10%) on the net smelter or custom mill return on all ore mined and sold from the premises.

8. It is understood and agreed that net smelter or custom mill return as herein used, shall be defined to mean the net amount received after deducting the following items: All truck or freight charges for hauling to the smelter or custom mill, all treatment charges, penalties and other charges which may be deducted by the smelter or custom mill; the smelter or custom mill to which ore is shipped shall be instructed to pay the royalties as herein provided unto the party of the first part.

9. It is understood and agreed that the parties of the second part will comply with the provisions of the Workmen's Compensation Act and will pay state and county mineral license taxes on the property and against the production therefrom during the life of this agreement; and the parties of the second part will pay all taxes levied and assessed against buildings, improvements, machinery, equipment or other materials placed on the premises by the parties of the second part, provided only that the party of the first part will pay all taxes levied and assessed against his royalties received from ore sold from said premises.

10. It is understood and agreed that the party of the first part or his agents shall at all reasonable times be allowed to enter upon or into all of the parts of said leased premises for the purpose of inspecting and sampling the same and the work being done thereunder, and to that end shall have the use of all windlasses, elevators, cages, ladders, and other ways of ingress and egress.

11. It is understood and agreed that the parties of the second part may perform any work of any character desired in the exploration and development or mining of the said premises, provided only that the same shall be done in a minerlike fashion and in the manner required by good mining practices, including timbering at all points where necessary and proper according to good mining practice; and provided that the parties of the second part shall have the party of the first part's permission before destroying any of the surface herein leased, except for safety and ventilation raises, and said mining shall not be carried on under the buildings on the said premises within a distance of one hundred (100) feet on a vertical plane.

12. It is understood and agreed that the parties of the second part shall have the right to use so much of the surface of the premises herein leased for buildings and mining equipment as they shall desire and shall be allowed to dump tailings upon the said premises only in all places where there are now tailings, except that they must be careful not to dam up the creek, or to damage any land which is tillable.

13. It is understood and agreed that the party of the first part may occupy all of said premises and operate the same as a farm, but that his farming operations shall not interfere with the parties of the second

part in their mining operations in any particular, except the second parties will keep open the road to the west side of the property, and the ditches and well now on the premises.

14. It is understood and agreed that in the event the second parties should use or destroy any tillable land, the second parties will pay the first party at the rate of Five Hundred Dollars ($500.00) for each acre or part thereof used in connection with the mining operations.

15. It is understood and agreed that second parties will fence all shafts and workings to protect livestock, which may be running at large.

16. It is understood and agreed that this agreement shall be read and construed as an option lease, and may be cancelled at any time by the parties of the second part, upon thirty (30) days' notice to the party of the first part.

17. It is understood and agreed that the parties of the second part shall not be placed in default for their failure to keep any of the terms and provisions of this agreement when prevented from carrying out such terms or provisions by reason of strikes, floods, or any other condition or the happening of any other event over which they have no control.

18. It is understood and agreed that for and in consideration of the rentals paid as herein provided, the parties of the second part shall have an option to purchase the mineral rights in the premises herein described with the right to occupy so much of the surface as may be necessary to remove such minerals, for the sum of Seventy-Five Thousand Dollars ($75,000) and all royalties heretofore paid shall apply on such purchase price.

19. It is understood and agreed that in the event the parties of the second part or their assigns shall fail to pay or cause to be paid

the royalties or monthly advance royalties as herein specified to be paid or fail to do and perform any of the other covenants or agreements herein contained and required to be done and performed by the parties of the second part, the party of the first part may at his option give the parties of the second part written notice that he will cancel this lease, and the parties of the second part shall have thirty (30) after the receipt of such written notice to make good the defaults therein alleged; and in the event said default set forth in said written notice is not made good within thirty (30) days, then, and in that event, this lease shall be of no further force and effect and the same shall become terminated and the party of the first part shall have the right to the immediate possession of the said premises and each and every part and portion thereof.

20. It is understood and agreed that in the event this lease should be cancelled as hereinabove provided, or the parties of the second part should determine that they no longer desire to proceed with operations hereunder, second parties shall have ninety (90) days in which to remove any machinery, tools, or equipment, hoists, or other materials placed upon the property by them, whether fastened thereto or otherwise, provided that all payments due from the second parties to the first party on royalties or damage are paid in full and provided that all buildings and one pump shall be left upon the property.

21. The parties of the second part agree to save the party of the first part harmless from all damages either to person or property growing out of said mining operations and agree to carry public liability insurance covering the party of the first part on said mining operations in a sum of One Hundred Thousand Dollars ($100,000) for one person, Two Hundred Thousand Dollars ($200,000) for more than one person, and Fifty Thousand Dollars ($50,000) property damage; agree to post notices in conspicuous places on said described property in plain English

that mining operations are being carried on by second parties as lessee and not as agent of first party, and agree to do the annual representation work on all mining claims either at present or in the future coming under the scope and purview of this lease, and to file the annual affidavit of such work required by law; that all mining shall be done in a good workmanlike and miner-like manner to preserve the future working thereof, and workings shall be timbered wherever necessary.

22. It is understood and agreed that this contract shall be considered and treated as binding upon all the parties hereto, their heirs, executors, personal representatives and assigns, and that the parties of the second part may at any time make an assignment of this contract, provided only that the written consent of the party of the first part shall first be obtained before an assignment shall be fully effective.

IT WITNESS WHEREOF, the parties hereto have hereunto subscribed their names in triplicate, the day and year in this agreement first hereinabove written.

ALBERT HAAB
PARTY OF THE FIRST PART

HENNING NORGAARD

INAR NORGAARD
PARTIES OF THE SECOND PART

STATE OF MONTANA)
: ss.
County of Jefferson)

On this 20th day of June, 1963, before me, Fred E. Haab, a Notary Public for the State of Montana, personally appeared ALBERT HAAB, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year in this certificate first hereinabove written.

(S E A L)

FRED E. HAAB
Notary Public for State of Montana
Residing at Clancy, Montana
My commission expires March 25, 1965

STATE OF UTAH)
) SS.
COUNTY OF SAN JUAN)

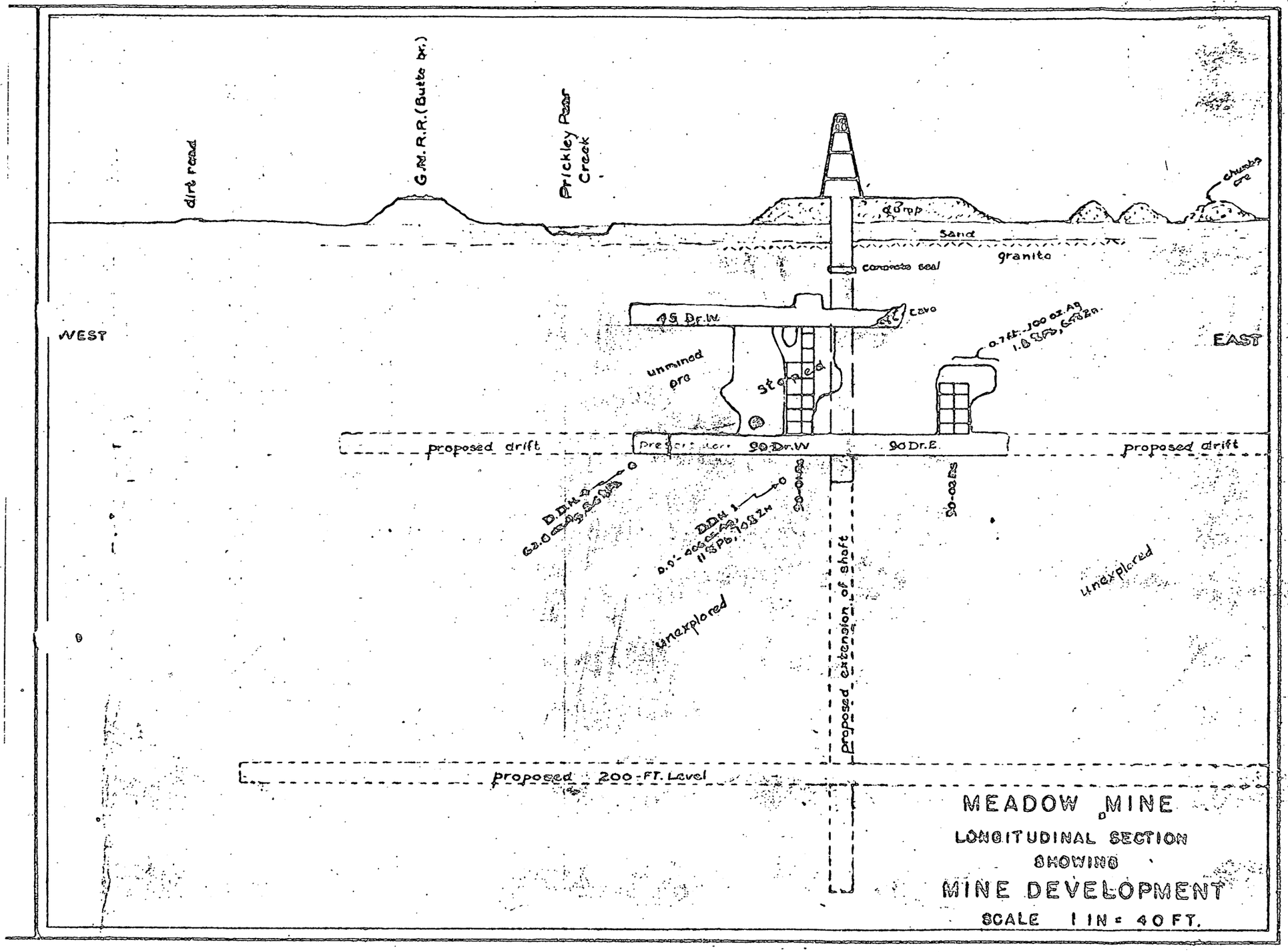
On the 20th day of June, 1963, before me, Francis D. Nielson, A Notary Public for the State of Utah, personally appeared INAR NORGAARD AND HENNING NORGAARD, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year in this certificate first hereinabove written.

(S E A L)

FRANCIS D. NIELSON
Notary Public for State of Utah
Residing at Blanding, Utah
My commission expires 20 January, 1967

Exhibit "C"


dirt road
G.M.R.R. (Butte br.)
Prickley Pear Creek
dump
sand
granite
concrete seal
WEST
EAST
75 Dr.W.
cave
unmined ore
stoped
proposed drift
90 Dr.W
90 Dr.E
proposed drift
DDH 2
DDH 1
unexplored
unexplored
proposed extension of shaft
proposed 200-FT. Level
MEADOW MINE
LONGITUDINAL SECTION
SHOWING
MINE DEVELOPMENT
SCALE 1 IN = 40 FT.

Form G503
REPRODUCIBLE

	Initials	Date
Prepared By		
Approved By		

INAR NORGAARD

COST OF DRIFTING
MEADOW MINE
JULY 15, 1966 TO JUNE 30, 1967

	1	2	3
	TOTAL COST	PER LINEAR(1) FOOT	
LABOR			
Labor and supervision	$ 1,772,300	$ 2743	
Engineering and geology	151,164	234	
Total	1,923,464	2977	
MATERIAL AND SUPPLIES			
Track	20,794	32	
Pipe	38,760	60	
Timber	59,287	92	
Explosives	219,125	339	
Power	314,578	487	
Gas & oil	99,181	154	
Other	109,806	170	
Total	861,533	1334	
MISCELLANEOUS			
Equipment repairs	31,131	48	
Hand tools	9,970	16	
Payroll insurance	177,000	274	
Payroll taxes	123,014	190	
Assaying	40,650	63	
Telephone	37,419	58	
Total	419,184	649	
TOTAL before equipment use costs	3,204,181	4960	
EQUIPMENT RENTAL			
Cash payments	79,850	124	
Estimate cost of use of owned equipment based upon 2% of market price of equipment per month (1½ months)	555,775	860	
Total	635,625	984	
TOTAL COST	$ 3,839,806	$ 5944	

(1) Based upon 646 of drift

AMERICAN SMELTING & REFINING CO.
EAST HELENA PLANT
EAST HELENA, MONTANA

JUL 17 1967 JUL 17 1967

Form No. 1

Shipper: Vitamin Silver Lead Mines, Inc.
Mine: [illegible]
Class: [illegible] Shipping Point: Thing, Mont.
Smelter Lot. No. 2096 Mine Lot No: 1

Assays	Gold Oz. Per Ton	Silver Oz. Per Ton	Wet Lead %	Copper %	Zinc %	Arsenic %	Antimony %	Bismuth %
A.S.& R.Co.	Tr.	34.0	0.6	0.05	4.4	0.70	[illegible]	
Shipper	Tr.	34.4						
Umpire								
Settlement	Tr.	34.2	0.6	0.05	4.4	0.70	[illegible]	

[illegible] 3C 33940

Assay Deduction	Percent Pay	METAL	Pay Quotation	Quotation Deduction
		~~Gold~~		
	95	Silver	1.6584	.01
		~~Lead~~		
		~~Copper~~		

H_2O	Wet Weight	Dry Weight	Dry Tons	Wet Tons
30.00	33,940	32,921	16,460	16,970
	33,940	32,921	16,460	16,970

Date of Arrival: [illegible] 1967

Settlement Assay		Total Content	Assay Ded.		Percent Pay		Pay Content	Pay Quotation	Quot. Ded.	Net to Shipper
	Gold									
3420.00	Silver	562.96			95.00		534.81	1,658.40	10.00	881.58
60.00	Lead	197.53					.00			
5.00	Copper	16.46					.00			

Special $3.50

Dry Tons X Total Contract Deductions $3.50	ST 6	16,460.90S	3.50	881.58S 57.61
Sampling				
Lbs. of Pb (Pay Content)				
Lbs. of Cu. (Pay Content)				
Tons of Pb & Cu X Bullion Frt. Act.	PR			
Tons of Pb & Cu X Bullion Frt. Cont.				
Sub-Total				
Wet tons X Frt. Rate	ST 5			823.97S
Sub-Total				
Advances				
Hauling	ST 5			
Umpires				
Special $[illegible]				11.25
Net Proceeds				812.72*

LABOR ADJUSTMENTS CHARGES

EAST HELENA RATE	CONTRACT RATE	DIFFERENCE	CHARGES

EXHIBIT 3C

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

Office of Minerals Exploration
Building 53 Room 200

IN REPLY REFER TO:

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 03 1975

INITIALS	CODE
HK	

- ABSTRACT OF REMITTANCES -
14X0804000

DATE	AMOUNT	BANK, CITY & STATE	NAME OF REMITTER	DOCKET & CONTRACT NOS.	PURPOSE
12/31/74	$1193.04	Idaho First National Bank Kellogg, Idaho	Mascot Silver-Lead Mines, Inc.	OME-6379 Contract 2201	Royalty

Remarks: (List smelter or mill lot numbers covered by royalties)

Smelter Lot No. 1325
Mine Lot 2

Willard P. Puffett
Field Officer, Region I OME

1/3/75
Date Prepared

XXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXX J. William Hasler, Field Officer, Region III, OME

1/7/75
Date Received

Received in Branch of Financial Management
By [illegible] Collection Officer

Distribution:

Original & 2 to:
Chief, Br. of Budget & Finance
(with checks and one copy of subdocument)
Chief, OME, Washington, D.C.
Abst. of Rem. Ledger
Mr. Hasler chron
OME chron

Send this way

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Branch of Financial Management FROM: Willard P. Puffett, Field Officer, Region I

ABSTRACT OF REMITTANCES

Date	Amount	Bank, City and State	Name of Remittor	Docket & Contract Numbers	Purpose
12/2/74	$1,071.17	Idaho First National Bank, Kellogg, Idaho	Mascot Silver-Lead Mines, Inc.	OME-6379 Contract 2201	Royalty

REMARKS: (List smelter or mill lot numbers covered by royalties)

Smelter Lot # 894

12/17/74
Date Prepared

12/20/74
Date Received

Willard P. Puffett
Person Preparing Abstract

Lorraine E. Elderton
Person Receiving Remittance
Collection Officer

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

September 13, 1976

Memorandum

To: Branch of Financial Reports

From: Chief, Office of Minerals Exploration

Subject: Recording of Realized Loss under OME Contract

Write-off of loss on the listed OME contract is authorized:

Contract	Docket	Operator	Write-off
2201	6379	Mascot Silver-Lead Mines, Inc.	$20,875.36

Harold Kirkemo

Harold Kirkemo

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

HKirkemo/gpw

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

September 13, 1976

Inar and Henning Norgaard
411 Rodney Street
Helena, Montana 59601

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Gentlemen:

Enclosed is a self-explanatory letter dated September 2, 1976, to Mr. Ben Smick, President, Mascot Silver-Lead Mines, Inc. This relates to the Lien and Subordination Agreements signed by you on May 20, 1965.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

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

HKirkemo/gpw

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

September 13, 1976

Mr. Albert Haab

Clancy, Montana 59634

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Dear Mr. Haab:

Enclosed is a self-explanatory letter dated September 2, 1976, to Mr. Ben Smick, President, Mascot Silver-Lead Mines, Inc. This relates to the Lien and Subordination Agreements signed by you on May 20, 1965.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

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

HKirkemo/gpw

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

September 2, 1976

Mr. Ben Smick
President
Mascot Silver-Lead Mines, Inc.
P.O. Box 660
Kellogg, Idaho 83837

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Dear Mr. Smick

As the period has expired during which production from the Meadow Mine was subject to the Government's royalty under provisions of the subject contract, we are closing our books and records on this account, and retain no claim or lien against the property for past or future production therefrom.

We appreciate your cooperation during the course of the OME contract work and subsequent period of royalty obligation, and hope that the Meadow Mine can be operated profitably in the future.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

cc:
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo
Region I ~~(R. Laurence)~~

HKirkemo/gpw

AMERICAN REVOLUTION BICENTENNIAL 1776-1976 ©

rcvd 8/31/76

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

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

August 26, 1976

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Attached is a letter from Mascot Silver-Lead Mines, Inc. in response to my inquiry to them dated June 23, 1976.

I think that the attached letter satisfactorily answers my questions as to whether there may be royalty due to the Government from recent shipments from the Meadow Mine. It seems clear to me that no royalties are due to the Government.

The period for royalty payments to the Government expired May 13, 1976. I recommend that you send adequate notice of completion of contract obligations to Mascot Silver-Lead Mines, Inc., with a comment that we have found our relationship with them to be most satisfactory.

Willard P. Puffett

Willard P. Puffett

Attachment

WPP:wpp

OFFICERS...
BEN SMICK, *President*
HAROLD REUGH, *Vice President*
RONALD EGGART, *Secretary–Treasurer*
M. C. BROWN–M.E.–*Director*
CLAUDE E. NUGENT–M.E.–*Director*

Mascot Silver-Lead Mines, Inc.

MINE LOCATIONS....
LITTLE PITTSBURG MINE
Pine Creek, Kellogg, Idaho
MEADOW MINE
Clancy, Montana
ARGENTINE MINE
Wickes, Montana

Post Office Box 660 ▪ ▪ ▪ KELLOGG, IDAHO 83837

August 24, 1976

Rec'd 8/26/76 WPP

Mr. Willard Puffett
Field Officer, Region I
Office of Minerals Exploration
U. S. Geological Survey
Room 28, Building 53
Denver Federal Center
Denver, Colorado 80225

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Dear Mr. Puffett:

We are writing to advise you that following the smelter settlement dated December 18, 1975, for which a royalty payment was made on the above stated account, no further shipments were made until smelter settlement dated July 12, 1976, which was subsequent to the May 20 final closing date of the account with the OME. I have been advised by Mr. Kirkberg that hoisting did not start until after May 20, 1976, with the exception of approximately 1 to 1½ tons hoisted on May 13. It would be difficult for Mascot to determine the amount that might be apportioned to this particular tonnage on May 13 and believes this to be insignificant in connection with the account with the OME. Therefore Mascot Silver-Lead Mines, Inc. considers the account terminated. We would appreciate your advising us if this acceptable at this time.

Yours very truly,

MASCOT SILVER-LEAD MINES, INC.

By Ronald E. Eggart
Ronald E. Eggart, Secretary

REE:pjh

√
HK

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

June 23, 1976

Mr. Ben Smick, President
Mascot Silver-Lead Mines, Inc.
416 Hutton Building
Spokane, Washington 99204

Re: OME-6379 (Silver)
Meadow Mine
Jefferson County, Montana
Contract 2201

Dear Mr. Smick:

When I visited the Meadow Mine on June 9, 1976, I learned that Mr. Larry Hoffman had apparently leased the property and recently made an ore shipment. There is some question as to whether some or all of this ore shipment might be subject to royalty payment to the Government according to the terms of the exploration project contract that we had covering the mine property.

While it is true that the period of royalty obligation terminated on May 13, 1976, it is possible that at least some of the ore in Mr. Hoffman's recent shipment was removed from the mine and stockpiled prior to May 13, 1976. Such ore would be subject to the Government's royalty.

I'd appreciate learning from you the date of Mr. Hoffman's agreement to operate the Meadow Mine and the date on which he started removing ore through the shaft.

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: Harold Kirkemo, Chief, OME

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

IN REPLY REFER TO:

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

June 17, 1976

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Royalty Inspection
OME-6379
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

I visited the Meadow mine on Wednesday, June 9, 1976, and conferred with Mr. Henning Norgaard, who lives at the mine. Larry Hoffman has recently leased the mine and has started production. He unwatered the shaft in March but found that caving ground had blocked access to the ore-bearing zone on the 90 level. However, he had caught up the cave and had made a shipment to the East Helena smelter in the early part of June.

The period for royalty payment to OME ended May 13, 1976. I do not believe that the shipment made by Mr. Hoffman should be subject to the royalty. There are no other shipments on which royalties have not been paid.

Willard P. Puffett

Willard P. Puffett

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

IN REPLY REFER TO:

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

October 29, 1975

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Royalty Inspection
OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

I visited the Meadow Mine on Wednesday, October 22, 1975, to learn if there had been recent production. We had received a royalty payment of $456.41 on June 30, 1975.

Messrs. Inar Norgaard and Henning Norgard were working near the ore bin close to the shaft on the day of my visit. They had stockpiled about 15 tons of ore which had been produced from what they referred to as the 115 level. Probably this ore will be sold in the near future. The Norgaard's do not plan to continue mining during the winter.

Royalties received to date are $2,761.26. There are no royalties currently due to the Government. The period for which the Government is entitled to royalty from production at the mine extends to May 13, 1976.

Willard P. Puffett

Willard P. Puffett

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Financial Management

FROM: Willard P. Puffett
Field Officer, Region I, OME

ABSTRACT OF REMITTANCES

Date	Amount	Bank, City and State	Name of Remittor	Docket & Contract Numbers	Purpose
12/29/75	$313.65	Idaho First National Bank, Kellogg, Idaho	Mascot Silver-Lead Mines, Inc. Kellogg, Idaho 83837	OME-6379 Contract 2201	Royalty

REMARKS: (List smelter or mill lot numbers covered by royalties)

Smelter Lot 1069 Mine Lot No. 2

January 2, 1976
Date Prepared

1-6-76
Date Received

Willard P. Puffett
Person Preparing Abstract

Lorraine E. Edwards
Person Receiving Remittance

BRANCH OF FINANCIAL MANAGEMENT
JAN 6 1976
RECEIVED
FISCAL ACCOUNTS

AMERICAN SMELTING & REFINING CO.
EAST HELENA PLANT
EAST HELENA, MONTANA

ASARCO, INCORPORATED
EAST HELENA, MONTANA 59601

3 6892

Form No. 1

Shipper: ASARCO - EXPLORATION
Mine: EADDY
Class: GRADE Shipping Point: PLANCY, MONTANA.
Smelter Lot No. 1069 Mine Lot No: 2
TRUCK 8.1 37550

Assays	Gold Oz. Per Ton	Silver Oz. Per Ton	Wet Lead %	Copper %	Zinc %	Arsenic %	Antimony %	Bismuth %
A. S. & R. Co.	0.020	96.2	5.1	0.05	11.1			
Shipper	0.025	96.8	5.6					
Umpire								
Settlement	0.0225	96.5	5.25	0.05	11.1			

Assay Deduction	Percent Pay	METAL	Pay Quotation	Quotation Deduction
.02	92.5	Gold	138.56	.50
	95	Silver	3.940	.055
1.5	90	Lead	.80	.05
		Copper		

H_2O	Wet Weight	Dry Weight	Dry Tons	Wet Tons
81.00	34,550	36,346	18,173	18,775
	34,550	36,346	18,173	18,775

Date of Arrival: DECEMBER 1, 1975.

Settlement Assay		Total Content	Assay Ded.		Percent Pay		Pay Content	Pay Quotation	Quot. Ded.	Net to Shipper
2.25	Gold	.41	2.00		92.50		.04	138,500.00	500.00	5.52
4,650.00	Silver	1,755.12			95.00		1,666.03	3,940.00	55.00	6,555.83
535.00	Lead	1,944.54	150.00		90.00		1,259.40	200.00	50.00	188.91
5.00	Copper	18.17					.00			

Special 30.00

Dry Tons X Total Contracts Deductions 30.00	ST 6	18,173.23 S	20.00	6,750.26 S
Sampling				363.46
Lbs. of Pb (Pay Content)	1,259.00			
Lbs. of Cu. (Pay Content)				
Tons of Pb & Cu. X Bullion Frt. Act. 54.45	PR	629.50	54.45	34.28
Tons of Pb & Cu. X Bullion Frt. Cont. 47.28		629.50	47.28	29.76
Sub-Total				6,382.28 S
Wet tons X Frt. Rate	ST 5			
Sub-Total				
Advances				
Hauling @ 3.00 P. T. & 50.00 loading to:	ST 5	Inan Hayward	109.33	109.33
Umpires				
Net Proceeds				6,272.95 *

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 8 1975

INITIALS	CODE
HK	

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Financial Management FROM: Willard P. Puffett
Field Officer, Region I, OME

ABSTRACT OF REMITTANCES

Date	Amount	Bank, City and State	Name of Remittor	Docket & Contract Numbers	Purpose
6/23/75	$456.41	The Idaho First National Bank Kellogg, Idaho	Mascot Silver-Lead Mines, Inc. Kellogg, Idaho 83837	OME-6379 Mascot Silver-Lead Mines, Inc. Contract 2201	Royalty

REMARKS: (List smelter or mill lot numbers covered by royalties)

Smelter Lot 385
Mine Lot 1

June 30, 1975
Date Prepared

7/3/75
Date Received

Willard P. Puffett
Person Preparing Abstract

Lorraine E. Edelstein
Person Receiving Remittance
Collection Officer

RECEIVED
U.S. GEOLOGICAL SURVEY
JUL 3 9 29 AM '75
BRANCH OF
FINANCIAL MANAGEMENT

AMERICAN SMELTING & REFINING CO.
EAST HELENA PLANT
EAST HELENA, MONTANA

3 6892 6 16

6.5.2 70.4 Form No. 1

Shipper: MASCOT SILVER MINES
Mine: MEADOW
Class: CRUDE Shipping Point: CLANCY, MONTANA.
Smelter Lot No. 385 Mine Lot No: 1
TRUCK 8.8 33.510

Assays	Gold Oz. Per Ton	Silver Oz. Per Ton	Wet Lead %	Copper %	Zinc %	Arsenic %	Antimony %	Bismuth %
A. S. & R. Co.	0.020	142.2	5.0	0.20	7.3	0.40	0.16	
Shipper	0.010	142.4	5.5					
Umpire								
Settlement	0.015	142.3	5.25	0.20	7.2	0.40	0.16	

H_2O	Wet Weight	Dry Weight	Dry Tons	Wet Tons
88.00	33.510	30.561	15.280	16.755
	33.510	30.561	15.280	16.755

Assay Deduction	Percent Pay	METAL	Pay Quotation	Quotation Deduction
		Gold		
	95	Silver	4.555	.055
1.5	90	Lead	.23427	.05
		~~Copper~~		

Date of Arrival: MAY 9, 1975.

Settlement Assay		Total Content	Assay Ded.		Percent Pay		Pay Content	Pay Quotation	Quot. Ded.	Net to Shipper
1.50	Gold	.23					.00			.00
14.230.00	Silver	2.174.42			95.00		2.065.70	4.555.00	55.00	9.295.65
525.00	Lead	1.604.46	150.00		90.00		1.031.44	234.27	50.00	190.00
20.00	Copper	61.12					.00			

Special 20.00

Dry Tons X Total Contracts Deductions 20.00	ST 6	15.280.56 S	20.00	9.485.71 S
Sampling				305.61 ◇
Lbs. of Pb (Pay Content)	1.031.00			
Lbs. of Cu. (Pay Content)				
Tons of Pb & Cu. X Bullion Frt. Act. 50.59	PR	515.50 P	50.59	26.08 ◇
Tons of Pb & Cu. X Bullion Frt. Cont. 47.28		515.50	47.28	24.37
Sub-Total				
Wet tons X Frt. Rate	ST 5			
Sub-Total				9.178.39 S
Advances				
Hauling @ 3.00 Snow Norgaard	ST 5	16.755.00 S	3.00	50.27 ◇
Umpires				
Net Proceeds				9.128.12 *

IN REPLY REFER TO:

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

Office of Minerals Exploration
Building 53 Room 200

- ABSTRACT OF REMITTANCES -
14X0804000

DATE	AMOUNT	BANK, CITY & STATE	NAME OF REMITTER	DOCKET & CONTRACT NOS.	PURPOSE
12/31/74	$1193.04	Idaho First National Bank Kellogg, Idaho	Mascot Silver-Lead Mines, Inc.	OME-6379 Contract 2201	Royalty

Remarks: (List smelter or mill lot numbers covered by royalties)

Smelter Lot No. 1325
Mine Lot 2

Willard P. Puffett
Field Officer, Region I OME

1/3/75
Date Prepared

XXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXX J. William Hasler, Field Officer, Region III, OME

1/7/75
Date Received

Received in Branch of Financial Management
By Collection Officer

Distribution:

Original & 2 to:
Chief, Br. of Budget & Finance
(with checks and one copy of subdocument)
Chief, OME, Washington, D.C
Abst. of Rem. Ledger
Mr. Hasler chron
OME chron

DEC 23 1974
12 32

AMERICAN SMELTING & REFINING CO.
EAST HELENA PLANT
EAST HELENA, MONTANA

DME

50133

Form No. 1

Shipper: Inar Norgaard
Mine: Meadow crude
Class: Crude Shipping Point: Clancy, Mt.
Smelter Lot. No. 1325 Mine Lot No: 2

truck 9.437 134220

Assays	Gold Oz. Per Ton	Silver Oz. Per Ton	Wet Lead %	Copper %	Zinc %	Arsenic %	Antimony %	Bismuth %
A. S. & R. Co.	Tr.	164.8	4.6	0.20	7.2			
Shipper	0.010	165.1	4.5					
Umpire								
Settlement	0.015	164.95	4.55					

Assay Deduction	Percent Pay	METAL	Pay Quotation	Quotation Deduction
		~~Gold~~		
4.5	95	Silver	4.155	.045
1.5	90	Lead	.245	.04
		~~Copper~~		

H_2O	Wet Weight	Dry Weight	Dry Tons	Wet Tons
94.3	7134,220	121,553	60,776	67,110
	134220	121,553	60,776	67,110

Date of Arrival: December 4, 1974

Settlement Assay		Total Content	Assay Ded.		Percent Pay		Pay Content	Pay Quotation	Quot. Ded.	Net to Shipper
.50	Gold	.30					.00			.00
10,495.00	Silver	6,378.53	100.00		95.00		6,061.66	4.155.00	45.00	24,007.64
425.00	Lead	5,166.03	150.00		90.00		3,008.45	245.00	40.00	616.73
20.00	Copper	243.11					.00			

Special 20.00

				25,284.37 S
Dry Tons X Total Contracts Deductions 20.00	ST 6	60,776.03 S	20.00	1,215.54
Sampling				
Lbs. of Pb (Pay Content)	3,008.00			
Lbs. of Cu. (Pay Content)				
Tons of Pb & Cu X Bullion Frt. Act.	PR	1,504.00 P	47.28	71.11
Tons of Pb & Cu X Bullion Frt. Cont.		1,504.00	42.81	64.39
Sub-Total				24,062.11 S
Wet tons X Frt. Rate	ST 5			
Sub-Total				
Advances				
Hauling @ 3.00 Inar Norgaard	ST 5	67,110.00 S	3.00	201.33
Umpires				
Net Proceeds				23,860.78

OFFICERS...
BEN SMICK, *President*
HAROLD REUGH, *Vice President*
RONALD EGGART, *Secretary—Treasurer*
M. C. BROWN—M.E.—*Director*
CLAUDE E. NUGENT—M.E.—*Director*

MINE LOCATIONS....
LITTLE PITTSBURG MINE
Pine Creek, Kellogg, Idaho
MEADOW MINE
Clancy, Montana
ARGENTINE MINE
Wickes, Montana

Mascot Silver-Lead Mines, Inc.

Post Office Box 660 ▪ ▪ ▪ KELLOGG, IDAHO 83837

December 31, 1974

Mr. Willard Puffett
Field Officer, Region I
Office of Minerals Exploration
U. S. Geological Survey
Room 28, Building 53
Denver Federal Center
Denver, Colorado 80225

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Dear Mr. Puffett:

Enclosed is Mascot Silver-Lead Mines, Inc., check in the amount of $1,193.04, representing the 5% royalty due on Smelter Lot 1325-2, copy of the smelter settlement is also enclosed.

In answer to the letter of Mr. Harold Kirkemo, Chief, OME, Reston, Virginia, dated December 18, 1974, we would advise that the assignment agreement of June 2, 1964, between Inar Norgaard and Henning Norgaard and Mascot Silver-Lead Mines, Inc., is still in effect.

Also in connection with Mr. Kirkemo's question regarding the royalty payment being made directly by the smelter, this was previously requested, however, the smelter advises us that it would not make a separate distribution and would pay the entire amount to Mascot Silver-Lead Mines, Inc.

If you should have any further questions, please let us know.

Yours very truly,

MASCOT SILVER-LEAD MINES, INC.

By [signature]
Ronald E. Eggart, Secretary

REE:pjh
Enc.

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 10 1975

INITIALS	CODE
HR	HK

Attach
Smelter Settlement
Sheet

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Branch of Financial Management FROM Willard P. Puffett, Field Officer, Region I

ABSTRACT OF REMITTANCES

Date	Amount	Bank, City and State	Name of Remittor	Docket & Contract Numbers	Purpose
12/2/74	$1,071.17	Idaho First National Bank, Kellogg, Idaho	Mascot Silver-Lead Mines, Inc.	OME-6379 Contract 2201	Royalty

REMARKS: (List smelter or mill lot numbers covered by royalties)

Smelter Lot # 894

12/17/74
Date Prepared

12/20/74
Date Received

Willard P. Puffett
Person Preparing Abstract

Lorraine E. Eckstein
Person Receiving Remittance
Collection Officer

OFFICERS...
BEN SMICK, *President*
HAROLD REUGH, *Vice President*
RONALD EGGART, *Secretary—Treasurer*
M. C. BROWN—M.E.—*Director*
CLAUDE E. NUGENT—M.E.—*Director*

Mascot Silver-Lead Mines, Inc.

MINE★LOCATIONS....
LITTLE PITTSBURG MINE
Pine Creek, Kellogg, Idaho
MEADOW MINE
Clancy, Montana
ARGENTINE MINE
Wickes, Montana

Post Office Box 660 ▪ ▪ ▪ KELLOGG, IDAHO 83837

December 3, 1974

United States Department of the Interior
Geological Survey
Reston, Virginia 22092

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Dear Sir:

Enclosed is payment on OME Contract #2201 representing 5% of net smelter proceeds of $21,423.45 of net smelter settlement dated October 14, 1974.

CK $1,071.17

Yours very truly,

MASCOT SILVER-LEAD MINES, INC.

By Ronald E. Eggart
Ronald E. Eggart, Secretary

REE:s
encl. (2)

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U.S. GEOLOGICAL SURVEY
DEC 17 2 00 PM 1974
OFFICE OF THE DIRECTOR

OCT 17 1974

AMERICAN SMELTING & REFINING CO.
EAST HELENA PLANT
EAST HELENA, MONTANA

57.8
73.4

50133

Form No. 1

Shipper: Snar Nygard / Mascot Silver Lead
Mine: Meadow
Class: Cl. Shipping Point: Clancy, Mont.
Smelter Lot. No. 594 Mine Lot No:

6.2 113080

Assays	Gold Oz. Per Ton	Silver Oz. Per Ton	Wet Lead %	Copper %	Zinc %	Arsenic %	Antimony %	Bismuth %
A. S. & R. Co.	TR.	111.4	3.0	0.10	5.2	0.40	0.11	
Shipper	0.010	111.9	3.4					
Umpire								
Settlement	0.005	111.65	3.2					

H_2O	Wet Weight	Dry Weight	Dry Tons	Wet Tons
62.00	113080	106069	53034	56540
	113080	106069	53034	56540

Assay Deduction	Percent Pay	METAL	Pay Quotation	Quotation Deduction
		~~Gold~~		
	95	Silver	4.019	.045
1.5	90	Lead	.245	.040
		~~Copper~~		

Date of Arrival: Aug. 30, 1974

Settlement Assay		Total Content	Assay Ded.		Percent Pay		Pay Content	Pay Quotation	Quot. Ded.	Net to Shipper
.50	Gold	.27					.00			.00
11,165.00	Silver	5,921.30			95.00		5,625.24	4.019.00	45.00	22354.[illegible]
320.00	Lead	3,394.21	150.00		90.00		1,622.86	245.00	40.00	332.69
10.00	Copper	106.07					.00			

Spoil $20.00

				22,687.39 S
Dry Tons X Total Contracts Deductions 20.00	ST 6	53034.52 S	20.00	1,060.69
Sampling				
Lbs. of Pb (Pay Content)	1,623.00			
Lbs. of Cu. (Pay Content)				
Tons of Pb & Cu X Bullion Frt. Act. 47.28	PR	811.50 PR	47.28	33.37
Tons of Pb & Cu X Bullion Frt. Cont. 42.81		811.50	42.81	34.74
Sub-Total				
Wet tons X Frt. Rate	ST 5			
Sub-Total				21,623.07 S
Advances				
Hauling @ 3.00 Snar Nygard	ST 5	56540.00 S	3.00	169.62
Umpires				
W. Lab. 30.00				30.00
				21,47[illegible]

December 18, 1974

Mr. Ronald E. Eggard, Secretary
Mascot Silver-Lead Mines, Inc.
P. O. Box 660
Kellogg, Idaho 83837

Re: OMX-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Dear Mr. Eggard:

This is to acknowledge with thanks receipt of your check No. 3380 for $1,071.27 representing royalty on sale of concentrate (Smelter Lot 894) to American Smelting & Refining Co., East Helena, Montana.

Apparently, the smelter has not been directed to pay royalty directly to the Government as the Certification of Possible Development of February 26, 1969, requires be done. Either you, the Operator, or the producer should do so. Royalties should be sent to the OMX Region I Field Officer who now is headquartered in Denver as noted in our letter to you of October 30, 1974.

Is the Assignment Agreement of June 2, 1964, between Inar Morgaard and Henning Morgaard and Mascot Silver-Lead Mines, Inc., still in effect? Was the shipment referred to above produced under provisions of that Agreement or under a later agreement which has not been furnished to us?

Best wishes for a Merry Christmas and a Happy New Year.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

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

HKirkemo/gpw

November 26, 1974

Mr. Ronald E. Eggard, Secretary
Mascot Silver-Lead Mines, Inc.
P.O. Box 660
Kellogg, Idaho 83837

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Dear Mr. Eggard:

We note in the Wallace Miner, issue of October 17, 1974, a report that Mascot Silver-Lead Mines, Inc. shipped from the Meadow mine to the East Helena smelter ore averaging 111.65 ounces silver per ton, 3.2 percent lead, 5.2 percent zinc, and yielding a net smelter return of $21,423.

As of this date, our Denver office has not received a check for the royalty owed the Government for this shipment. The amount should equal 5 percent of the gross proceeds of the shipment as explained under Article 6(c)(1) and (2) of the subject OME contract. Please note under Article 6(f) that purchasers of the production should be notified by the Operator or producer to pay to the Government the royalty due on each shipment, and to furnish the Government two copies of the settlement sheets. For any shipments already made and for which royalty is due, please include with your check copies of the settlement sheets.

Our letter to you of October 30, 1974, responding to your request for a status report on royalty obligations under the OME contract, set forth the status as of October 31, 1974, provisions of the contract which are in force regarding royalties, and the address to which royalty payments should be sent. Payments should be made in favor of the U.S. Geological Survey.

We also would appreciate receiving 2 copies of the working agreement or lease between Mascot Silver-Lead Mines, Inc., and Inar and Henning Norgaard, producer of the ore reported in the Wallace Miner.

Prompt payment of royalty due on shipments to date would be appreciated.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

Copy to: Ben Smick, President
Mascot Silver-Lead Mines, Inc.

cc:
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo
Mr. Weissenborn
Region I

HKirkemo/gpw

MEADOW MINE OF MASCOT IS AGAIN IN OPERATION

Wallace Miner
Oct. 17, 1974

PRESIDENT SAYS PROPERTY IN MONTANA IS PRODUCING GOOD SILVER ORE

Ben Smick, president of Mascot Silver-Lead Mines, Inc., stated in Spokane last weekend that the Meadow silver mine near Clancy, Mont., again is producing high grade ore.

The mine is being operated by Inar and Henning Norgaard of Helena under a working agreement with Mascot.

The Norgaards resumed operations last June and after pumping out flooded workings opened a new level at the 115-foot depth. The first 30 feet of drift on the new working level yielded 53 tons of development ore, Smick said. Shipped to the East Helena smelter, the ore averaged 111.65 ounces of silver, 3.2 per cent lead and 5.2 per cent zinc to the ton, he said.

The net smelter returns amounted to $21,423, he said. Payment for the silver was made at the then-prevailing price of $4.01 an ounce. The smelter does not pay for the zinc content of silver ores, he said.

"The Meadow mine is unique as a producer of ruby silver ore which commonly assays from 10 to 360 ounces of silver per ton over widths of two to four and one-half feet," he said, and picked samples have assayed from 700 to 2,000 ounces per ton."

The Meadow mine is in the Clancy Mining District, nine miles south of Helena, which had producing mines in the 1890s, he said. The Meadow vein was concealed under Prickly Pear valley gravels until 1936 when a gold dredge dug chunks of high grade silver ore from bedrock.

In 1950, A. E. Nugent and Henning Norgaard sank a shaft 100 feet deep and drove a short drift at the 90-foot point. They produced 17,708 ounces of silver, 4,116 pounds of lead and 20,088 pounds of zinc but were forced to shut down because of low metal prices and lack of capital, Smick said.

Between 1963 and 1967, Inar and Henning Norgaard and Mascot, under a contract with the federal Office of Minerals Exploration, deepened the shaft to the 200-foot level and drove 640 feet of drift, part of it on rich but narrow ore, Smick said. The present price of silver has stimulated the reopening of the mine, he added.

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

October 30, 1974

Mr. Ronald E. Eggard, Secretary
Mascot Silver-Lead Mines, Inc.
P.O. Box 660
Kellogg, Idaho 83837

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Dear Mr. Eggard:

This is in reply to your letter of October 21, 1974, requesting information on the present status of the contract and loan obligation relating thereto.

The Operator's responsibilities under this contract and subsequent Certificate of Possible Production continue until May 13, 1976. Your attention is directed to Articles 2(c) and 6(c) of the contract, which should be in your files, and to the Certificate, a copy of which is enclosed. The requirements under these documents remain in force until the date noted above.

Our Field Officer for OME Region I has moved to our Denver office. Any royalties or correspondence related to this contract should be sent to:

Mr. Willard Puffett
Field Officer, Region I
Office of Minerals Exploration
U.S. Geological Survey
Room 28, Building 53
Denver Federal Center
Denver, Colorado 80225

Please correct the address given in the Certificate to the new address.

As of October 31, 1974, the status of this account was as follows:

Principal balance	$20,873.36
Accrued interest	9,955.64

Article 6(c) of the contract specifies that "the Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold . . ." Any production whether from regular mine output or from exploration activities is subject to payment of royalty.

In summary, the responsibilities under the contract have not been terminated, but will continue to May 13, 1976.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

cc:
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo
Reg. I
HKirkemo/gpw

Office of Minerals Exploration
Building 53 Room 28

October 25, 1974

Mr. Ronald E. Eggart, Secretary
Mascot Silver-Lead Mines, Inc.
Post Office Box 660
Kellogg, Idaho 83837

Re: Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana

Dear Mr. Eggart:

Your letter of October 21, 1974 has been received in thissoffice. Ordinarily, Mr. Willard Puffett would handle your request. However, Mr. Puffett is in Saudi Arabia on a tour of duty and will not return until after December 7, 1974.

Your letter has been forwarded to: Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
U. S. Geological Survey
National Center - Mail Stop 953
12201 Sunrise Valley Drive
Reston, Virginia 22092

You should be hearing from Mr. Kirkemo in the very near future.

Sincerely yours,

Mary E. Clark

Mrs. Mary E. Clark, Secretary
Office of Minerals Exploration
Regions I and III

cc: Chief, OME ✓

OFFICERS...
BEN SMICK, *President*
HAROLD REUGH, *Vice President*
RONALD EGGART, *Secretary–Treasurer*
M. C. BROWN–M.E.–*Director*
CLAUDE E. NUGENT–M.E.–*Director*

Mascot Silver-Lead Mines, Inc.

MINE★LOCATIONS....
LITTLE PITTSBURG MINE
Pine Creek, Kellogg, Idaho
MEADOW MINE
Clancy, Montana
ARGENTINE MINE
Wickes, Montana

Post Office Box 660 ▪ ▪ ▪ KELLOGG, IDAHO 83837

October 21, 1974

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

Re: OME-silver
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 14-23-090-2201

Attention: Chief Office of Minerals Exploration

Dear Sir:

We wish to request a review of our above mentioned contract to determine the current status of the contract and loan obligation with respect to the liability for Mascot Silver-Lead Mines, Inc.

Please advise if the contract has been completely closed or whether there is still an obligation for repayment if any production is obtained in the future.

We would also like to know on what basis production is subject to a royalty, if such is payable to the OME on future production and shipments from exploration.

It has been our understanding of the agreement that the agreement has been terminated and is not subject to future royalty payments, and we would like confirmation as to the status of the above contract. Please advise us as soon as possible.

Yours very truly,

MASCOT SILVER-LEAD MINES, INC.

By Ronald Eggart
Ronald E. Eggart, Secretary

REE:pjh
cc--Ben Smick

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

May 16, 1974

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Annual royalty inspection
OME-6379 (silver)
Mascot Silver-Lead Mines, Inc.
Meadow mine
Jefferson County, Montana
Contract 2201

I learned when I visited the Mascot mine on Friday, May 10, 1974, that the shaft was going to be pumped and mining operations resumed. Mr. Henning Norgaard, who lives in a mobile home at the mine, said that he and his brother would be doing the work. They have leased the mine from Mascot Silver-Lead Mines, Inc., and will receive 65 percent of the proceeds. Mascot Silver-Lead Mines, Inc. will pay the Government's royalty out of the 35 percent they receive. The Government has not been furnished with a copy of this lease.

Mr. Norgaard thought that the pumping would begin within a couple weeks and the shaft would be pumped to below the 90 level. The first mining would be on the 90 level west of the shaft. Ore will be shipped to the smelter at East Helena.

The Government's lien on production from the mine extends until May 13, 1976.

Willard P. Puffett

Willard P. Puffett

United States Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

September 19, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 22 1972

INITIALS	CODE
gfa	130
HK	~~120~~
Raw	Weeks
	220

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Annual royalty inspection
OME-6379 (silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

I visited the Meadow mine on Tuesday, Sept. 12, 1972. Mr. Henning Norgaard was present in his mobile home near the mine shaft, and he and I discussed the exploration activities in the Clancy, Montana, area. Mr. Norgaard has been actively exploring the Free Coinage mine, a few miles west of the Meadow mine.

There has been no work at the Meadow mine during the past year. According to Mr. Norgaard, no work is planned until the price of silver is at least $3.00 an ounce. If work starts again, the drift level will be extended to the west and a raise will be driven to the surface at a site west of the valley bottom in order to get away from the problem of surface water in the valley gravels.

The Government's lien on production from the mine extends until May 13, 1976.

Willard P. Puffett

Willard P. Puffett

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

May 26, 1972

Mascot Silver-Lead Mines, Inc.
Attention: Mr. Ben Smick, President
420 Symons Building
Spokane, Washington 99204

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 2 1972

INITIALS	CODE
gla	130
HK	120
	2-20

Gentlemen:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Region I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since April 2, 1971, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

2. Since April 2, 1971, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

Purchaser *(name and address)*	Quantity	Value

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

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

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name	Title
Dew Smith	President Mascot Silver Lead Mines Inc
Address	Date
419 Symons Bldg Spokane, Wash 99204	5-30-72

United States Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

September 21, 1971

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 23 1971
INITIALS | CODE
Cal 120
gla 130
HK ~~120~~
220

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Annual Royalty Inspection
OME 6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Mont.
Contract 2201

The Meadow mine was inactive on the day of my visit, Wednesday, Sept. 15, 1971. There was no evidence that the shaft had been used since my last visit on Aug. 28, 1970. Mrs. Norgaard, who lives near the shaft in a mobile home, told me that the mine had been inactive for more than a year.

The Government's lien on production from the mine extends until May 13, 1976.

Willard P. Puffett
Willard P. Puffett

cc: Director

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

March 31, 1971

Mascot Silver-Lead Mines, Inc.
Attention: Mr. Ben Smick, President
418 Symons Building
Spokane, Washington 99204

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

CODE
O. & G. E.
RECEIVED
APR 7 1971
INITIALS | CODE
JFA | 130
HK | 120
| 220

Gentlemen:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to R-I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since August 1970, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

2. Since August 1970, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

Purchaser *(name and address)*	Quantity	Value

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

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

3. Since workings *(see* 2201 *of contract)*, has any production been transported through Yes ☐ No ☒

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

Disposition of Material	Quantity	Value

Submitted by:

Name Ben Smith	*Title* President - Mascot Silver Lead Mines, Inc
Address 420 Symons Bldg Spokane, Wash 99204	*Date* 4-2-71

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

September 2, 1970

Memorandum

To : Chief, OME

From : Field Officer, Region I

Subject: Royalty inspection
OME 6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

I visited the Meadow mine on Friday morning, August 28, 1970. Mrs. Norgaard, wife of one of the owners, was present and tending her vegetable garden near the mine shaft. There was no evidence that the shaft had been unwatered recently and Mrs. Norgaard said that the only activity during the past year was some diamond drilling from the surface several hundred feet west of the shaft. The drilling had intersected some ore mineralized veins. The relatively depressed market values for silver and lead had not encouraged the owners to resume mining.

The Government's lien on production from the mine extends until May 13, 1976.

Willard P. Puffett

Willard P. Puffett

IN REPLY REFER TO:

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

OFFICIAL COPY
O. G. S.
RECEIVED
JUL 29 1970

INITIALS	CODE
	130
	120
	220

July 29, 1970

Memorandum

To: Chief, Office of Minerals Exploration

From: Associate Solicitor--Mineral Resources and General Legal Services

Subject: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Entitlement of Government to Royalty

In your memorandum of July 10, 1970 you requested our opinion on whether or not the Government is entitled to royalty on $10,000 awarded to Mascot Silver-Lead Mines, Inc., Operator under the subject contract by a decision of the District Court of the Fifth Judicial District, State of Montana, on July 4, 1969, as a result of condemnation proceedings brought by the State Highway Commission against the owner and Mascot Silver-Lead Mines, Inc. for a highway right-of-way across a portion of the mine property included in the OME contract.

For the reasons which follow we have concluded that there is no legal basis on which the Government may assert a claim for royalty on the sum awarded the Operator by the District Court of the State of Montana.

As you know, subsection (a) of section 2 of the Act of August 21, 1958 (30 U.S.C. 642) requires that exploration contracts include "terms and conditions for the repayment of the Federal funds made available under any contract together with interest thereon, as a royalty on the value of production from the area described in the contract." The term "production" is not defined in the Act, but subsection (c) of that section speaks, in connection with certification, of "mineral production from the area covered by the contract," and subsection (d) provides that neither the statute nor a regulation "shall be construed to require any production from the area described in the contract." Thus, it appears that the term "production" was used in its ordinary sense - that is, with reference to minerals or metals extracted from the ground. It is clear that the term

Copy to OME-R-I

"production" has the same meaning in Article 6 of the contract. For example, subsection (b) of Article 6 requires the Operator to pay the Government a royalty on "all minerals and metals mined or produced from the land"; subsection (c) fixes the royalty at "five percent of the gross proceeds * * * from the production sold, in the form sold * * * at the point of delivery (the f.o.b. point) * * *:" and subsection (d) authorizes the Government to require computation and payment of its royalty on unsold"production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground * * *."

Article 6 is the measure of the Government's right to repayment under the contract, and the Government may assert its right to payment of royalty, only with respect to ore or metal which, by reason of extraction from the ground, constitutes "production" as that term is used in the Act and in the contract.

The condemnation of a portion of the property by the State may be likened to a compulsory sale of the ore in place. The award in the case was not related in any way to "production" from the property. Consequently, there is no basis on which the Government is entitled to a royalty on the award to the Operator.

Bruce Wright
Associate Solicitor
Mineral Resources and
General Legal Services

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/10/70		120
		140
		120

July 10, 1970

Memorandum

To: Associate Solicitor--Mineral Resources

From: Chief, Office of Minerals Exploration

Subject: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

We would appreciate your opinion on whether or not the Government is entitled to royalty on $10,000 awarded to Mascot Silver-Lead Mines, Inc., Operator under the subject OME contract, in a District Court judgment dated July 15, 1969, a copy of which is enclosed.

This judgment results from condemnation proceedings brought by the State Highway Commission of the State of Montana against Albert Haab, owner, and Mascot Silver-Lead Mines, Inc., for a highway right of way across a portion of the mine property which is included in the OME contract.

The Operator is in possession of the land described in the contract under an assignment agreement executed by lessees of the property under a lease granted by Albert Haab, the owner. The Government issued a Certification of Possible Production on February 26, 1969. The period of royalty obligation extends from May 13, 1965, to May 13, 1976. Government participation in the contract totalled $20,916, with interest at 6-1/4 percent. Royalties received to date total $40.64 from a shipment of crude ore on June 27, 1967. The mine is idle at present.

Harold Kirkemo (gla)

Harold Kirkemo

Enclosure

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Kirkemo
130

HKirkemo/gla 7-10-70

UNITED STATES
DEPARTMENT OF THE INTERIOR

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

June 30, 1970

Memorandum

To : Chief, Office of Minerals Exploration

From : Field Officer, Region I

Subject: Judgment in right-of-way Condemnation
OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

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Attached are two copies of the cited judgment with one copy of the letter of transmittal from Harry C. Alley, Attorney, Legal Department, Montana State Highway Commission.

Earlier, I have mentioned this judgment in a memorandum dated August 19, 1969, but had never been able to learn the details from the President of Mascot Silver-Lead Mines, Inc., who lives in Spokane. I telephoned him August 19, 1969, and on March 25, June 5, June 9, and June 12, 1970. In each instance, Mr. Ben Smick, the President, agreed to forward me the details of the judgment; however, to date, I have not received such information.

On Monday, June 29, 1970, I called Mr. Harry Alley, Attorney in the Right-of-Way Department, Montana Highway Commission (Telephone No. 406-449-2584) to learn if he had information regarding the financial settlement. The attached has been forwarded by him. In our telephone conversation, Mr. Alley offered the opinion that the $10,000.00 awarded to Mascot Silver-Lead Mines, Inc. was for mineral interest. I wonder, therefore, if OME is entitled to royalty on this amount.

It is of interest to me to see that the Office of Minerals Exploration is included in the list of Defendants in the lawsuit; I had not known of this before receiving the attached material.

Enclosures

Willard P. Puffett
Willard P. Puffett

RECEIVED
JUN 30 1970
SPOKANE, WASH.

FORREST H. ANDERSON
GOVERNOR

MONTANA HIGHWAY COMMISSION

HELENA, MONTANA 59601

LEWIS M. CHITTIM
STATE HIGHWAY ENGINEER

IN REPLY REFER TO:

June 29, 1970

Mr. Willard Puffett
Office of Mineral Exploration
Room 656
United States Court House
West 920 Riverside
Spokane, Washington 99201

Re: State -vs- Haab
Cause No. 4775
Jefferson County

Dear Mr. Puffett:

In response to your request we are enclosing a copy of the Judgment in the above captioned case.

Yours very truly,

Harry C. Alley

Harry C. Alley, Attorney
Legal Department
State Highway Commission
Scott Hart Building
Helena, Montana 59601

Enc.

HCA:cdr

JOSEPH M. NASS, CHAIRMAN
POPLAR

JOHN J. LEARY, VICE-CHAIRMAN
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JOHN D. WHEELER, SECRETARY
HELENA

RECEIVED
JUN 30 1970
C.N.E.
SPOKANE, WASH.

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT
OF THE STATE OF MONTANA
IN AND FOR THE COUNTY OF JEFFERSON

THE STATE OF MONTANA, ACTING BY AND THROUGH THE STATE HIGHWAY COMMISSION OF THE STATE OF MONTANA, Plaintiff, -vs- ALBERT HAAB and JANE DOE HAAB, with a Lease to MASCOT SILVER-LEAD MINES, INC., with Easements to T. KAIN & SONS, a co-partnership and PERRY PARK, and THE OFFICE OF MINERAL EXPLORATION, Defendants.	No. 4775

J U D G M E N T

The above entitled cause came on regularly for trial on the 24th day of June, 1969, Daniel J. Sullivan and James Beck appearing as attorneys for plaintiff, and Kendrick Smith and John H. Jardine appearing as attorneys for the defendant Albert Haab, and Gene A. Picotte appearing as attorney for Mascot Silver-Lead Mines, Inc. A jury of twelve persons was regularly impaneled and sworn to try said action and said action was duly tried commencing on the 24th day of June, 1969, and ending at 1:30 A.M. on July 4, 1969. Witnesses on behalf of the defendants and on behalf of plaintiff were sworn and examined and documentary evidence was introduced. After hearing the evidence, arguments of counsel, and the Instructions of the Court, the jury retired to consider the verdict and subsequently returned to the Court on July 4, 1969, and upon their return, the names being called, answered to their names and all of the jurors were found to be present.

Thereupon the Court inquired of the jurors whether or not they had reached a verdict, whereupon the Foreman of the jury returned to the Court the following verdict:

"VERDICT

WE, the Jury, duly impaneled and sworn in the above-entitled cause, assess the award to the Defendants, the following amounts:

For the value of the land taken by the Plaintiff, including mineral interest and rights, if any, the sum of ----------$ 7,450

For depreciation in value to the Defendants' remaining land including mineral interest and rights, if any, by reason of its severance from the part taken and the construction of the highway in the manner proposed by the State of Montana, the sum of----------$25,050

The total award to Defendants, therefore, is the sum of----------$32,500

DATED this 4th day of July, 1969.

TERRY L. MURPHY
FOREMAN"

It appearing a proper case therefor, the jury was directed to return to its deliberations and render an apportionment verdict between the defendants Albert Haab and Mascot Silver-Lead Mines, Inc. The jury retired and deliberated and upon their return to Court on July 4, 1969, and upon inquiry by the Court, announced that they had arrived at a verdict, whereupon the Foreman of the jury returned to the Court the following Apportionment Verdict:

"APPORTIONMENT VERDICT

We, the Jury, having returned our general verdict in the amount of------$ 32,500 now apportion the same between the defendants as follows:

(1) To Mr. Haab, the sum of--------$ 22,500

(2) To Mascot Silver-Lead Mines, Inc. the sum of----------$ 10,000

DATED this 4th day of July, 1969.

TERRY L. MURPHY
FOREMAN"

WHEREFORE, by virtue of the law and by reasons of the premises aforesaid and said verdicts, IT IS ORDERED, ADJUDGED AND DECREED that plaintiff have judgment condemning for its use as set forth more fully in the Complaint on file herein and in the Stipulation dated April 10, 1969, certain parcels of land described in the Complaint and in said Stipulation, reference to which is hereby made.

IT IS FURTHER ORDERED AND ADJUDGED that the defendant Albert Haab recover from plaintiff the following amount, to-wit, the sum of $22,500, less the sum of $11,140 previously paid into Court and withdrawn, making a net amount to be paid of Eleven Thousand Three Hundred Sixty ($11,360.00) Dollars, together with interest on said sum at the rate of six per cent (6%) per annum from August 23, 1967, together with the costs of the defendant Albert Haab and disbursements incurred in this action in the amount of $70.50.

IT IS FURTHER ORDERED that the defendant Mascot Silver-Lead Mines, Inc. recover from plaintiff the following amount, to-wit, the sum of Ten Thousand ($10,000.00) Dollars, and in addition thereto interest on said sum at six per cent (6%) per annum from the 23rd day of August, 1967 and costs and disbursements to said Mascot Silver-Lead Mines, Inc. in this action in the sum of $_____.

DATED this 15 day of July, 1969.

/s/ Philip C. Dwyer
DISTRICT JUDGE

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
Rm. 656, U. S. Courthouse
W920 Riverside Avenue
Spokane, Washington 99201

June 22, 1970

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Summary Final Report
OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

INTRODUCTION

This report summarizes an OME project to explore silver-bearing quartz veins in quartz monzonite a few miles north of Clancy, Montana. The contract, dated May 13, 1965, for a total estimated cost of $28,200.00 of which the Government would contribute 75 percent or $21,150.00, was amended 4 times. Work, started in June 1966, and completed in October 1967, consisted of 695 feet of crosscutting and drifting from near the bottom of a 200-foot deep shaft. Accepted costs were $27,888.00 of which the Government contributed $20,916.00. New ore found includes 2,180 tons indicated and 1,190 tons inferred with a metal content of 83,977 ounces of silver, 148,540 pounds lead, and 243,600 pounds zinc. The Government issued a certification of possible production on February 26, 1969, specifying that royalty will be due the Government on all production from the land described in the contract from May 13, 1965 to May 13, 1976, or until the amount contributed by the Government is fully repaid with interest at 6-1/4 percent per annum, whichever occurs first. The Government received royalties of $40.64 from a shipment of 16.460 tons of crude ore on June 27, 1967. The mine is now idle.

FINAL FIELD REPORT

OPERATOR

Mascot Silver-Lead Mines, Inc., an Idaho Corporation
416 Hutton Building
Spokane, Washington 99204

Officers of the corporation include the following:

President: Ben Smick
416 Hutton Building
Spokane, Washington

Vice President: Dunham Bell
Box 673 Blanding, Utah

Secretary-Treasurer: Harold Reugh
S. 4504 Helena
Spokane, Washington

Malcolm C. Brown, a director of the corporation, directly supervised the exploration project.

PROPERTY

The land subject to the contract includes Lots 11, 20, and 21 in sec. 33; Lots 2, 3, 4, and 8, and two unpatented mining claims in sec. 34; and the Tycoon Patented Mining Claim and Millsite, Patent No. 1377, in secs. 33 and 34, T. 9 N., R. 3 W., Clancy Mining District, Jefferson County, Montana (Figure 1 - Geologic, Property, Assay, and Ore Reserve Maps, Meadow Mine, Secs. 33 and 34, T. 9 N., R. 3 W., Clancy Mining District, Jefferson County, Montana.)

The unpatented claims are recorded in the office of the Jefferson County Recorder, Boulder, Montana, as follows:

Claim	Book	Page
Meadow	46	547
Joe Pete	46	547

The Operator was in possession of the property under an assignment agreement executed June 2, 1964 by Inar Norgaard and Henning Norgaard, lessees of said property under Lease dated June 20, 1963, as amended by Amended Agreement dated October 25, 1964, granted by Albert Haab, the owner.

The property is in the valley bottom along Prickly Pear Creek between the confluences with the Strawberry Creek and Lump Gulch. The shaft is about 1-1/2 miles north northeast from Clancy or about 10 miles south of Helena, Montana.

Development consists of a steeply inclined shaft from which the 45-foot, 90-foot, and 200-foot levels have been driven. Small stopes were opened from the 90-foot level (fig. 1).

The vein was discovered in 1936 when a gold dredge dug out rich fragments of vein. Diamond drilling in 1949 indicated rich ore but no vein structure. A shaft, sunk 100-feet, proved existence of the vein. About 131 tons of hand-picked ore were produced from the shaft, 45-foot and 90-foot levels, with a metal content of 17,708 ounces silver, 5,116 pounds of lead, and 20,088 pounds of zinc (Smedes, 1966, p. 103).

GEOLOGY

Bedrock near the shaft collar is obscured by valley fill, but the surrounding upland is composed of coarse-grained, light-gray, quartz monzonite, with conspicuous phenocrysts of K-feldspar (Smedes, 1966, pl. 1). The vein, with an average strike of N. 83° E. and dipping 70° S. to vertical, consists of brecciated quartz, chalcedony, ankerite, and minor barite, and includes sphalerite, galena, tetrahedrite, argentite, pyrargyrite, and lesser amounts of pyrite and arsenopyrite. There are several vein splits and stringers, faulting has complicated correlation of vein splits, but there appears to be but one main vein zone. The maximum width of the vein is about 5 feet, but most commonly it is less than 2 feet thick. The main economic value is in silver-samples of selected parts of the vein on the 200-level assayed as much as 740 ounces of silver across a width of 6 inches. The more common values in minable parts of the vein are about 25-30 ounces silver per ton, 2-3 percent lead, and 3-5 percent zinc. Gold values are essentially nil.

PURPOSE OF THE PROJECT

The purpose of the project was to explore for silver-bearing ore bodies by drifting along the strike of the Meadow vein on the 200 foot level and by raising on the vein from this level at a favorable point.

CONTRACT

The contract, No. 2201, dated May 13, 1965, required that work start by January 1, 1966 and be completed within 18 months from the date of the contract. The Operator, at his sole expense, was to sink the Meadow shaft an additional 130 feet, crosscut to the vein, and drift thereon westward for 50 feet. Upon completion of this work, the Government would participate to the extent of 75 percent in the approved costs of not to exceed 650 feet of drifting on the 200 level and 50 feet of raising from the 200 level. From the east side of the crosscut on the 200 level, drift not to exceed 200 feet eastward along the vein and from a point 50 feet west of the west side of the crosscut at the 200 foot level, drift westward not to exceed 450 feet along the vein. From a favorable point on the 200-foot level as approved by the Government, but not closer than 80 feet to the shaft crosscut, a raise was to be driven up the dip of the vein for a distance not to exceed 50 feet.

ESTIMATED COST OF PROJECT

650 feet of drifting @ $40.00/ft.	$26,000.00
50 feet of raising @ $36.00/ft.	1,800.00
100 samples assayed for silver, lead, and zinc @ $4.00/sample	400.00
Total Estimated Cost of Project	$28,200.00
Government Participation at 75 percent	$21,150.00

The contract was amended 4 times as follows:

Amendment No. 1, dated April 13, 1966, changed the date for starting work from January 1, 1966 to July 1, 1966; extended the time for completion of the contract from 18 to 24 months; and extended the maximum period for royalty payments and for the lien to secure payment thereof from 10 to 11 years from the date of the contract.

Amendment No. 2, dated March 8, 1967, revised the second paragraph in Exhibit A as follows:

> "It is agreed that the Operator, at its sole expense, will sink the present Meadow shaft not to exceed an additional 130 feet, crosscut to the vein, and drift thereon westward for a distance of 50 feet. Upon completion of this work the Government will participate to the extent of 75 percent of the approved costs of not to exceed 650 feet of drifting and/or crosscutting on the 200 foot level and 50 feet of raising from this level."

The second paragraph under the heading Description of the Work was revised to read as follows:

> "From the east side of the crosscut at the 200 foot level, drift not to exceed 200 feet eastward along the vein and from a point 50 feet west of the west side of the crosscut at the 200 foot level, drift westward not to exceed 450 feet along the vein. From a favorable point on the 200-foot level as approved by the Government, but not closer than 80 feet to the shaft crosscut, a raise shall be driven up the dip of the vein for a distance not to exceed 50 feet. Crosscutting may be performed to recover the vein off-set by faulting. Such crosscutting shall not be performed at any point less than a distance of 146 feet west of the starting point of the OME west drift on the 200 foot level."

Amendment No. 3, dated July 18, 1967, revised several paragraphs in Exhibit A, but all the changes were revoked by Amendment No. 4, dated November 14, 1967, which also extended time for completion of the work from 24 to 30 months from the date of the contract, and under the heading Description of the Work, revised the second paragraph to read as follows:

> "From the east side of the crosscut from the shaft on the 200-foot level, drift approximately 175 feet eastward along the vein. From a point in the drift 50 feet west of the west side of the crosscut from the shaft on the 200-foot level, drift westward along the vein and crosscut as necessary to recover faulted segments of the vein a total of approximately 520 feet. Crosscutting shall not be performed at any point less than 146 feet west of the starting point of the OME west drift on the 200-foot level"

Under the heading Estimated Cost of the Project, the items were revised to read as follows:

695 feet of drifting and crosscutting @ $40.00/ft.	$27,800.00
100 samples assayed for silver, lead, and zinc @ $4.00/sample	400.00
Total Estimated Cost of Project	$28,200.00
Government Participation at 75 percent	$21,150.00

PROJECT WORK

Before starting the OME contract work, the Operator, starting September 25, 1965, deepened the shaft and crosscut south to the vein, completing this work by June 10, 1966. Where cut southeast of the shaft, the vein contained some rich silver ore, with selected samples containing as much as 740 ounces silver per ton. Total width of the mineralized rock is about 5 feet. Drifting to the east proved that the mineralized structure persists along strike for less than 50 feet, beyond which it is a narrow, clay-filled fracture. The drift was extended 186 feet to the east by January 6, 1967, but failed to find further evidence of ore. The OME drift to the west, starting about 120 feet southwest from the shaft, followed thin and poorly mineralized fractures for 179 feet. The Operator, on his own account drilled long holes to the south which intersected a silver-rich quartz-carbonate vein. The vein was exposed in a crosscut to the south and was followed in a drift to the west. Ore-bearing material occurs for about 150 feet along this drift. Average width of the vein here is 1.5 feet. Continued drifting followed thin fractures with narrow veins that diverged northwesterly from the fractures. Total drifting allowed under the contract was completed in the early part of October, 1967.

Approved costs of the completed work are as follows:

Drifting and crosscutting	
695 feet @ $40.00/ft.	$27,800.00
Assays for silver, lead, and zinc	
22 @ $4.00/assay	88.00
Total	$27,888.00
Government participation at 75 percent	$20,916.00

($200.00 withheld from payment to Operator in lieu of receipt of Operator's final report)

REPORTS

The Operator did not submit a final report.

The Government issued a Report of Review in March, 1968.

PROJECT RESULTS

Two zones of ore bearing material were found by drifting on the 200 level (fig. 1). A fairly short but rich zone near the shaft is probably the downward projection of ore that had been mined on the 45 and 90 level; a longer ore zone, about 230-370 feet west of the shaft had not been known previous to the OME work. Three sets of reserve data have been calculated for the two ore shoots; one by the Operator, another by D. R. MacLaren, Field Officer, Region I, on April 1, 1968, and the third by me. I have divided the western ore shoot into two separate bodies (fig. 1). The results of the three calculations are as follows: (No. 1 ore shoot is near the shaft and No. 2 ore shoot is west of the shaft):

Measured By:	Ore Shoot	Tons	Ag Oz/ton	Pb Percent	Zn Percent
Operator	1	620	135	1.6	Not given
	2	1,065	34	2.0	Not given
MacLaren	1	620	120	2.5	5.0
	2	3,281	15.6	2.15	3.64
Puffett (this report)	1	500	8	Not calc.	Not calc.
	2	1,680 (indicated)	24-37	2.3-3.4	4.0-4.4
		1,190 (inferred)	24-37	2.3-3.4	4.0-4.4

Total Metal Content of Ore Reserves

Calculated By:	Silver Ounces	Lead Pounds	Zinc Pounds
Operator	119,910	62,440	Not given
MacLaren	125,585	172,080	300,860
Puffett (this report)	83,977	148,540	243,600

The ore found on the 200 level might be successfully mined under the most favorable conditions. However, there were pumping problems during the exploration work, and if these persisted, the mining costs could be too high for profitable extraction of the ore. Additional ore shoots would add greatly to the feasibility of development of the mine.

Further exploration could be to search for eastern extensions of the west or No. 2 ore zone. Drifting to the east from near the south end of the crosscut that is about 230 feet west of the shaft might find another ore shoot. Preliminary testing of this area could be by long-hole drilling from the drift. Further drifting west of the face of the west drift might be successful in finding additional ore but would be more in the nature of prospecting. Unless more information is available regarding extensions of the vein to the west, Government participation in exploring this area is not warranted.

CERTIFICATION

The Government issued a Certification of Possible Production on February 26, 1969, that specified royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from May 13, 1965, to May 13, 1976, or until the total amount contributed by the Government ($20,916.00) is fully repaid with interest at the rate of 6-1/4 per annum, whichever occurs first.

PRODUCTION AND ROYALTIES

Production consists of one test shipment of sorted ore from rock broken in the 200 level west drift during February and March, 1967. The shipment of 16.460 dry tons contained 34.2 ounces silver per ton, 0.6 percent lead, 0.05 percent copper, and 4.4 percent zinc. Royalties of $40.64 were paid to the Government on net smelter returns of $812.72. No unpaid royalties are due to the Government.

The Montana Highway Commission instituted condemnation proceedings in 1968 for a highway right-of-way that crosses the mine property. The lawsuit ended in the summer of 1969, and a cash settlement was awarded to Mascot Silver-Lead Mines, Inc., for the surface rights and inconvenience to the owners. To date (6/12/70) I have been unsuccessful in obtaining copies of the settlement to determine if the payment was in part for ore and if so, whether the Government is entitled to royalty. The cash settlement reportedly was about $11,344.00.

SUMMARY

Drifting along the Meadow Vein successfully disclosed the presence of at least two ore shoots on the 200 level. The shoots are narrow and short; additional shoots are necessary to justify a mining operation.

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee

(*Additional charges required for these services*)

RECEIPT

Received the numbered article described below.

REGISTERED NO.

CERTIFIED NO. 133220

INSURED NO.

1 SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*)

Willard P. Pfeffer

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED

6/25/70

3 SHOW WHERE DELIVERED (*only if requested*)

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

FAIR OFFICE USE ONLY
JUN 29 1970
SPOKANE

INSTRUCTIONS: Show name and address below and complete instructions on other side, where applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article *RETURN RECEIPT REQUESTED.*

RETURN TO

NAME OF SENDER Department of the Interior
U. S. Geological Survey, Office of

STREET AND NO. OR P.O. BOX Minerals Exploration
Department of Interior Building

POST OFFICE, STATE, AND ZIP CODE
Washington, D. C. 20242

POD Form 3811 Apr. 1967 c55—16—71548-10

Mascot (Puffett)

REFERENCE CITED

Smedes, H. W., 1966, Geology and igneous petrology of the northern Elkhorn mountains, Jefferson and Broadwater Counties, Montana; U. S. Geol. Survey Prof. Paper 510, 116 p.

Willard P. Puffett

Willard P. Puffett

Enclosure:

Figure 1 - Geologic, Property, Assay, and Ore Reserve Maps, Meadow Mine, Secs. 33 and 34, T. 9 N., R. 3 W., Clancy Mining District, Jefferson County, Montana.

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS E. ORATION

TO: Chief, OME	DATE	INITIALS
1.		
Re: OME-6379 (Silver)		
2. Mascot Silver-Lead Mines, Inc.		
Meadow Mine		
3. Jefferson County, Montana		
Contract 2201		
4.		
5. Willard P. Puffett		
FROM: Field Officer, Region 1	6/25/70	WPP

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 29 1970
INITIALS CODE

FOR: Check items for action desired

____ Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite x File
____ Instructions ____ Your information

REMARKS: Attached is the signed last page of my final summary report on the subject contract. Thanks again for your good service

INT.-DUP. SEC., WASH., D.C. M56300-62

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/17/70		120
		220

AIRMAIL

JUN 22 19[illegible]

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: Summary Final Report
OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Enclosed are three copies of the summary final report on the subject docket. Please sign the enclosed original copy of the last page and return it to this office.

Your draft copy of the report is returned herewith.

Harold Kirkemo (gla)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Kirkemo
130

BSLong/1 6/17/70

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/28/70		120
		220

AIRMAIL

APR 28 1970

Mr. Ben Smick
President
Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Dear Mr. Smick:

Reference is made to a letter to you by Mr. Frank E. Johnson, former Chief, Office of Minerals Exploration, dated February 3, 1969, requesting that you inform us of the decision, when reached, with respect to the dispute or condemnation proceedings with the State Highway Department affecting the subject property. We have been informed by the Field Officer, Region I, Spokane, Washington, that settlement was made with you prior to August 19, 1969. Accordingly, you are requested to furnish this office with two copies of the document describing this transaction.

Your immediate attention to this matter is requested.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region I
Mr. Kirkemo
130

GLAult/a 4-28-70

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
August 19, 1969

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HK | 130
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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, OME, Region I

Subject: Royalty Inspection
OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

I visited the Meadow mine north of Clancy, Montana, on Tuesday afternoon, August 12, 1969, to learn if there has been recent production. According to the Certification of Possible Production, the royalty period extends to May 13, 1976, unless the amount of Government participation with accrued interest is repaid earlier.

The mine appeared to be inactive. I did talk with Mr. Henning Norgaard, who lives in a house trailer near the shaft of the mine. Mr. Norgaard said that a recent lawsuit between the company and the Montana Highway Commission had ended. I did not learn all the details of the settlement of the suit from Mr. Norgaard, but I understood that the company will receive about $10,000.00 for ore they will not be able to mine because it is too near the surface over which a new road is being built.

Mr. Ben Smick, president of Mascot Silver-Lead Mines, Inc., gave me some more information about the settlement in a telephone conversation on August 19, 1969. He said that the total settlement was for about $11,344.00 but that the settlement was not payment for ore but was for surface rights and the inconvenience to the mine owners caused by the construction of the new highway. The representatives of the Montana State Highway Commission had failed to intersect ore in diamond drill holes that they had completed and thus concluded that there was no ore in the area under dispute. The Mascot Silver-Lead people tried to do some drilling, but the contractor who was constructing the new highway ordered them out of the area as they were obstructing his work.

According to Mr. Smick, the Montana State Highway Commission then withdrew their offer to pay for ore that possibly might underly the new highway. However, a settlement was made for the inconvenience to the mine owners made by the recent highway construction and for costs in moving an old dump pile.

I asked Mr. Smick if he had written a letter describing the settlement terms as per the request in the letter from Mr. Frank E. Johnson, dated February 3, 1969. He said that he had not gotten around to doing this as they had only recently received the money from the settlement. He would have paid the Government 5 percent of the payment if it had been for ore, but under the circumstances he did not believe the Government was entitled to a royalty on the settlement.

It might be necessary to request a copy of the settlement to learn in fact if the settlement was, in part, for unmined ore. I have no reason to doubt Mr. Smick's statements.

Willard P. Puffett

Willard P. Puffett

Distribution:
OME(Orig.&1)
Docket
CPF

OFFICIAL FILE COPY

Date	Surname	Code
4/22/69	Kirkemo	120
		220

AIRMAIL

APR 22 1969

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Gentlemen:

Thank you for returning through our Region I office, Spokane, Washington, the Certification of Possible Production, dated February 26, 1969, for correction of the amount of the Government's contribution under the subject contract. The first page of the certification has been rewritten to change the amount from $20,716.75 to $20,916.00 and the page substituted for the one originally sent you.

Your cooperation in this matter is greatly appreciated.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Inar Norgaard and Henning Norgaard, 411 Rodney Street, Helena, Montana 59601
Albert Haab, Clancy, Montana 59634

Director's Reading File
Economic Geology File
Branch of Budget and Finance
Assoc. Sol. - Room 6554
Docket
OME Region I
OME Reading File
Mr. Kirkemo
130 (2)

GLAult/a 4-22-69

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/22/69		120
		220

AIRMAIL

APR 22 1969

Messrs. Inar Norgaard
and Henning Norgaard
411 Rodney Street
Helena, Montana 59601

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Gentlemen:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract and a copy of the rewritten first page of the Certification of Possible Production, dated February 26, 1969. Please substitute the enclosed first page on your copy of the certification.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

Identital original letter to Albert Haab, Clancy, Montana 59634

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region I
Mr. Kirkemo
130 (2)

GLAult/a 4-22-69

IN REPLY REFER TO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
April 16, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
APR 1969

INITIALS	CODE
gla	130
Bal	120
HK	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Willard P. Puffett, Geologist, Region I

Subject: Return of Certification of Possible Production Under an Exploration Contract
OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Enclosed is the Operator's copy of the Certification of Possible Production Under an Exploration Contract that was returned by the Operator to our office at our request today. It was explained to the Operator that a new certification would be prepared in which the total amount contributed by the Government would be changed.

Willard P Puffett
Willard P. Puffett

Enclosure

FEB 23 1969

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

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

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

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

Therefore, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from May 13, 1965, to May 13, 1976, or until the total amount contributed by the Government (~~$20,716.75~~) is fully repaid with interest at the rate of 6-1/4 percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

$20,916.00

As heretofore, royalty payments should be made in favor of the U. S. Geological Survey and mailed or delivered to the Field Officer, Office of Minerals Exploration, U. S. Geological Survey, Region I, U. S. Courthouse, Room 656, West 920 Riverside Avenue, Spokane, Washington 99201. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the date of sale, name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

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

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/12/69	Kirkemo	120
"	Johnson	110
		220
		120M
	Long	
	(Nat'l. Sol. Div.)	
2/26	Kilgward	
		110
		220

FEB 26 1969

Messrs. Inar Morgaard and
Henning Morgaard
411 Rodney Street
Helena, Montana 59601

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Gentlemen:

Enclosed is a certification of possible production issued to the Operator as a result of the exploration program under the subject contract. This relates to the Lien and Subordination Agreement signed by you on May 20, 1965.

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

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Kirkemo
OME Region I
130(2)

Identical Ltr. to:

Mr. Albert Haab
Clancy, Montana 59634

RECEIVED
FEB 13 1969
Division of Mineral Resources
General Legal Services

BLong/1 2/12/69

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 24 1969

INITIALS	CODE
gla	130
	120
JEF	110
HK	120
	220

Wallace Miner 2/27/69

STOCKHOLDERS ARE TOLD OF MASCOT OPERATIONS

PRESIDENT SAYS 783 A-ORE CLAIMS ACQUIRED IN WYOMING BASIN

Ben Smick, Spokane, president of Mascot Silver-Lead Mines, Inc., outlined activities and acquisitions of Mascot in a letter this week to stockholders of the company.

He said Mascot's acquisitions in 1968 included 783 mining claims in the Wyoming Powder River Basin, site of a recent uranium discovery by the Union Pacific Railroad. A joint 50-50 venture with Sidney Mining Co. of Kellogg was set up, Smick said.

Exploration drilling by several major companies in the Powder River Basin has reached a new high, he said, and the claims may be "farmed out" to a major company for exploration and development.

Geochemical work last summer at another joint venture, the Sidney-Mascot Montana, in Jefferson County, Mont., outlined several anomalous areas which will be followed up this year, he wrote.

Mascot is seeking additional funds from the office of Minerals Exploration to do more drifting on a silver-bearing vein at Mascot's Meadow Mine near Clancy, Mont., he said. Surface diamond drilling in 1968 found an easterly extension of the vein and soil sampling outlined an anomaly a few hundred feet west of present mine workings.

Stockholders also were told of the discovery by Sunshine Mining Co. (previously announced by Sunshine) of an estimated $1.2 million worth of lead-silver ore in a new vein found at Mascot's Little Pittsburg Mine west of Kellogg. Sunshine now is working to probe the Mascot veins from deeper workings of the adjoining Nabob Mine.

Re: OME-6379 (Silver)
Mascot Silver-Lead
Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/11/69	Kirkemo	120
2/11	Nilsgaard	~~220~~
2/11	Kupp	
		220

FEB 12 1969

Memorandum

To: Boyd Finch, Staff Assistant to the Assistant Secretary

From: Director, Geological Survey

Subject: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

With reference to your telephone request of February 7, 1969, to Mr. Frank E. Johnson, Chief, Office of Minerals Exploration, we are submitting a summary statement of actions under the subject contract and the Operator's request for additional funds.

Mr. French's letter to you of February 7 and enclosures are returned.

Arthur A. Baker

Acting Director

Enclosures

cc: General Files
Director's chron
Division file
Economic Geology file
OME docket
OME Reading File
OME Region I w/copies incoming material
Mr. Kirkemo

HKirkemo/gla 2-11-69

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Summary of contract and application for additional funds

An OME contract with Mascot Silver-Lead Mines, Inc., was executed on May 13, 1965, to explore for silver-bearing ore bodies by drifting along the strike of the Meadow vein on the 200-foot level of the Meadow mine, and by raising on the vein from this level at a favorable point. Total value of the contract was $28,200, with the Government's share being $21,150. Accepted costs for work completed totalled $27,888, with the Government's share totalling $20,916.

The Field Officer concludes that the exploration was successful and recommends that the project be certified. A certification is being prepared.

Upon completion of work under the subject contract, the Operator on December 17, 1967, requested an additional $88,533.80 (Government's share $66,400) to continue exploration in the Meadow mine.

On the basis of work on the OME contract and on data submitted November 22, 1968, from holes drilled by the Operator and the Montana Highway Commission, the Government notified the Operator on February 3, 1969, that the request for additional funds was denied. Two copies of this letter are enclosed for your information. The chance of making a significant discovery by the proposed additional work is not favorable. Some of the proposed work would be more in the nature of prospecting than exploring specific targets.

The Operator was informed also on February 3 that the Government would retain the sum of $199.25, which was withheld from payment on the final voucher pending receipt of an acceptable Operator's final report, in lieu of such a report as required under Article 5(c) of the contract. This action was taken because the essential information had been submitted in the Operator's monthly reports of progress and in the amended application for additional funds, and was in response to the Operator's request of January 3, 1969.

The property dispute or condemnation proceedings between the Operator and the Montana Highway Commission has not been settled. The Government's interest in this case is to protect its rights under Article 6 of the contract to royalty on any proceeds from ore production or settlement based on potential production from any land condemned by the State of Montana.

MEMO

SUBJECT:

FROM: ASSISTANT SECRETARY, MINERAL RESOURCES

TO: 1.

2.

3.

4.

FOR:

- [ ] APPROVAL
- [ ] INFORMATION
- [x] PER OUR CONVERSATION
- [ ] COMMENT
- [ ] ACTION AS APPROPRIATE
- [ ] PREPARE REPLY FOR SIGNATURE MR
- [ ] AS REQUESTED

AND:

- [x] RETURN
- [ ] FILE
- [ ] FORWARD
- [ ] SEE ME

REMARKS:

HAND CARRY

Mr Johnson

Rm 4460

[illegible] JACKSON, WASH., CHAIRMAN
[illegible] GORDON ALLOTT, COLO.
[illegible] LEN B. JORDAN, IDAHO
[illegible] PAUL J. FANNIN, ARIZ.
[illegible] CLIFFORD P. HANSEN, WYO.
[illegible] MARK O. HATFIELD, OREG.
[illegible] TED STEVENS, ALASKA
[illegible] HENRY BELLMON, OKLA.
[illegible], STAFF DIRECTOR

United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
WASHINGTON, D.C. 20510

February 7, 1969

Mr. [illegible] Boyd [illegible]
[illegible] Assistant to the Assistant Secretary
Room 5640 Department of the Interior
Washington, D. C.

Dear Boyd:

The Chairman's Administrative Assistant has asked to obtain further information and views concerning the OME application of the [illegible] mines.

Enclosed is a copy of a letter received from Mr. [illegible] R. Smith, of Spokane.

Would you be good enough to supply additional views and comment on the statements therein?

Sincerely yours,

Stewart French
Professional Staff Member
for Minerals

[illegible]

P.O. Box 2140

Joe M. Smith

S. 126 Wall Street
Spokane, Washington 99210

January 31, 1969

RE: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Dear Sterling:

Please find enclosed copies of letters between D. R. MacLaren, Field Officer, OME Region I and Ben Smick, President, Mascot Silver-Lead Mines Inc.. I believe these letters cover the points you and I talked about Thursday, January 30, 1969 on the phone. You stated that the OME had not received the final report from Mascot on the original OME loan, nor had the OME received the drilling data from the Montana State Highway Department as well as a suggested settlement between Mascot and the Montana Highway Department.

Ben Smick says the OME can credit the original contract with the $200 they are holding because it will cost just about one-half that amount to have the engineer make the final report.

In other correspondence that I have seen regarding the Montana State Highway Department drilling data, Ben Smick had written the OME informing them that the Highway Department allows mining to within fifty feet of the bottom of the highway which is their usual practice in situations of this kind. As to the settlement with the Highway Department, this is

an unknown date because it will probably go to trial some time this next Spring. Mr. Smick stated in his letter to the OME that, should there be any settlement for the ore, the OME would be paid their 5% royalty from such settlement.

About December 1, 1968 Mr. Malcolm C. Brown, who is the mining engineer for Mascot Silver-Lead Mines, Inc., submitted the data that the OME requested regarding the drill results of the Montana State Highway Department near the Meadow Mine in Montana.

I hope you are able to take this information to the OME, and please let me know what else we can do to speed up this loan.

Sincerely yours,

JOE M. SMITH

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
[illegible]
[illegible], Court House, Room [illegible]
[illegible] Riverside Avenue
Spokane, Washington [illegible]
November [illegible], 196[illegible]

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

Re: [illegible]-6,7[illegible] ([illegible])
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract [illegible]

Gentlemen:

In the final paragraph of his letter dated August [illegible], [illegible] Johnson, Chief, Office of Minerals Exploration, requested that you prepare and submit to this office a final report on the project in accordance with Article 5(c) of the contract.

Our letter of September 4, 1968, was in reply to your [illegible] request for clarification of a few points in his letter, and to ask when we might expect to receive certain data relative to drilling results and your settlement with the State Highway Department; and to ask when we might expect to receive the final report requested by Mr. Johnson.

Your letter of September 10, 1968, stated in effect that it was not known when the State Highway Department would [illegible] a settlement. In his letter of September 15, 1968, Mr. Irwin stated that he expected to furnish the drilling data "in a few days." We have as yet received neither the drilling data nor the final report.

It is again requested that three copies of your final report be submitted in accordance with the terms of the contract. Your prompt attention to this last will be appreciated.

Sincerely,

[signature]

[illegible] [illegible]
Field Officer, OME
Region 1

[illegible] 3, [illegible]

[illegible]
[illegible], Inc.
[illegible]
[illegible], Montana
Contract [illegible]

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration [illegible]
U. S. Court House, Room 655
West 920 Riverside Avenue
Spokane, Washington 99201

Dear Mr. MacLaren:

Please refer to [illegible] of November [illegible] that paragraph [illegible] in which he [illegible] a final report [illegible] which [illegible] 5(c) of the [illegible].

I believe this [illegible] to the final [illegible] to be paid by [illegible] Minerals [illegible] by [illegible].

If it is satisfactory with Office of Minerals Exploration, please credit this [illegible] against the [illegible]. It would cost us just about as much for the [illegible] services as we would receive from Office of Minerals Exploration.

Sincerely yours,

BEN SMICK, President
Mineral Silver-Lead Mines, Inc.

File in OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Kellogg, Idaho
News
(Cir. D. 4,276)

FEB 10 1969

Allen's P. C. B. Est. 1888

Mascot Staked River Basin U-Ore Claims

340

Mascot Silver - Lead Mines, Inc., disclosed that it located 783 mining claims last year in Wyoming's Powder River Basin, site of a recent uranium discovery by the Union Pacific Railroad.

A joint 50 - 50 venture was set up with Sidney Mining Co. Mascot president Ben Smick said in a report to stockholders.

Exploration drilling by several major companies in the Powder River Basin has reached a new high, he said, and the claims may be "farmed out" to a major company for exploration and development.

Geochemical work last summer at another joint venture, the Sidney - Mascot Montana, in Jefferson County, Mont., outlined several anomalous areas which will be followed up this year, he wrote.

Mascot is seeking additional funds from the Office of Minerals Exploration to do more drifting on a silver-bearing vein at Mascot's Meadow Mine near Clancy, Mont., he said. Surface diamond drilling in 1968 found an easterly extension of the vein and soil sampling outlined an anomaly a few hundred feet west of present mine workings.

Stockholders also were told of the discovery by Sunshine Mining Co. (previously announced by Sunshine) of an estimated $1.2 million worth of lead - silver ore in a new vein found at Mascot's Little Pittsburg Mine west of Kellogg. Sunshine now is working to probe the Mascot veins from deeper workings of the adjoining Nabob Mine.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/29/69	Kirkemo	120
"	Johnson	110
1/31	Kilgore	220
1/31	Kempp	
2/3	Cac	110
		220

130
120M

AIRMAIL

FEB 3 1969

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Gentlemen:

Since our letter to you dated August 8, 1968, we have studied the more recent geochemical and drill core-assay data submitted in further support of your request for additional funds to continue exploration under the subject contract.

These data indicate that the probability of disclosing additional significant ore reserves with the proposed work is not sufficiently promising to justify Government participation. We regret, therefore, to inform you that your request for additional funds is denied.

Referring to your request to waive the requirement for an Operator's final report and evaluation of the results of work performed under the contract (Article 5(c)), we will retain in lieu thereof the sum of $199.25 ($200.00 less 75 cents overpayment) which was withheld from settlement of the final voucher pending receipt of an acceptable final report.

Please inform us of the decision when it is reached with respect to the property dispute or condemnation proceedings with the State Highway Department.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
Branch of Budget & Finance
w/cy Opr.'s letr. 1/3/69
OME Region I
Mr. Kirkemo
130

HKirkemo/gla 1-29-69

MME F[illegible]6 REFERENCE SLIP
REV. [illegible]9 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	1/ 6/69	
Re: OME-6379 (Silver)		
2. Mascot Silver-Lead Mines, Inc.		
Meadow Mine		
3. Jefferson County, Montana		
Contract 2201		
4.		
5. Willard P. Puffett		
FROM: Geologist, OME, Reg. 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: Transmittal of 2 copies of letter dated 1/3/69 from the president of the above-cited company requesting that the $200.00 withheld be credited against the OME contract. (This relates to the final report from the company.)

199

INT.-DUP. SEC., WASH., D.C. M56300-62

MASCOT SILVER-LEAD MINES, INC.
418 SYMONS BLDG
SPOKANE WASH 99204

January 3, 1969

RE: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 8 1969
INITIALS CODE
HK

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration Region I
U. S. Court House, Room 656
West 920 Riverside Avenue
Spokane, Washington 99201

Dear Mr. MacLaren:

Please refer to your letter of November 19 regarding the final paragraph of Frank E. Johnson's letter of August 7, 1968 in which he requested that Mascot prepare and submit to your office a final report on the above project in accordance with Article 5(c) of the contract.

I believe this relates to the final report on the completion of the above contract in which there is withheld approximately $200.00 to be paid by Office of Minerals Exploration for work performed by Mascot.

If it is satisfactory with Office of Minerals Exploration, please credit this amount against the OME contract. It would cost us just about as much for the engineering services as we would receive from Office of Minerals Exploration.

Sincerely yours,

BEN SMICK, President
Mascot Silver-Lead Mines, Inc.

BS:ec

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
December 11, 1968

OFFICIAL COPY
O. M. E.
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120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Request for Additional Work
OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

SUMMARY OF PRIOR MEMORANDUM

Kindly refer to our memorandum dated April 1, 1968, and your letter dated August 7, 1968, to the Operator; both refer to this subject.

Request for add'l work

The Operator submitted an application for additional work at the Meadow mine dated December 14, 1967. With a letter dated February 8, 1968, his consulting engineer submitted three geochemical maps to support his request for aid to drift on the 200 level westerly for 800 feet, and to crosscut from the east drift to intersect and to drift on a supposed vein south of and parallel to the Meadow vein. Our memorandum of April 1, 1968, discussed the results of work done under the cited project and appraised the potential success of the newly proposed work.

In summary, under Contract 2201, a total of 695 feet of drifting indicated two ore shoots that together might contain as much as 3,900 tons of ore, 125,585 ounces silver, 172,080 pounds lead, and 300,860 pounds zinc. At $2.00 per ounce for silver, $0.138 per pound for lead, and $0.135 per pound for zinc, this discovery would be worth $315,533.00. It was concluded that 500 feet of additional drifting to the west might raise the total discovery to 7,800 tons of ore, 251,200 ounces silver, 344,160 pounds lead, and 601,700 pounds zinc worth, at the above prices, $631,000.00. It was estimated that the cost of the total discovery would be:

Completed drift:	695' at $40.00/ft	=	$27,800	Government:	$20,850
Proposed drift :	500' at $53.30/ft	=	$26,650	" :	$19,987
Total (including timber and assays)			$55,055		$41,291

However, we neglected to take into consideration that 5 percent of the estimated total value of the ore is only $31,550.00, and that recovery of the potential reserve would probably be somewhat less than the estimated value. The conclusion should have been that the chance of making a significant discovery is less than fair. The recommendation should have been that the request for aid to extend the drift west be denied.

ADDENDA TO PRIOR APPLICATION

East Area.--Montana State Highway Department diamond drilled 8 holes and Inar Norgaard, the Operator's miner, drilled 13. In general, core recovery by the Highway Department driller was very good but that by Norgaard was poor and in the case of three of his holes such core as was recovered lacked footage markers or "was not kept in a manner permitting it to be logged." Of 7 core samples and 13 sludge samples taken by the Highway Department, all but 4 ranged in grade from nil to 0.002 ounce gold and from trace to 0.68 ounce silver per ton. The four exceptions were:

Hole No.	Hole depth	Width (feet)	Ounces per ton Gold	Silver
Hwy. 7	96.8 - 97.2	0.4	0.005	3.58
	97.2 - 97.7	0.5	0.004	2.55
Average	96.8 - 97.7	0.9	0.004	3.01
Hwy. 8	47.7 - 48.4	0.7	0.005	1.93
	48.4 - 49.0	0.6	0.005	1.92
Average	47.7 - 49.0	1.3	0.005	1.93

From the results of the drilling about the best that can be concluded is that the vein followed by the drift east continues to be narrow and that such parallel or subparallel veins as may exist are also narrow and are too weakly mineralized to present a favorable target for additional exploration.

West Area.--The geochemical plats show that there are fairly broad areas containing anomalous amounts of heavy metals, but the anomalies are not exceptionally great and the anomalous trend cuts across rather than along the strike of the Tycoon vein as indicated by the line of shafts. The same generally crosscutting trend of the anomalies is evident near the west end of the Meadow claim. In general, the same can be said for the copper anomalies. The applicant's contention that low copper anomalies are more favorable indicators of possible ore shoots is partly born out by 21 settlement sheets for shipments from above the Mascot 90 level prior to the OME project and one settlement sheet for ore shipped from the OME 200 level. These indicate that copper values range from 0.02 to 0.30 copper. His composite anomaly map may indeed rule out large areas as favorable ground for prospecting, but in view of the magnitudes of the heavy metal and copper anomalies, they do not in themselves suggest particularly promising ground either. Neither Roby (1960) nor the Albany office of the U.S. Bureau of Mines has any data on the Tycoon workings nor any record of production from that mine.

Because the Liverpool mine, some mile and one quarter west of the Mascot and three quarters of a mile west of the Tycoon is referred to by the applicant, mention should be made to it. Development and production from the Liverpool from 1904-1951 are given on pages 5 and 6 of our April 1, 1968 memorandum. The Bureau of Mines in Albany has furnished additional shipping records as follows:

		Ounces		Pounds	
Year	Tons ore	Gold	Silver	Lead	Zinc
1966	2,150	Nil	3,955	3,200	31,700
1967	5,449	3	11,829	12,500	76,600
1968 1/	5,974	7	14,254	14,000	85,000
Total	13,573	10	30,038	29,700	193,300
Average grade		--	2.21 Oz/T	0.11%	7.12%

1/ Three shipments

CONCLUSIONS AND RECOMMENDATIONS

It is concluded that the chance of making a significant discovery by the proposed additional work at the Mascot mine is somewhat less than fair and there is no data in the addenda to the application to indicate otherwise.

It is recommended that the application be denied and that the letter of denial, if you concur, again request an Operator's final report. However, during a telephone call to the office Ben Smick implied that he would request that the funds now being withheld be applied to the cost of a final report, his reason being that it would cost his company more than that to have one prepared.

D. R. MacLaren

Distribution:
- OME
- USGS(SRO)
- Docket
- MacLaren

Mr. Johnson's note:

This is additional information relating to request for additional exploration.

Suggest we advise that further consideration cannot be given until we receive a report on the work completed, including ore estimate, unless we intend to deny the request for additional aid.

Mr. Johnson
Mr. Kirkemo

12/4/68

Is this part of, or to be considered as, the Operator's final report?

No

gla

Allow no add. info. pending 2 requests for add. exploration

Suggest we advise that further consideration can not be given until we receive a comprehensive report on the work, the whole project including an estimate

OFFICERS
BEN SMICK-PRES.
HAROLD REUGH-VICE PRES.
RONALD EGGART-SEC.-TREAS.
M. C. BROWN-M.E.-DIRECTOR
CLAUDE E. NUGENT-M.E.-DIRECTOR

Phone Te 8-3174

MASCOT SILVER-LEAD MINES, INC.
418 SYMONS BLDG.
SPOKANE, WASH. 99204

LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO
MEADOW MINE
CLANCY, MONTANA
ARGENTINE MINE
WICKES, MONTANA

November 22, 1968

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

RE: OME-6379 (Silver)
Meadow Mine
Jefferson County, Montana
Contract 2201

3. f. 5. Addenda. Since our letter of February 8, 1968, we have taken more soil samples, gridding an area about 1000 feet wide, westerly along the projection of the Meadow vein to a point about 1500 feet west of the Tycoon mine. The data, contoured on Revised Exhibits 3-f-1, 3-f-2, and 3-f-3, we believe are adequite to give a significant picture of the geochemical enviornment of the Tycoon mine. We know of no maps or production records of the Tycoon but the cluster of caved shafts with strongly iron-stained dumps suggests that it was a producing mine in the last century.

Readily extractable Heavy Metals (Exhibit 3-f-1 Revised) have a background level of about 4 ppm in the Meadow-Tycoon area. A large area north and south of the Tycoon is double background at 8 ppm with peaks above 32 ppm. The area south of the mine could represent downhill secondary dispersion, but the area to the north is probably from another source. On the west end of the Meadow claim is another large area comparable to that around the Tycoon.

Readily extractable copper (Exhibit 3-f-2 Revised) has a background of about 2 ppm, which is the level at the Tycoon mine. However, the low area at the mine is surrounded by a crude halo of 4 ppm or higher. The Heavy Metal high on the west end of the Meadow claim is also in a low copper area surrounded by higher copper.

Background Heavy Metal/Copper ratio is about 2 or 3, but in both the Tycoon mine area and the west end of the Meadow claim the countours reach 8 to 16.

In summary, an orebody of the Clancy district, as exemplified by the Tycoon, should occur in an area high in Heavy Metals but with low or near background copper, resulting in a high Heavy Metal/Copper ratio. Exhibit 3-f-4 is a composit anomaly map designed to illustrate this condition. It was made by crosshatching

FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	Chief, OME	11/ 2/68	
	Re: OME-6379 (Silver)		
2.	Mascot Silver-Lead Mines, Inc.		
	Meadow Mine		
3.	Jefferson County, Montana		
	Contract 2201		
4.	Mary L. Smelser for		
5.	D. R. MacLaren		
FROM:	Fld. Officer, Reg. I		

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 4 1968
INITIALS CODE

FOR: Check items for action desired

____ Action ____ Reply for signature
____ Approval ____ Investigate
____ Comment ____ Recommendations
____ Conference ____ Rewrite
____ Instructions X Your information

Surname
Signature
File

REMARKS: The attachments are for your information. Mr. MacLaren will give it his attention upon his return.

MacLaren will write memo regarding this. HK. 12/10/68

INT.-DUP. SEC., WASH., D.C. M56300-62

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

3. f. 5. areas where the Heavy Metals were less than 8 ppm, copper is 6 ppm or more and the HM/Cu ratio is 2 or less. These limits were selected so that the Tycoon mine would lie in an essentially blank or unruled area. By thus literally "ruling out" apparently least favorable areas, the resulting blank areas should be most likely to contain orebodies. Note that, in addition to the blank areas around the Tycoon mine, there is just as much blank space around the west end of the Meadow claim. The peculiar shape of the latter strongly suggests another large northeasterly fault with left lateral displacement, offsetting the vein to the south, and possibly mineralized in itself, as sketched on the map (Exhibit 3-f-4). This geochemical picture makes us quite confident that an important target lies ahead of the west face. Except for three shallow prospect shafts, this area is unexplored. However, it is interesting to note that 2 of the 3 pits are in the unruled area and the third is near the edge of it.

3. f. 6. Addenda. In November, 1967 the Montana Highway Department proposed to put down some diamond drill holes east of the Meadow shaft to test the Meadow vein beneath the right-of-way for Interstate 15. We cooperated by submitting a map (Exhibit 3-f-6) showing the tailing piles on which ore fragments were found according to Nugent's field sheets, the reported relationship between the dredge's digging area and its tailing pile and two possible vein zones deduced therefrom. We also assisted their geologist in spotting five holes aimed to cut any vein beneath the places where the ore fragments on the tailing piles came from.

The Highway Department drilled 5 holes, marked Hwy #1 to Hwy #5 on Exhibit 3-f-5. Core boxes were sealed by the driller and stored at the Montana School of Mines in Butte. There Mascot and Highway geologists met on December 15, 1967, to unseal and log the core. None of the five holes cut any ore but, upon checking the holes in the field, we found that not one of the holes had been drilled on the bearing or at the site we had spotted for them. As a result, only two of the holes came even close to their targets.

As the Highway Department declined to drill any more holes, after these discrepancies were pointed out, Mascot rented a drill and in March and April, 1968, thirteen holes (Marked Nor #1 to Nor #13 on Exhibit 3-f-5) were drilled by the Norgaard crew. Five holes,

Mascot Silver-Lead Mines, Inc.
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Spokane, Washington 99204

3. f. 6. Nor #5 to #8 and #13, were drilled to test the gaps between the holes drilled by the Highway Department, but none disclosed any vein material. There is no satisfactory explanation as to how the ore fragments got on the tailing piles when no sign of a vein can be found in the areas where the dredge must have been digging when it made those piles.

However, Nor #2, #3 and #4 cut definite vein material, as did Nor #9, #10 and #11. No vein material was noted in Nor #12, but core recovery was extremely poor thru the 1-foot vein in all of the holes. Because of these findings the Highway Department moved their rig in and drilled three holes, Marked Hwy #7, #8, and #9. Hole Hwy #6 was spotted west of #7, but was not drilled, allegedly for lack of time. Core boxes were sealed by the driller and were opened for logging by Mascot and Highway representatives in Butte. Core recovery in the vein was 100% in Hwy #7, 76% in Hwy #8 and only 43% in Hwy #9. Nevertheless the average recovery of vein material was much higher than in the Norgaard holes and the assays of both core and sludge were higher. The width of vein material in these Hwy holes was also greater, but the silver content varies inversely with the width.

Drill core logs and three assay certificates showing assays of all samples of vein material are annexed hereto, marked Exhibit 3-f-8. Weighted average core assays are plotted on the Longitudinal Projection of Exhibit 3-f Revised. No sludge samples are posted on the map because most of the sludge samples represent about 5 feet, whereas the vein is probably only one foot. Therefore, we have no way of weighing the assays accurately. It is very likely that the 5-foot sludge assay should be multiplied by 4 or 5 to get an estimate for the actual vein material.

The drill data plotted on Exhibit 3-f Revised suggest two alternative explanations, as follows:

1. There is a left lateral offset of the Meadow vein of about 300 feet on the northeasterly Big Fault exposed in the east 200-foot level. However, all efforts to obtain an alinement of the vein intercepts approaching N. 85°E. fail. The only way they can be explained while retaining the N. 85°E. strike is by postulating a large number of step-like displacements between strands of a

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Spokane, Washington 99204

3. f. 6. broad horsetailing fault zone, which is less likely than the second alternative.

2. The northeasterly fault becomes a vein. This is illustrated on Exhibit 3-f Revised. The vein intercepts in Hwy #7 and Hwy #9 are at essentially the same elevation, about 60 feet vertically below the land surface. A line connecting these has a strike of about N. 60°E., the same as the southerly strand of the fault on the east 200-foot level. Minor changes in dip will accommodate the other drill hole intercepts, indicated at higher elevations on the longitudinal projection.

The second hypothesis ties in with previous speculation that the northeasterly faults are premineral and may be important factors in localizing oreshoots. Additional supporting evidence resulted from a visit to the Clancy district's largest silver producer, the Liverpool mine about 3/4 mile west of the Meadow. The generalized relationships shown on the sketch map (Exhibit 3-f-7) suggest that the main Liverpool vein, striking about S. 80°E. ended against, or joined, a fault striking N. 65°E. which was stoped to the surface at a point about 300 feet northeast of the junction.

In light of these developments we believe that our target in the east end of the 200-foot level lies to the north rather than to the south, and the best exploration procedure would involve drifting easterly on the south strand of the fault.

5. a. Amended. Refer to Exhibit 3-f Revised, annexed hereto. We propose to extend the 200-foot level 800 feet westerly along the Meadow vein. We anticipate that at about the 300-foot point the Meadow vein may be cut off by a southwest trending fault of left lateral displacement. If such fault is encountered, we will follow it southwestward (it may itself be a vein) until the west-trending vein is picked up on the west side, then continue the drift westward for a total of 800 feet. If, after following such a southwesterly fault for 200 feet, no westward-trending vein appears, we will drill two or more diamond drill holes aggregating 250 feet, probing northerly as well as further southwesterly for the vein. Holes will be drilled Ax, allowing reduction to Ex, if necessary to complete. At some point, to be determined by sample

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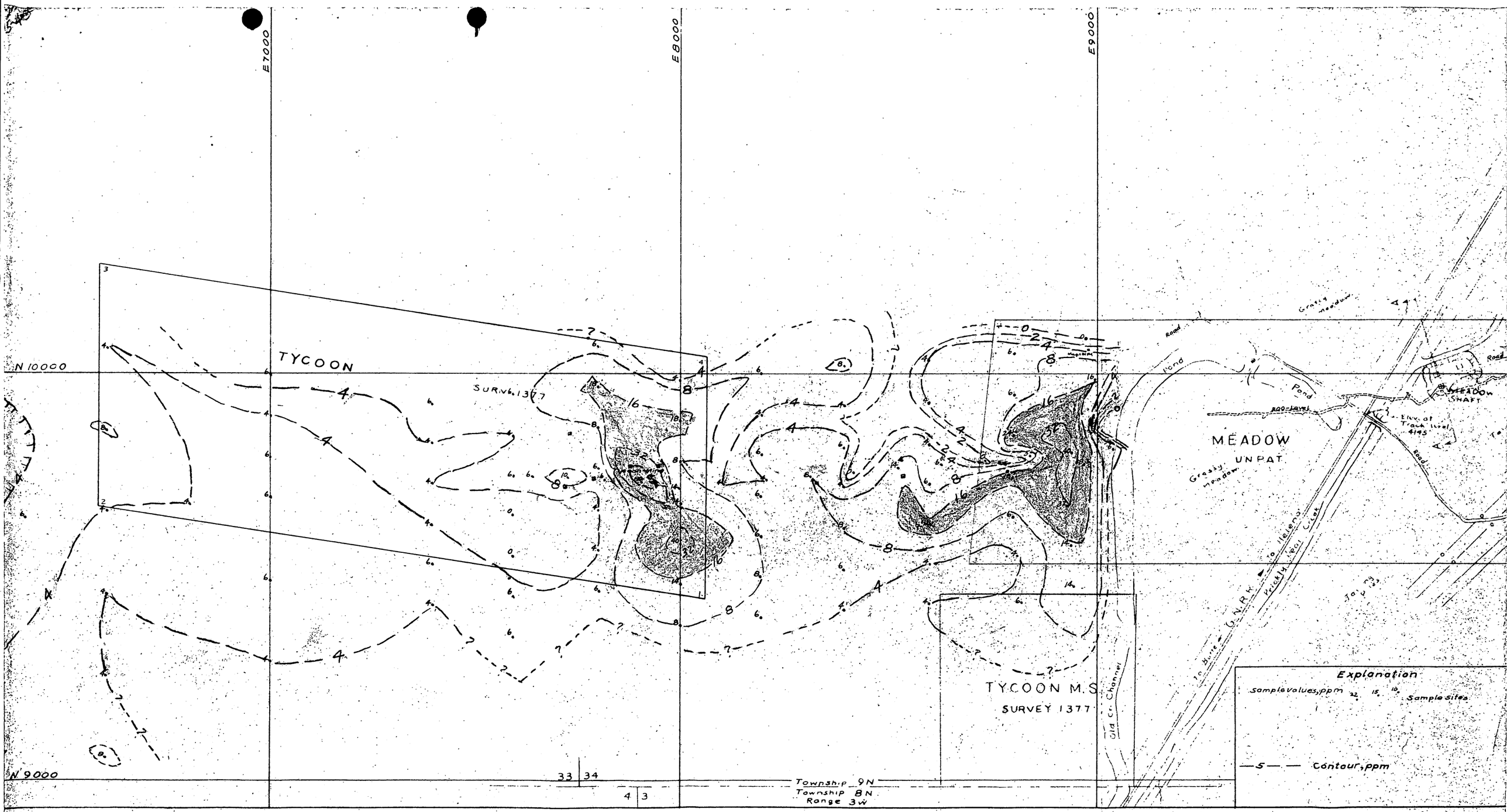
Spokane, Washington 99204

5. a. results, we propose to drive a two-compartment raise approximately 180 feet up dip on the vein to sample the ore in the vertical dimension and determine the extent of secondary enrichment.

From the face of the 200-foot level east drift we propose to drive northeasterly approximately 60 feet until we strike the southern strand of the "Big Fault", then drift northeasterly along it for 320 feet. If no ore is encountered by the time we have driven 200 feet from the present face, we will drill two or more diamond drill holes aggregating up to 200 feet, to test both walls for the vein. Holes will be drilled Ax, allowing for reduction to Ex if necessary, to complete. At some point, to be determined by sample results in the drift, we propose to drive a 2-compartment raise approximately 150 feet up dip on the vein to sample the ore in the vertical dimension.

In summary, the program calls for 1180 feet of drifting and crosscutting, 330 feet of raising, and 450 feet of diamond drilling.



Base from print of A.E. Nugent, 1951
Additions by compass & tape and pace
Drawn Feb, 1968
Data added: 10-16-68

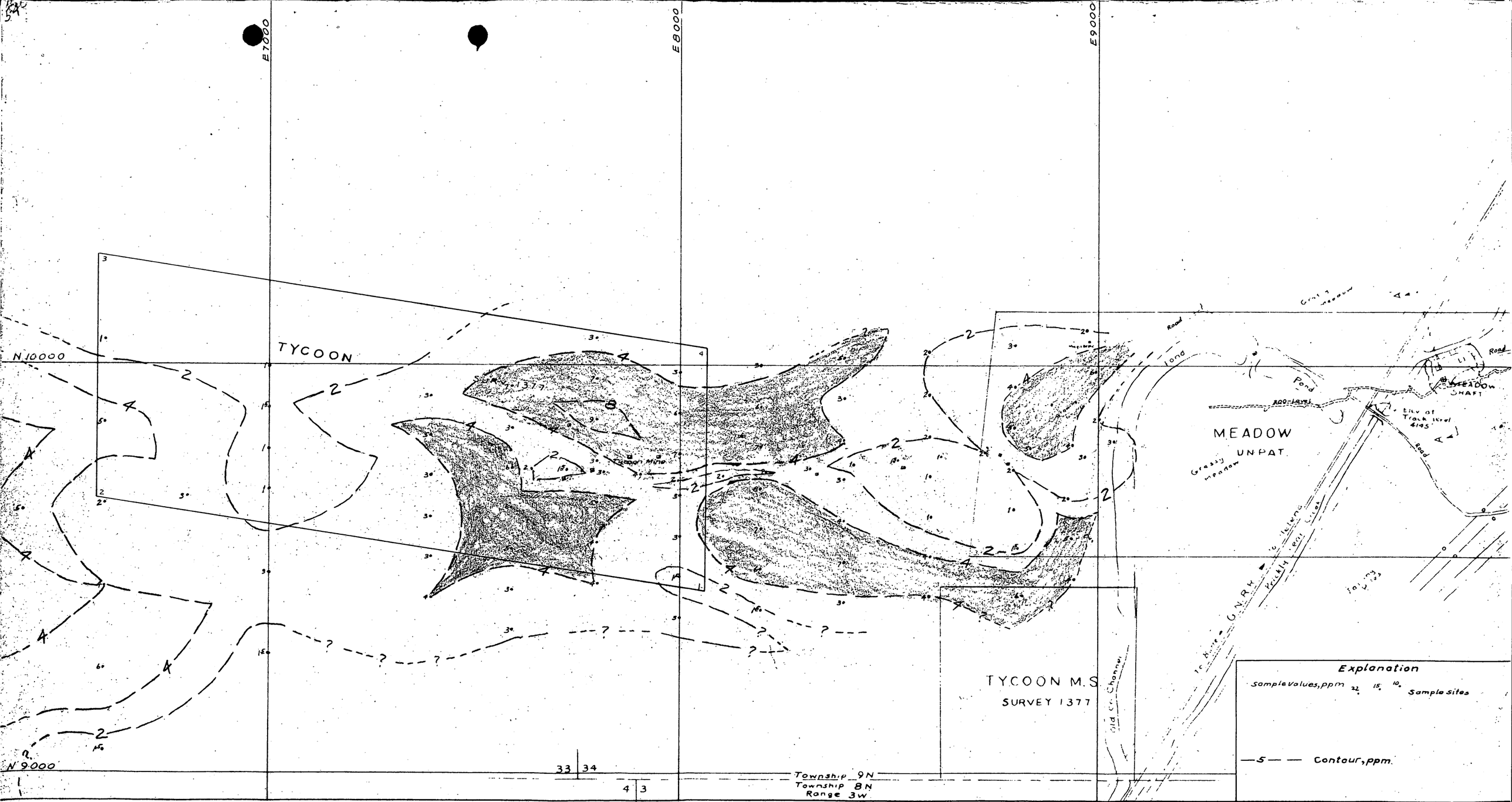
M.C. Brown

MEADOW MINE

Clancy Mining District
Jefferson County, Montana
Scale: 1" = 200'

Soil Samples
Heavy Metals

Exhibit 3-f-1 Revised



Base from print of A.E. Nugent, 1951
Additions by compass & tape and pace
Drawn Feb, 1968
Data added: 10-16-68

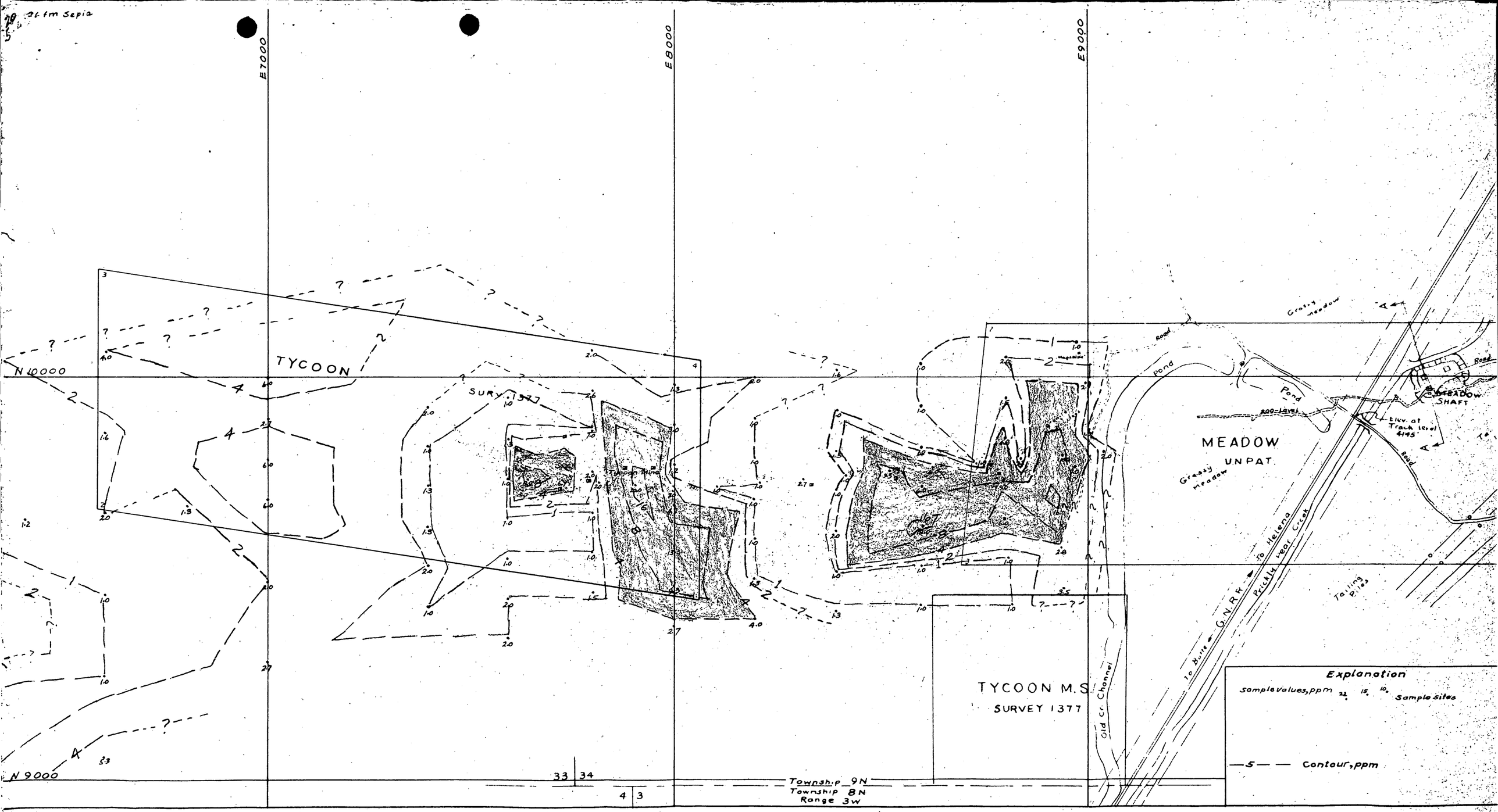
M.C. Brown

MEADOW MINE

Clancy Mining District
Jefferson County, Montana
Scale: 1"=200'

Soil Samples
Copper

Exhibit 3-f-2 Revised



Base from print of A.E. Nugent, 1951
Additions by compass & tape and pace
Drawn Feb, 1968
Data added: 10-16-68

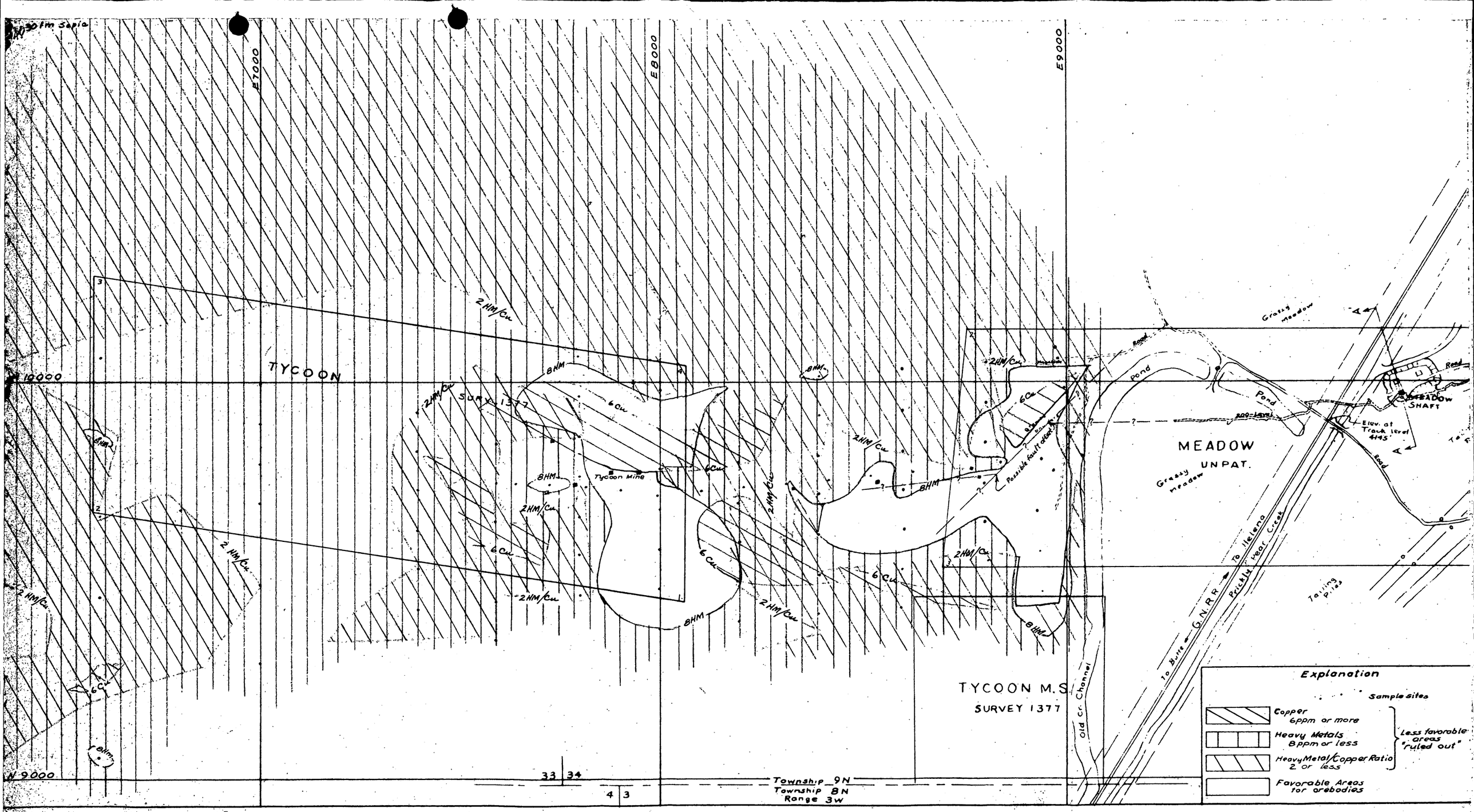
M.C. Brown

MEADOW MINE

Clancy Mining District
Jefferson County, Montana
Scale: 1" = 200'

Soil Samples
HM/Cu Ratio

Exhibit 3-f-3 Revised



Base from print of A.E. Nugent, 1951
Additions by compass & tape and pace
Drawn Nov, 1968 M.C. Brown

MEADOW MINE

Clancy Mining District
Jefferson County, Montana
Scale: 1"=200'

Soil Samples
Composite Anomaly Map

Exhibit 3-f-4

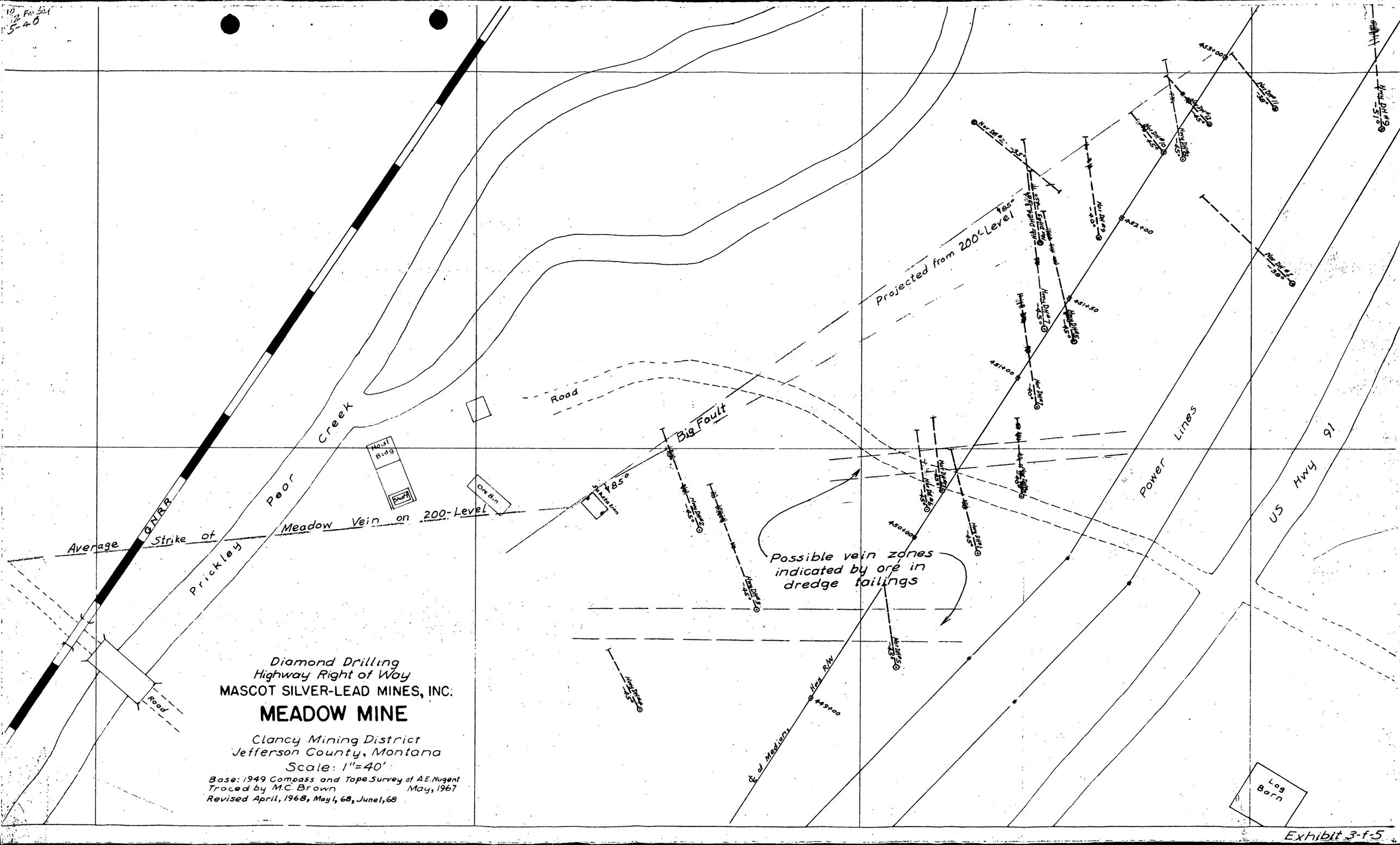

Diamond Drilling
Highway Right of Way
MASCOT SILVER-LEAD MINES, INC.
MEADOW MINE
Clancy Mining District
Jefferson County, Montana
Scale: 1"=40'
Base: 1949 Compass and Tape Survey of A.E. Nugent
Traced by M.C. Brown May, 1967
Revised April, 1968, May 1, 68, June 1, 68
Average Strike of Prickley Meadow Vein on 200-Level
Poor Creek
GNRR
Road
Hoist Bldg
Shaft
Ore Bin
Big Fault
185°
Projected from 200'-Level
Possible vein zones indicated by ore in dredge tailings
Power Lines
US Hwy 91
Lag Barn
℄ of Median
Hwy R/W
449+00
450+00
451+00
451+50
452+00
453+00
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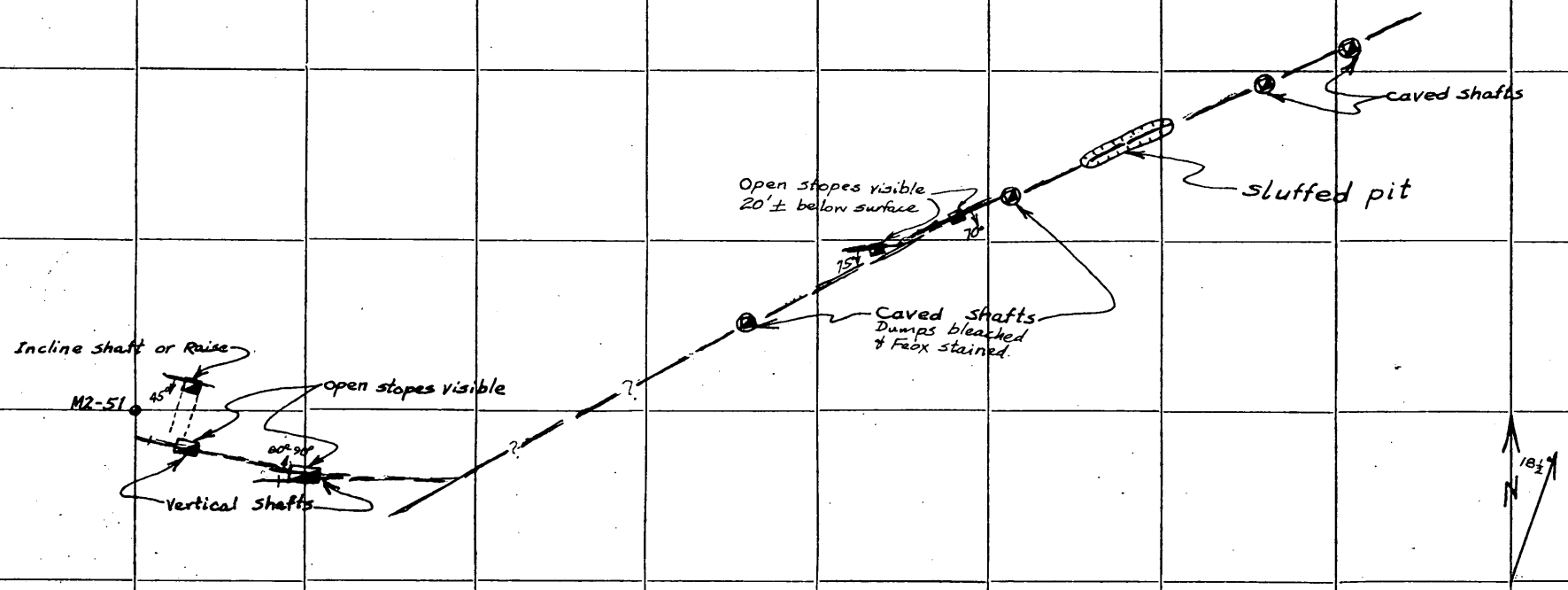
Exhibit 3-f-5



Sketch Map
LIVERPOOL MINE
Clancy District
Jefferson Co, Mont.
Compass & Pace
Scale: 1" = 100'
Aug, 1968 MCB

Exhibit 3-f-7

SHAWMUT & CO. — JERSEY CITY

Mascot Silver-Lead Mines, Inc.

MASCOT SILVER-LEAD MINES, INC.

[redacted]

Mine Meadow Mine, Cheney, Mont
Location
Hole Number Hwy #1

Date 15 Dec 67
Sheet
By MCB

Bx. 11.4 - 80.8.

Rock and Alteration		Mineralization		Core Recovery
0 - 11.4	Placer Tailings	24.0-25.0	Crush vel. resinous min. (H = 5.5 ±) on joints	11.4 100%
11.4 - 80.8	Medium gray biotite gneiss w/ scattered olive green chlor			16.9
		48.4	Sparse py on jnt @ 45-55° to axis.	22.0 100%
		74.2	1" frac zone @ 45° to axis w/ strong med brn Fox	27.2 100%
		76.2	Similar to above but weaker.	32.2 100%
				35.0 96%
				42.2 100%
				47.5 100%
				51.2 100%
				57.2 100%
				62.1 100%
				65.5 100%
				66.8 100%
				72.2 100%
				77.2 100%
				80.8

Exhibit 3-f-8

Mascot Silver-Lead Mines, I

[redacted]

Mine Meadow Mine Clancy, Mont
Location
Hole Number Hwy #1

Date 15 Dec. 67
Sheet
By MCB

Bx. 11.4 - 80.8

Rock and Alteration		Mineralization		Core Recovery
0 - 11.4	Placer Tails	24.0-25.0	Coarse vel. resinous sphal. (H=5.5±) on joints	11.4
11.4 - 80.8	Med grained gray biotite qtz w/ altered olive gn chlor			100%
				16.9
		48.4	Sparse py on jnt @ 45-55° to axis.	100%
				22.0
		74.2	1" fine zone @ 45° to axis w/ stringers med brn Fer	100%
				27.2
		76.2	Similar to above but weaker.	100%
				32.2
				100%
				35.0
				96%
				42.2
				100%
				47.5
				100%
				51.2
				100%
				57.2
				100%
				62.1
				100%
				65.5
				100%
				66.8
				100%
				72.2
				100%
				77.2
				100%
				80.8

Exhibit 3-f-8

Mascot Silver-Lead Mines, Inc.

[redacted]

Mine Mascot Lead Mine, Clancy, Mont.
Location
Hole Number Hwy #2

Date 15 Dec 67
Sheet
By MCB

BX 25.7-80.8

Rock and Alteration		Mineralization		Core Recovery
0-25.7	Placer Tailings	45.0-60.0	Moderate chlor	25.7
25.7-80.8	Medgrain gray biotite gl	60.0-80.8	Much chlor	100%
		60.5-65.1	Crush zone	26.8
		77.8-78.8	Shearing @ 30°-45° axis	100%
				32.2
				100%
				37.2
				100%
				41.8
				100%
				45.6
				80%
				51.8
				100%
				57.2
				65%
				61.8
				80%
				65.1
Sludge Samples:				20%
57.2-61.8				71.8
61.8-71.8				100%
				74.9
				84%
				78.8
				100%
				80.8

Exhibit 3-1-6

Ma[redacted]ot Silver-Lead Mines, Inc.[redacted]

MASCOT SILVER-LEAD MINES, INC.

[redacted]

Mine Meadow Mine, Clancy, Montana
Location
Hole Number Hwy. #3

Date 15 Dec 67
Sheet
By M.C.J.

AX 21.4-22.9; BX 22.9-79.6; AX 79.6-101.2

Rock and Alteration		Mineralization		Core Recovery
0-21.4	Placer Tailings	25.2-29.0	Heavy shear & crush w/ minor Hbrn Fe ox & carb. coated sulfides	21.4
21.4-101.2	Med. grained gray biotite gneiss w/ considerable scattered chlor.			40%
				22.9
		33.5-34.5	Crush zone w/ yellow clay	70%
				28.8
		51.5-54.5	Heavy crush zone	90%
		54.6	w/ aplite dike	26.9
		79.6-83.3	Crush zone	62%
				29.1
				75%
				31.9
				100%
				36.0
				100%
				41.3
				100%
				46.9
				81%
				51.3
				40%
				57.4
				97%
				58.9
				77%
Sludge Samples:				64.3
51.3-54.4	Some sulfides visible, incl PbS.			100%
71.3-76.9				66.9
76.9-79.6	" " " " " "			100%
79.6-83.3				71.3
86.2-91.2				14%
91.2-96.2				76.9
				7%
				79.6
				10%
				83.3
				48%
				86.2
				60%
				91.2
				18%
				96.2
				48%
				101.2

Exhibit 3-f-8

Masco Silver-Lead Mines, Inc.

[redacted]

Mine Meadow Mine, Clancy, Mont
Location
Hole Number Hwy. #4

Date 15 Dec 67
Sheet
By MCB

Ax 19.7 - 19.9; Bx 19.9 - 50.9

Rock and Alteration		Mineralization		Core Recovery	
0-19.7	Placer Tails	20.8-21.5	Fe ox stained jnts @ 30° to axis.	19.7	100%
19.7-50.9		22.5-22.7	Crush zone w/ scanty pat. Fe ox.	19.9	100%
		30.5-35.8	Vel stained jnts changing from 30° to 5° to axis.	21.0	100%
		46.0	3/8" vein let @ 20° to axis of vuggy zeolite (?)	24.0	100%
				25.1	100%
				31.5	100%
				35.8	100%
				41.5	100%
				46.6	100%
				50.9	

Exhibit B-f-8

Mas[redacted] Silver-Lead Mines, Inc. [redacted]

[redacted]

Mine Meadow Mine, Clancy, Mont
Location
Hole Number Hwy #5

Date 16 Dec 67
Sheet
By MCB

BX, 18.4 - 100.0

Rock and Alteration	Mineralization	Core Recovery
* 0-18.4 Placer Tails(?)	21.2-26.2 No Core, No Sludge	18.4
18.4-100.0 Med grained gry biotite gr. w/ considerable scattered chlor.	26.2-29.4 Jnts or shears @ 20°-40° to axis. Much yel-brn resinous min.	50% 21.2
		0% 26.2
	34.0-35.5 Some yel-brn.	87% 29.4
	49.0-51.0 Numerous jnts & fracs. @ 10°-20° to axis. Some w/ thin veinlets of zedite(?)	100% 30.3
	61.0-66.0 Broken zone	87% 32.6
	71.4-75.8 Broken zone w/ sericite slicks. @ 15°-35° to axis.	91% 35.5
	78.0-84.4 Broken & sheared zone Some sericite.	86% 38.1
		100% 40.5
		100% 44.9
		76% 52.0
		90% 61.4
		52% 66.4
		82% 71.4
		36% 76.4
		100% 77.2
Sludge Samples:		69% 86.4
12.7-18.4 Much lt brn Fe ox		100% 90.7
61.4-66.4		97% 95.3
71.4-76.4		89% 100.0
77.2-86.4		

* Sludge sample beginning @ 12.7 suggests end of placer tails and beginning of bedrock which was so sheared, broken and oxidized that no core was recovered.
Note also that there is neither core nor sludge from 21.2 to 26.2.

Exhibit 3-f-8

Mas[illegible] Silver-Lead Mines, Inc.

[redacted]

Mine Meadow
Location
Hole Number Hurs #7, -45°

Date 24 May 1953
Sheet
By MCB

NX: 10.8 to 139.2

Rock and Alteration			Mineralization	Core Recovery
10.8-139.2		11.6-12.2	Wallrock zone of dissem.	10.8
	Mod. [illegible]		py & partly alter. Ferromagnesian	100%
	biotite w/ [illegible]	24.2-25.4	Broken zone Yel-brn Fox	17.3
	Some Serec. &	30.3-35.0	Fracs. intermedgl to axis.	100%
	chlor. Many			22.3
	joints from			100%
	30° to 60° from	50.0-53.5	Broken zone @ 30° to axis	27.3
	core axis	70.0-74.5	Grn gouge c/w/ serec.	100%
			& chlorite & some	32.3
			unaltered biotite	100%
		80-96	Highly silic. gr. very	37.3
			dense & hard	100%
		96-96.5	Broken by fracs. parallel to axis	47.3
			much chlor. & serec. (?)	47.3 88%
		96.5-97.2	Grn gouge crushed	53.2
		97.2-97.7	Qtz veinlets w/ dissem.	100%
			py & some bolt sulfs (?)	58.0
		97.7-101.3	Gouge crush. sericite	93%
			gr w/ chlor.	62.3
		112.4-112.6	Joint @ 30° to axis w/	100%
			sparse py & bolt sulfs (?)	66.6
		112.6-129.0	Mod silicified gr.	100%
		129.0-139.2	Broken zone w/ yel Fox	76.7
				96%
				84.7
				100%
				88.2
				100%
				92.2
				100%
				97.2
				86%
				102.3
				88%
	Width ft	Au, oz	Ag, oz	107.2
				100%
Sludge Samples:				110.2
97.2-102.3	5.1'	0.002	0.61	100%
				120.3
				98%
Core Samples:				127.1
96.8-97.2	0.4	0.005	3.58	98%
97.2-97.7	0.5	0.004	2.55	131.5
97.7-98.1	0.4	TR	0.21	95%
				139.2

Exhibit B-f-8

Masco Silver-Lead Mines, Inc.

[redacted]

Mine Meadow
Location
Hole Number Hwy #8 -45°

Date 24 May 68
Sheet
By MCB

NX: 16.6-75.2

Rock and Alteration		Mineralization		Core Recovery
16.6-75.2	Med grained gray biotite gr. w/ some sericite & chlorite	20.5-30.6	Crush zone	16.6
		43.4-44.4	ditto	69%
		46.7-47.7	Gouge crush. gr.	22.4
		47.7-48.4	Quartz carbs, py & other fine grained sulfides	89%
				30.6
		48.4-49.0	Gouge crush. gr. w/ qtz, carbs & blk stks	97%
				37.2
		49.0-51.0	Gouge crush gr.	100%
		60.0-70.0	Highly silic. gr.	44.4
				76%
				51.0
				79%
				55.9
				95%
				60.9
				94%
				70.0
				100%
				75.2

	Width ft	Au oz	Ag oz
Sludge Samples:			
44.4-51.0	6.6'	0.001	0.16
Core Samples:			
47.7-48.4	0.7'	0.005	1.93
48.4-49.0	0.6'	0.005	1.92

Exhibit 3-f-8

M[redacted]cot Silver-Lead Mines, Inc.[redacted]

[redacted]

Mine Meadow
Location
Hole Number Hwy #9 -51°

Date 24 May 68
Sheet
By MCB

NX: 18.6-18.7; BX 18.7-110.6

Rock and Alteration		Mineralization		Core Recovery
18.6-110.6	Med. grained gray biotite gr.	18.6-19.6	Intensely sheared gr. w/ lt. brn. FeOx	18.6
				73%
		22.6-23.4	Severe but less sheared	23.4
		32.8-32.9	Siliceous veinlet @ 40° to axis.	90%
				27.8
		77.3-83.4	Gouge, crush gr.	100%
		83.4-88.4	Gouge (?) No core.	33.4
		88.4-93.0	Qtz & carbs w/ much blk sulfs.	100%
				37.8
		93.0-102.8	Crush. gr.	100%
		109.0-110.6	Gouge, crush. gr.	43.4
				100%
				47.8
				100%
				53.4
				100%
				57.8
				100%
				62.3
				100%
				68.4
				76%
				77.3
				7%
				83.4
				0%
				88.4
				42%
				93.0
				26%
				98.4
				32%
				103.4
				48%
	Width Au oz/T	Ag oz/T		107.8
				95%
Sludge Samples:				110.6
88.4-93.0	4.6'	0.001	0.17	
Core Samples:				
89.0-91.0	2.0'	0.002	0.42	
91.0-93.0	2.0'	0.002	0.68	

Exhibit 3-f-8

Mascot Silven-Lead Mines, Inc.

[redacted]

Mine Meadow
Location
Hole Number Nor #1 & Nor #2
-38° -35°

Date 27 April 68
Sheet
By MCB

Rock and Alteration		Mineralization		Core Recovery

Core was not kept in a manner permitting it to be logged

Exhibit 3-f-

Mascot Silver-Lead Mines, Inc.

[redacted]

Mine Meadow
Location
Hole Number Nor #3 -45°

Date 27 April 68.
Sheet
By MCB

Rock and Alteration		Mineralization		Core Recovery
0 - 13	Dredge Tailings	40-45	Gouge crush and dk. gray w/ fine grain disseminated sulfs. & CARBS.	13.0
13 - 50	Med. grained gry Biotite arc. w/ some sericite			50%
				15.0
				75%
				20.0
				50%
				25.0
				50%
				35.0
				50%
				10.0
				5%
				45.0
				100%
				8.0

Exhibit 3-f-8

Mascot Silver-Lead Mines, Inc.

[redacted]

Mine Meadow
Location
Hole Number Dr #4 -30°

Date 27 April 62
Sheet
By MCB

Rock and Alteration		Mineralization		Core Recovery	
0 – 13	Diorite Tails	29-41	2½% carbs (?) w/	13.0	
13 –	Med grained gray		sparse stringers		50%
	biotite gneiss w/		1% fine grained sulfs	15.0	
	some sericite.				60%
				20.0	
					40%
				25.0	
					50%
				35.0	
					40%
				40.0	
					10%
				45.0	
					35%
				50.0	
					100%
				55.0	
					100%
				60.0	

Exhibit 3-f-8

Mas[redacted] Silver-Lead Mines, Inc. [redacted]

[redacted]

Mine Meadow
Location
Hole Number NerDH #5

Date 30 April 68
Sheet
By MCB

Rock and Alteration		Mineralization		Core Recovery
0 - 18'(?)	Dredgetails			
18' -	Med grained gry biotite gr. w/ sparse chlorite			No Footage markers

Exhibit B-1-8

Mascot Silver-Lead Mines, Inc.

[redacted]

Mine Meadow
Location
Hole Number Nor #6

Date 30 April 68
Sheet
By MCB

Rock and Alteration		Mineralization		Core Recovery	
0-20	Dredge Tails			20.0	
20'-60'	Med grained gry biotite gr. w/ sparse chlor				60%
				25.0	
					100%
				30.0	
					95%
				35.0	
					100%
				40.0	
					100%
				45.0	
					95%
				50.0	
					100%
				55.0	
					66%
				60.0	

Exhibit 3-f-

Mascot Silver-Lead Mines, Inc.

[redacted]

Mine Medow
Location
Hole Number Nor #7

Date 30 April 68
Sheet
By MCB

Rock and Alteration		Mineralization		Core Recovery	
0-15'	Dredge Tails	21-23'	Gray clay gouge	15.0	
15-41'	Mod weathered arg biotite gr.	55-57'	Broken zone lt gry silic. gr zone Seres & chlor		95%
				20.0	80%
				25.0	100%
				30.0	90%
				35.0	60%
				40.0	20%
				45.0	60%
				50.0	40%
				55.0	50%
				60.0	5%
				65.0	10%
				70.0	20%
				75.0	

Exhibit 3-f-8

M[redacted]cot Silver-Lead Mines, Inc[redacted]

[redacted]

Mine Meadow
Location
Hole Number Nor #3

Date 30 April 68
Sheet
By WCB

Rock and Alteration		Mineralization		Core Recovery
0-20	Dredge Tailings			20.0
20-25'	Gray gouge			10 %
	crushed altered			25.0
	gr			30 %
				30.0
				16 %
				35.0
				15 %
				40.0
				5 %
				45.0
				5 %
				50.0
				10 %
				55.0

Exhibit 3-f-3

Mascot Silver-Lead Mines, Inc

Mine Meadow
Location
Hole Number Mor. #9

Date 25 April 68
Sheet
By MCB

Rock and Alteration		Mineralization		Core Recovery
0-23'	Dredge Tailings	64.5?-65'	(only 1" core) very hard blk qtz w/ visible py, PbS, ZnS, pyh.(?)	23.0
23'-61'	Med. colored grey. biotite sr.			90 %
				25.0
61-65'	Lt. gry crush serec. gr, very soft & gouge, No biotite			90 %
				30.0
				90 %
				35.0
65'-70'	Soft alter serec gr. Some biot remnants			90 %
				40.0
				60 %
				45.0
				70 %
				50.0
				30 %
				55.0
				40 %
				60.0
				40 %
				65.0
				50 %
				70.0

Exhibit 3-f-

Mascot Silver-Lead Mines, Inc.

[redacted]

Mine Mascot
Location
Hole Number Mor #10

Date 25-April 63
Sheet
By [illegible]

Rock and Alteration		Mineralization		Core Recovery
0 - 25'	Illum. Shaded Silt	30 - 35'	Crush. sericitic clay	23.0
23 - 40'	Moderate argil		wht qtz & blk qtz.	15%
	biotite			25.0
				20%
				30.0
				30%
				35.0
				30%
				40.0

Exhibit 3-f-8

Mascot Silver-Lead Mines, Inc.

[redacted]

Mine Meadow
Location
Hole Number Vor #11

Date 30 April 5[illegible]
Sheet
By [illegible]

Rock and Alteration		Mineralization		Core Recovery
0 - 23	[illegible]	26'-28'	Crush-[illegible] zone	23.0
[illegible]	[illegible]			35%
	[illegible]			25.0
	Some [illegible] &			50%
	Sericite			30.0
				30%
				35.0
				40%
				40.0
				61%
				43.0
				100%
				46.5
				55%
				51.5
				50%
				56.5

Exhibit 3-f-8

Mascot Silver-Lead Mines, Inc.

[redacted]

Mine Meadow
Location
Hole Number Mor. DH #12

Date 27 April 58
Sheet
By MCB

Rock and Alteration		Mineralization		Core Recovery
0 - 25'	Dredge Tailings	25-27	gouge crush gr.	23.0
25'-43'	Med grained gr. Lustic or	30-32	ditto w/ Sulfur	30%
	Some chlor.			28.0
	sericite & silic			30%
43'-50'	Same w/ abund. silica			33.0
				60%
				35.0
				100%
				38.0
				65%
				41.5
				90%
				44.5
				75%
				47.5
				60%
				50.0

Exhibit 3-f-8

Mascot Silver-Lead Mines, [redacted].

[redacted]

Mine Meadow
Location
Hole Number Nor #13

Date 30 April 68
Sheet
By [illegible]

Rock and Alteration		Mineralization		Core Recovery	
0 - 16'	Dredge Tails	20-24	Broken zone. Lt brn Fe ox from ferromags(?)	16.0	
16' - 55'	Med grained gray biotite qz w/ some sericite & chlor.	44-46	Broken zone		100%
				20.0	
					30%
				24.0	
					100%
				25.0	
					70%
				30.0	
					60%
				35.0	
					50%
				40.0	
					50%
				45.0	
					33%
				50.0	
					30%
				55.0	

Exhibit 3-f-8

MASCOT SILVER-LEAD MINES, INC.

[redacted]

SHIPPERS REPRESENTATIVE
CHEMIST-ASSAYER
P. O. Box 840 — Kellogg, Idaho

K. C. HAIGHT
CHEMIST-ASSAYER
606 W. CAMERON AVE.
KELLOGG, IDAHO 83837

Mascot Silver Lead Mines Inc.
Malcom Brown

Samples Marked: Sludge DD Holes

CERTIFICATE of ASSAY

January 4,1968

LOT NUMBER SMELTER	LOT NUMBER MINE	Footage	PER TON OF 2000 LBS. OZS. GOLD	PER TON OF 2000 LBS. OZS. SILVER	PERCENT LEAD	PERCENT ZINC	PERCENT COPPER	PERCENT IRON	PERCENT ANTIMONY	PERCENT ARSENIC	PERCENT CADMIUM	PERCENT	PERCENT
Hwy Hole	# 2	57.2- 61.8	Trace	0.03									
	"	61.8- 71.8	Trace	0.03									
Hwy Hole	# 3	51.3- 54.4	Trace	0.03									
	"	71.3- 76.9	Trace	0.03									
	"	76.9- 79.6	Trace	0.03									
	"	79.6- 83.3	Trace	0.04									
	"	86.2- 91.2	Trace	0.04									
	"	91.2- 96.2	Nil	Trace									
	"	96.2- 101.2	Trace	0.02									
Hwy Hole	# 5	12.7- 18.4	Trace	0.05									
	"	61.4- 66.4	Trace	0.02									
	"	71.4- 76.4	Trace	0.05									
	"	77.2- 86.4	Trace	0.02									

Note: These samples were split by M. C. Brown from sludge samples by driller from sections where core recovery was low or negligible in DD holes drilled by Montana Hwy De on Meadow Mine property, Dec. 1967.

M C Brown

K C Haight

Exhibit 3-f-8

MASCOT SILVER-LEAD MINES, INC.

[redacted]

SHIPPERS REPRESENTATIVE

CHEMIST-ASSAYER

[redacted] Kellogg, Idaho

K. C. HAIGHT
CHEMIST-ASSAYER
506 W. CAMERON AVE.
KELLOGG, IDAHO 83837

Malcolm Brown
Hwy. DD Core & sludge

June 7/68

Samples Marked:

CERTIFICATE of ASSAY

LOT NUMBER SMELTER	LOT NUMBER MINE	CARS	PER TON OF 2000 LBS. OZS. GOLD	PER TON OF 2000 LBS. OZS. SILVER	PERCENT LEAD	PERCENT ZINC	PERCENT COPPER	PERCENT IRON	PERCENT ANTIMONY	PERCENT ARSENIC	PERCENT CADMIUM	PERCENT	PERCENT
	#7 core	96.8-97.2	0.005	3.58									
	core	97.2-97.7	0.004	2.55									
	core	97.7-98.1	trace	0.21									
	sludge	97.2-102.3	0.002	0.61									
	#8												
	sludge	44.4-51.0	0.001	0.16									
	core	47.7-48.4	0.005	1.93									
	core	48.4-49.0	0.005	1.92									
	#9												
	sludge	88.4-93.0	0.001	0.17									
	core	89.0-91.0	0.002	0.42									
	core	91.0-93.0	0.002	0.68									

Note: These samples were split by M. C. Brown and Frank Young on 24 May 1968 from cores of DD holes drilled by Montana Hwy Dept on Meadow Mine property, May, 1968.

M C Brown

K C Haight

Exhibit 3-f-8-

MASCOT SILVER-LEAD MINES, INC.

[redacted]

SHIPPERS REPRESENTATIVE
CHEMIST-ASSAYER
[redacted] — Kellogg, Idaho

June 7/ 1968

K. C. HAIGHT
CHEMIST-ASSAYER
806 W. CAMERON AVE.
KELLOGG, IDAHO 83837

Malcom Brown

Nor DD-~~[illegible]~~ Sludge & Core

Samples Marked:

CERTIFICATE of ASSAY

LOT NUMBER SMELTER	LOT NUMBER MINE	CARS	PER TON OF 2000 LBS. OZS. GOLD	PER TON OF 2000 LBS. OZS. SILVER	PERCENT LEAD	PERCENT ZINC	PERCENT COPPER	PERCENT IRON	PERCENT ANTIMONY	PERCENT ARSENIC	PERCENT CADMIUM	PERCENT	PERCENT
Nor DDH	#2 core	66-66.5	0.002	0.21									
" "	#8 sludge	50-55	0.002	0.10									
" "	#9 sludge	60-65	0.001	0.09									
" "	#10 sludge	30-35	0.003	0.77									

Note: These samples were split by M. C. Brown from core and sludge samples by driller from sections where core recovery was low or negligible in DD holes drilled by Mascot Silver-Lead Min on Meadow Mine property, Mar-Apri 1968.

M C Brown

K C Haight

Exhibit 3-f-8

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
November 19, 1968

OFFICIAL COPY
RECEIVED
NOV 21 1968
FILE CODE
130
170
110
120

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Gentlemen:

In the final paragraph of his letter dated August 7, 1968, Frank E. Johnson, Chief, Office of Minerals Exploration, requested that you prepare and submit to this office a final report on the project in accordance with Article 5(c) of the contract.

Our letter of September 6, 1968, was in reply to your telephoned request for clarification of a few points in Mr. Johnson's letter; to ask when we might expect to receive certain data relative to drilling results and your settlement with the State Highway Department; and to ask when we might expect to receive the final report requested by Mr. Johnson.

Your letter of September 10, 1968, stated in effect that it was not known when the State Highway Department would suggest a settlement. In his letter of September 15, 1968, Mr. Brown stated that he expected to furnish the drilling data "in about a month." We have as yet received neither the drilling data nor the final report.

It is again requested that three copies of your final report be submitted in accordance with the terms of the contract. Your prompt attention to this last will be appreciated.

Sincerely,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls
cc: OME
Director's Reading File

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2/63)

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Date	Surname	Code
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		120M

NOV 6 1968

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Reference is made to your letter of September 6, 1968, concerning the Operator's Final Report on the subject contract, and to Mr. Malcolm C. Brown's letter to you of September 15, 1968, advising that the report would be submitted about October 15. Please again request the Operator to promptly furnish his Final Report in accordance with the terms of the contract.

FRANK E. JOHNSON (gla)

Frank E. Johnson

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
130

FEJohnson/gla 11-6-68

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	Chief, OME	9/17/68	
2.	Re: OME-6379 (Silver) Mascot Silver-Lead Mines, Inc.		
3.	Meadow Mine Jefferson County, Montana		
4.	Contract 2201		
5.	D. R. MacLaren		
FROM:	Fld. Officer, Reg. I		

OFFICIAL COPY

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:

Refer to Operator's letter of 9/10/68 copy of which was forwarded to you with a Reference Slip dated 9/12/68.

MALCOLM C. BROWN
[illegible] PROFESSIONAL [illegible]
[illegible] MASSACHUSETTS [illegible]
[illegible] IDAHO [illegible]
[illegible] 784 [illegible]

[illegible]

Mr. [illegible]
[illegible]
[illegible]
[illegible]
Sir:

Re: [illegible]
[illegible]
[illegible]
Jefferson County [illegible]
District [illegible]

Dear Mr. [illegible]

Please accept my apologies for the delay in the Meadow-Highway drilling data. Several circumstances have put me far behind this year.

I have yet to prepare the report to Mr. Smith on the work. I brought the file down here with me, hoping to get some work done on it. So far, the job here has kept me so busy that I have not even opened the Mascot File.

The drilling report and additional geochemical data on the Meadow area will be submitted promptly to you as soon as it is done, which I expect to be in about a month.

Sincerely,

Malcolm C. Brown

Malcolm C. Brown

cc: Mr. Smith

MME FORM 6 REFERENCE SLIP

REV. 2-[illegible] OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	Chief, OME	9/12/68	
	Re: OME-6379 (Silver)		
2.	Mascot Silver-Lead Mines, Inc.		
	Meadow Mine		
3.	Jefferson County, Montana		
	Contract 2201		
4.			
5.	D. R. MacLaren		
FROM:	Fld. Officer, Reg. I	INITIALS/CODE	

OFFICIAL COPY O. M. E. RECEIVED SEP 16 1968

FOR: Check items for action desired

____ Action	____ Reply for signature		
____ Approval	____ Investigate		Surname
____ Comment	____ Recommendations		Signature
____ Conference	____ Rewrite		File
____ Instructions	X Your information		

REMARKS: The attached is in reply to our letter of 9/6/68 to the Operator.

OFFICERS
BEN SMICK–PRES.
HAROLD REUGH–VICE PRES.
RONALD EGGART–SEC.-TREAS.
M. C. BROWN–M.E.–DIRECTOR
CLAUDE E. NUGENT–M.E.–DIRECTOR

MASCOT SILVER-LEAD MINES, INC.
418 SYMONS BLDG.
SPOKANE, WASH. 99201

LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO
MEADOW MINE
CLANCY, MONTANA
ARGENTINE MINE
WICKES, MONTANA

September 10, 1968

RE: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
Geological Survey
U. S. Court House, Room 656
W. 920 Riverside Avenue
Spokane, Washington 99201

Dear Mr. MacLaren:

Please refer to your letter of September 6 regarding our telephone conversation of August 9 and Mr. Johnson's letter of August 7 in which there is mentioned the problem with the Highway Department and holes drilled from the surface that had located a vein about 300 feet east from the present Meadow vein.

Because of the results of the drilling and finding of the new vein about 300 feet east of the present Meadow vein, the Highway Department is reevaluating their previous offer for the settlement of the ore that is not to be mined to within 50 feet of the surface. In our meetings and discussions with the Highway Department before the location of the new vein, the Highway Department allows you to mine within 50 feet of the surface of the bottom of the highway. By 50 feet, they mean 50 feet in bed rock.

As of this writing, the Highway Department has not come up with any definite figure or offer of a settlement and when they will do so is unknown to me at this time. However, whether or not there is a settlement made should have no bearing on a loan from the Office of Minerals Exploration. If there is a settlement for any ore, the Office of Minerals Exploration will be entitled to their 5% royalty of the settlement for any ore.

My only problem now is that Mr. Brown is doing some work at Silver City, Idaho and will not be back for two weeks. At that time, I hope we will be able to give the new information concerning the findings of the Highway Department.

Sincerely yours,

Ben Smick

BEN SMICK, President
Mascot Silver-Lead Mines, Inc.

RECEIVED
SEP 11 1968
O. M. E.
SPOKANE, WASH.

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OMF

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
September 6, 1968

Mr. Ben Smick, President
Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Dear Mr. Smick:

This refers to Mr. Johnson's letter of August 7, 1968, particularly the last three paragraphs concerning which you telephoned August 9, 1968. During our conversation I understood you to say that your problem with the Highway Department had been or was about to be settled and that holes drilled from the surface had located a vein with metal values indicating a target area.

I also understood that you would submit this data and a statement relative to the settlement with the Highway Department indicating the area and depth of the condemned ground to support your proposal to crosscut to and drift on the new vein.

In the event that my understanding of the situation is correct, please advise us as to when we may expect to receive the above data. If it is incorrect, please advise us as to when we may expect to receive three copies of a final report on the completed project so that we can complete the steps necessary to close our books.

Sincerely,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls
cc: OME
Director's Reading File

SURNAME COPY

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AIRMAIL

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

AUG 7 1968

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Gentlemen:

We have postponed a decision on your request to amend the subject contract to provide additional funds to continue exploration pending determination of funds available for OME contracts in fiscal year 1969, and possible settlement of a condemnation suit involving your property and the State of Montana Highway Commission. Because of lack of funds in the last two months of fiscal year 1968, we could not have increased funds for any contracts.

Two of the factors considered in reviewing an application are the geologic probability of making a significant discovery, and the estimated cost of the exploration in relation to the size and grade of the potential deposit. Work already completed on the OME project at the Meadow mine indicates that not enough additional ore would result from the proposed new work to justify additional Government participation. As our funds for the present fiscal year are limited, OME projects must be restricted to explore only targets that offer the best potential for a significant discovery.

The target for exploration from the east drift on the 200-level of the mine is not well defined, and further prospecting would be necessary to define a target. Unfortunately, under regulations of the program, prospecting activities are not eligible for OME assistance. More information concerning a favorable geologic environment in the potential target area would be required to judge whether the cost of exploration is warranted. Furthermore, we could not consider any proposal for work in this area until the property dispute or condemnation proceedings with the State Highway Department are settled.

In summary, we cannot approve your request for additional funds to continue to explore the property. Should you be able to submit favorable geological information to support more exploration, we would be glad to consider a revised program.

Inasmuch as work under the contract has been completed, please prepare and submit to the Field Officer, OME Region I, three copies of a final report on the project in accordance with Article 5(c) of the contract. Upon receipt of an acceptable final report, the unpaid balance of $199.25 ($200.00 withheld pending receipt of final report less $0.75 overpayment) as determined by audit report dated March 1968 will be authorized for payment.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

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

HKirkemo/gla 8-6-68

MME Form 7
(2/63)

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4/10/68	Kirkemo	120
		120
		110
4/12	cal	220
		120M

APR 12 1968

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Enclosed is a copy of a letter dated March 25, 1968, from the Field Officer, Region I, to the Operator transmitting a copy of the Report of Review issued in March 1968 together with a copy of the review on the subject contract.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Kirkemo
Region I

HKirkemo/bsl 4/10/68

See memo. 2-5-Letter

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
April 1, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
APR 4 1968

INITIALS	CODE
gla	130
	120
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	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Request for Additional Work
OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

SUMMARY OF PROJECT AND RESULTS

Under the subject contract the Operator, at his own expense, deepened the Meadow shaft to the 200-foot level, drove two crosscuts to the vein and drifted along the vein 50 feet westerly. With OME assistance he then drove a total of 695 feet of drift and crosscut, 175 feet easterly and 520 feet westerly.

On the 200 level in the vicinity of the shaft the ground was badly broken, very heavy, and discharging a considerable volume of water suggesting a cross fault. The attitude of the fault and its full affect on the vein could not be satisfactorily determined as the crosscut was tightly timbered and lagged before an inspection could be made. At least four other faults were crossed, only one of which appears to have offset the vein more than a few inches; that one suggests an offset about 30 feet left laterally. There is some question as to whether this offset is real or only apparent. The drift passed through a series of tight clays between which a narrow vein continued with only small offsets. The vein segment that was apparently offset 30 feet was found by long hole drilling.

The drift east followed two vein strands that diverged from the point where they were cut by a crosscut. Here it looked very promising. A sample chipped by the Field Officer at the junction of the splits assayed 17.1 ounces silver per ton, trace gold and lead, and 0.5 percent zinc across 12 inches. The Operator sampled each split about 10 feet from the junction and also sampled the rock between the strands. His samples assayed:

F.O. recom. sup. appl. 17/14/67

S. Strand	740.0 ounces silver per ton across 6 inches
N. Strand	140.0 ounces silver per ton across 8 inches
Between strands	8.0 ounces silver per ton across 6 feet

Within 20 feet easterly from the junction of the strands the north strand loses the quartz-sulfide filling and continues as a clay-filled seam for about 50 feet. Here occurs a quartz-sulfide lens 8 to 10 feet long and up to 2 feet wide. Two samples assayed respectively 44.8 ounces silver per ton and 2.0 percent lead across 24 inches and 2.2 ounces silver per ton and nil lead across 18 inches. The south strand passed into the south wall and could not be found although long holes and a small crosscut probed the ground as far as 20 feet south of the drift. The remainder of the drift east followed only clay-filled seams cut by a northeasterly striking fault.

The drift west started on a fissure containing short, narrow quartz stringers separated by clay gouge. Occasional flakes of sulfide minerals, mostly pyrite, were noted, but beyond 25 feet quartz gave way entirely to clay fillings in the shear. At about 50 feet a strong cross fault making considerable water was cut and for the next 10 feet the ground was badly shattered. Beyond the faulted and crushed zone the drift followed what appeared to be the same erratically quartz- and clay-filled shear system. Values were also erratic and of irregular occurrence. Between 130 and 150 feet from the start of the west drift several apparently minor cross faults offset the vein from a few inches to a foot, some to the right and some to the left. From this area westward the vein becomes increasingly weaker and, no more than a knife edge seam, curves out of the drift into the north wall.

At this point no additional work would have been approved. However, the Operator drilled long holes that encouraged him to crosscut southerly. About 30 feet south of the drift he cut a vein that assayed 107.4 ounces silver per ton, 12.6 percent lead, and 11.4 percent zinc across 10 inches. Accordingly, the contract was amended to permit the crosscut and authorization was given to drift on the new vein. The vein split but both splits stayed within the drift. Each split narrowed to 6 inches until a fault with little, if any, notable displacement was crossed. From here westward for about 60 feet both splits were strong and well mineralized over widths ranging from 6" to 42". For the next 20 feet cross faulting and fracturing interrupted the continuity of two splits which then became one wider mineralized structure that continues for about 40 feet then horsetails out within the next 20 feet or so.

From the horse tail veins the drift follows another fissure, for about 150 feet. A few thin stringers break away from the main fissure passing through the north wall. For about 60 feet the

fissure filling is narrow clay; then, some irregular stretches of quartz and clay appear. Five samples taken within this distance range in grade from 1.9 to 4.4 ounces silver per ton over widths of 4" to 18". At the face the last round suggested the start of stronger mineral filling of which a sample assayed 10.3 ounces silver per ton, nil lead, and 1.2 percent zinc across 9".

A total of 695 feet of drifting disclosed two possible ore shoots; one near the shaft which may be as long as 50 feet, the other starting about 220 feet west of the shaft. If the ore near the shaft represents the downward extension of the shoot partially mined above the 90 level, as it well may, the Operator's estimate that the indicated reserve here is 620 tons is about right. His estimated grade of 135 ounces silver per ton is probably fair for the 245 tons in his "blocks" A, B, and C because the only information available is the average grade of 130 tons shipped from above the 90 level. However, the average grade of four samples from the 200 level is 72.6 ounces silver per ton which should be averaged with the 90 level grade. Weighted by the effective lengths, the average grade of his "block" D would be 110 ounces silver per ton and for the entire ore shoot would be:

Above 90 level: 245 T x 135 = 33075

Below 90 level; 375 T x 110 = 41250

620 74325 or an average grade of 120 oz Ag/T

Based on settlement sheets, ore above the 90 level assayed 2.9 percent lead and 7.7 percent zinc. On the 200 level these values are negligible, so these grades could safely be considered as about 2.5 percent lead and 5.0 percent zinc.

The other and larger ore shoot discovered is 150 feet long, extending west from the 30-foot crosscut south of the original west drift. Within this distance, 22 samples, weighted by width times effective length, indicate an average grade of 26.1 ounces silver per ton, 3.6 percent lead, and 6.1 percent zinc across an average width of 21.5 inches. Considering a minimum mining width of 36" and the little, if any, evidence of mineralization in the walls, the adjusted grade for a 36 inch width would be in the order of 15.6 ounces silver per ton, 2.15 percent lead, and 3.64 percent zinc.

It is most probable that the ore will continue nearly to the surface, say 175 feet. Due to the faulting and crushed zone and to the tendency of the fissure filling to change from quartz with metallic minerals to clay and vice versa, the Operator's density factor of 0.5 is reasonable. On these assumptions, the indicated reserve tonnage in this ore shoot is estimated to be: 150 x 175 x 3 x 0.5 = 39,375 ft^3. At 12 ft^3 per ton there should be expected 3,281

tons of ore containing 51,185 ounces silver, 141,080 pounds lead, and 238,860 pounds zinc.

Estimated total amount of ore and grade found in the two shoots is in the order of:

Shoot	Tons	Ounces silver	Pounds lead	Pounds zinc
1	620	74,400	31,000	62,000
2	3,281	51,185	141,080	238,860
Total	3,901	125,585	172,080	300,860

At $2.00 per ounce for silver, $0.138 per pound for lead, and $0.135 per pound for zinc, an expenditure by the Government in the amount of $20,916.00 (subject to audit) has resulted in a total discovery worth $315,533.00, of which silver comprises 125,585 ounces worth $251,170.00. The indicated value per ton is $81.00, and the indicated total cost (Operator and Government) of discovering one ton is $7.14. The indicated cost to the Government is $5.36 per ton.

A Certification of Discovery is warranted and recommended at any convenient time.

APPRAISAL OF PROPOSED ADDITIONAL EXPLORATION

A. Based upon ore-bearing quartz fragments found in dredge tailings piles, and the memory of Albert Haab regarding size and location of the dredge, a parallel vein south of the Meadow vein is presumed to exist. To explore this possibility the Operator proposes to diamond drill two AX to EX size holes southerly from the 200 level east drift. The estimated total drilling of these two holes is 250 feet. If such a vein is found, he proposes to diamond drill two additional holes totalling 200 feet, and to enlarge and extend the existing 20-foot crosscut to the vein and to do 300 feet of drifting and 150 feet of raising on the vein.

Appraisal

1. Due to deep alluvial cover and the uncertainty of the existence and approximate location of the vein, it is more feasible and less costly to search for it by diamond drilling from the 200 level than by surface bulldozing.

2. Until it is known precisely what area the State Highway Department requires and to what depth a pending condemnation suit may apply if successful, it might not be to the Government's advantage to consider this phase of the proposed exploration at this time.

3. When the condemnation proceedings, or some agreement between the Operator and the State Highway Department have been concluded, this proposal might be reconsidered. However, there is a large element of prospecting involved. If the Operator at his own expense should drill the first two of his proposed holes and if they should show that a reasonable target does in fact exist, OME would be justified in supporting the proposed crosscut and drift.

B. Based primarily on a generally more favorable sulfide content along the Meadow vein from east to west and on the fact that the drift would be advancing toward a general area in which other mines have been productive in the past, the Operator proposes to extend the 200 level drift 800 feet farther west, and to raise approximately 180 feet on the vein at a favorable location.

Appraisal

1. The Free Coinage mine, about 3 miles west of the Meadow mine, was worked through a 250-foot shaft and 3,000 feet of drifts.

The Little Nell mine is about 1/2 mile southerly from the Free Coinage and about 3 miles west of the Meadow shaft. It has been developed by a 500-foot shaft and an adit of unknown length at the 150-foot level of the shaft.

The Liverpool mine is about 1¼ miles west of the Meadow mine. It has been developed by a 750-foot shaft and six haulage levels totalling about 3,700 feet. (See Exhibit 3-f with original application, OME-6379.)

The Tycoon mine is about 1/2 mile west of the Meadow shaft, but there is no information available relative to its development. In a brief discussion of the Liverpool-Washington vein Smedes (1966, p. 103) says in part: "Splits from the veins are reported to be few * * * Several parallel and subparallel veins * * * make up a general vein system, the eastern and western extensions of which are the Meadow and Little Nell veins, respectively. This vein system makes an arcuate bend * * * convex northward."

Production from mines in this general system as given by Roby (1960, p. 106) indicates the size and grade of the deposits as follows:

Mine	Production period	Tons ore	Ounces silver	Pounds Lead	Pounds Zinc	Value per ton
Free Coinage	1909-1949	1,390	68,611	46,216	7,514	$104.04
Little Nell	1902-1956	7,064	129,214	75,606	99,570	39.96
Liverpool	1904-1951	11,743	570,078	799,994	49,115	106.23
Tycoon	No figures given or available					
Total	1902-1956	20,197	767,903	921,816	156,199	$ 83.38
At recent prices, total value			$1,535,806	$127,210	$21,087	

These figures indicate that the ore shoots are relatively narrow and of small tonnage, and that grades and values, particularly in silver, are high.

2. With his letter of February 8, 1968, the Operator's consulting engineer submitted two soil sample maps showing anomalous values of heavy metals and copper about 400 feet ahead of the west drift. A third map showing heavy metal to copper ratios does not mean too much, but the other two may be above an ore shoot or nearly so.

3. West of the Meadow shaft, some 520 feet of drift and crosscut resulted in the discovery of 3,281 tons of ore, or 6.3 tons for each foot of drift. Considering that the tonnage has been increased by expanding the average vein width from 21.5" to 36", the ratios are close to those in the east drift. There some 175 feet of drift resulted in the discovery of 620 tons of ore, or 3.5 tons for each foot of drift. To express these ratios another way, in the west drift 520 feet of drift and crosscut exposed 150 linear feet of ore or 0.29 feet of ore per foot of drift. In the east drift 175 feet of drift resulted in the discovery of 50 linear feet (estimated) of ore or 0.29 feet of ore per foot of drift. If these ratios are valid, an additional 500 feet of drift may be expected to expose 145 linear feet of ore which may be in one or more shoots. The heavy metal and copper anomalous areas would also be explored.

4. Assuming that the next 500 feet of drift will find at least as much ore as has already been found and that the grade will be the same, the total discovery would then be in the order of 7,800 tons containing 251,200 ounces silver, 344,160 pounds lead, and 601,700 pounds zinc. At recent prices this would be worth about $631,000, of which silver would be worth $502,400.

* 31,580 approaches Ry ?

At an estimated cost of $53.30 per foot of drift including timber, plus $605.50 for assaying, the cost of the total discovery would be:

Completed drift	: 695' at $40.00	= $27,800	Government	:	$20,850
Proposed drift	: 500' at $53.30	= $26,650	"	:	$19,987
Total cost (including assays)		$55,055	Government	:	$41,291

Thus for each total dollar spent $11.46 worth of ore and $9.12 worth of silver could result. The total cost of discovering 1 ton of ore would be $7.05; for the Government it would be $5.29.

CONCLUSIONS AND RECOMMENDATIONS

It is concluded that the work proposed from the east drift is essentially prospecting and that in any case it should not be considered until the pending property dispute or condemnation proceedings with the State Highway Department shall have been settled.

It is also concluded that 500 feet of additional drifting to the west offers a better than fair chance of finding additional ore at least equal in tonnage and grade to that already found. It is further concluded that the constantly increasing tramming distances involved will reduce the daily rate of advance and therefore increase the cost per foot.

It is recommended that the Operator be advised that only after his dispute with the State Highway Department has been settled and only if, by diamond drilling two holes from the 200 level at his own expense, he can demonstrate that a vein does in fact exist south of the Mascot vein, will consideration be given to his proposal to cross cut to and drift on the vein.

It is also recommended that the contract be amended to provide that the work completed be considered as Stage I and that Stage II provide for 500 feet of additional drifting to the west, 150 feet of drift timbering, and 70 samples assayed for silver, lead, and zinc.

Raising is not particularly opposed, but it is not believed necessary as deposits in the area are typically epithermal in character and in other mines in the area generally extend to the surface. It should also be noted that the contract originally provided for 50 feet of raising, but this was converted to an additional 45 feet of drifting at the Operator's request. At the time the request was made the west drift had been advanced about 100 feet beyond the ore shoot described above. Thus it appears that the Operator does not feel too strongly that raising is necessary. However, should you believe it advantageous to check the vertical continuity, 100 feet of raising should be sufficient.

COSTS

The Operator's estimated rate of advance of 50 feet per month is realistic in view of the tramming distances involved and his cost per foot for labor, materials and supplies, timbering and miscellaneous are all realistic and acceptable. However, as was the case in his original application he bases his "equipment rental" on a 30-month depreciation of the fair market value. The original application lists two pumps; the present one lists three different ones. The question of five pumps was clarified by Ben Smick after he had conferred with his foreman. Applying this information and the necessary corrections for amortization based on 60 months, the cost estimate is:

DRIFTING

500 ft at 50 ft/mo, time required 10 months

3. Operating Equipment

	Equipment	Fair value	Monthly deprec.
1	250 cu ft compressor	$2,500.00	$41.67
1	25 HP electric hoist	2,500.00	41.67
1	Bucket skip	100.00	1.67
2	G-D jackleg drills	600.00	10.00
1	15 HP electric fan	450.00	7.50
2	1-Ton cars	250.00	4.16
1	Pomona turbine pump	1,200.00	20.00
1	3RVH25 I-R pump	900.00	15.00
	Total mo. depreciation		$141.67
	Total depreciation for 10 mos		$1,416.70
	AT 500 ft		$2.83/ft

	Cost/ft
Labor and supervision	$29.84
Materials and supplies	13.10
Equipment rental	2.83
Miscellaneous	6.31
	$52.08 per ft

500 feet of drifting and crosscutting at $52.08/ft	$26,040.00
150 feet of drift timbering at $4.05/ft	607.50
Total cost of 500 ft of drift, timbered as necessary	$26,647.50
Cost/ft of drift, timbered as necessary $53.295, say	$53.30

RECAPITULATION

500 ft drift and crosscut, timbered as necessary at $53.30/ft	$26,650.00
70 samples assayed for silver, lead, and zinc (including $0.15 for handling) at $8.65/sample	605.50
Total cost - Stage II	$27,255.50
Government participation at 75 percent	$20,441.62

D. R. MacLaren

Distribution:
OME
USGS(SRO)
Docket
MacLaren

REFERENCES

Smedes, Harry W., 1966, Geology and igneous petrology of the northern Elkhorn Mountains, Jefferson and Broadwater Counties, Montana: U. S. Geol. Survey Prof. Paper 510.

Roby, R. N., et al., 1960, Mines and mineral deposits (except fuels) Jefferson County, Montana: State of Montana Bur. of Mines and Geol. Bull. 16.

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
March 25, 1968

Mr. Ben Smick, President
Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Dear Mr. Smick:

We are enclosing the Operator's copy of a Report of Review issued in March 1968 on the project costs under the subject contract.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosure

MLSmelser/mls

cc: OME(2)
Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/21/68	Kirkemo	120
		110
		220
		120M

AIRMAIL

Mr. Daniel J. Sullivan
Attorney, Legal Department
State Highway Commission
Scott Hart Building
Helena, Montana 59601

MAR 21 1968

Your File: State v. Haab
Parcel 18
Project I 15-3 (4)
Jefferson County, Montana

Our File: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Dear Mr. Sullivan:

This is in reply to your letter of March 13, 1968, requesting a copy of the loan application and other reports on certain property owned by Mascot Mining Company, the Operator under the subject contract.

Information received in connection with applications for financial assistance under the OME program and information received as the result of exploration work completed under exploration contracts are considered to be confidential information. Such information can be released either by the applicants or operators directly, or by the Government upon written authorization from the applicants or operators.

We suggest, therefore, that you request the Operator to furnish you with the information, or that you ask the Operator to provide us with written authorization to release the information to you. In the event we receive written authorization to release the information to you, we shall be glad to make it available for inspection or to furnish a copy for the cost of duplication and mailing.

Copy to:
Mascot Silver-Lead Mines, Inc.
416 Hutton Building
Spokane, Washington 99204

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region I w/cy incoming letter
Mr. Kirkemo

HKirkemo/gla 3-21-68

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON, D. C. 20240

3/19/68

Mr. H. KIRKEMO:

OME should advise the State of Montana that Moscot Mining Companies loan application & reports are confidential & suggest to the state that they either obtain copies from Moscot, or that they get Moscots authorization in writing to OME to release the data. It's quite likely that Montana state law provides for "discovery proceedings" but the state officials should know about that so, lets not suggest it.

R. W. LONG

TIM BABCOCK
GOVERNOR

MONTANA HIGHWAY COMMISSION

HELENA, MONTANA 59601

LEWIS M. CHITTIM
STATE HIGHWAY ENGINEER

March 13, 1968

IN REPLY REFER TO:

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 18 1968

INITIALS	CODE
	130
	120
	140
	120

Mr. Frank E. Johnson
Chief Officer
Office Mineral Exploration
U.S.G.S.
Washington, D.C.
20242

Re: State v. Haab
Parcel 18
Project I 15-3 (4)
Jefferson County, Montana

Dear Mr. Johnson:

Certain property owned by Mascot Mining Company, located near Clancy and Jefferson City, Montana, has become involved in a condemnation suit where the State of Montana is seeking to acquire the surface rights to some of the property for the purpose of constructing a section of the interstate highway system of the United States.

We would appreciate your furnishing us copies of the loan applications and other reports concerning this mine that you might have in your possession.

Thank you for your cooperation in this matter.

Yours very truly,

Daniel J. Sullivan

Daniel J. Sullivan, Attorney
Legal Department
State Highway Commission
Scott Hart Building
Helena, Montana 59601

DJS rs

Copy to OME Region I 3/21/68

ALEX BLEWETT, CHAIRMAN
GREAT FALLS

JOSEPH M. NASS, VICE-CHAIRMAN
POPLAR

JOHN J. LEARY
KALISPELL

ARNOLD M. SWANSON,
BOZEMAN

DALLAS W. VAN DELINDER,
BILLINGS

JOHN D. WHEELER, SECRETARY
HELENA

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/20/68	Kirkemo	120
		110
3/21	cc	220
		120M

MAR 2 1 1968

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Enclosed are the Field Office's and Operator's copies of a Report of Review issued in March 1968 on the project costs under the subject contract.

If you concur in the facts as stated in this report, one copy should be sent to the Operator and the other copy retained for your files. As evidence of your concurrence, two copies of your letter of transmittal to the Operator should be furnished this office. If for any reason you do not concur, both copies of the report should be returned to this office with appropriate comments.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME docket
OME Reading File
Mr. Kirkemo
130

HKirkemo/gla 3-20-68

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

ORIGINAL COPY
O. M. E.
RECEIVED
MAR 19 1968

INITIALS	CODE
	130
	140
	110
	120
	120 P

Memorandum

To: Director, Geological Survey

From: Assistant Director, Contract and Grant Audit
Audit Operations, Office of Survey and Review

Subject: Review of Contract 2201
Docket No. OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc. (Operator)
Meadow Mine
Jefferson County, Montana

Pursuant to a request dated November 16, 1967, from the Chief, Office of Minerals Exploration (OME), we have made a cost review of Contract 2201, examining the contract and accounting records and files of OME and the Branch of Budget and Finance, Administrative Division, Geological Survey. Four copies of the report of review are enclosed.

Donald R. Mooney

Enclosures

NOTED
MAR 19 1968
M. R. Klepper
Assoc. Chief Geologist

RECEIVED
U. S. GEOLOGICAL SURVEY
MAR 13 10 44 AM 1968
OFFICE OF THE DIRECTOR

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 16 1968

INITIALS	CODE
[illegible]	110
	~~120 PG~~
gla	130
HK	120
	~~[illegible]~~

TO: Chief, Branch of Budget and Finance

FROM: D. R. MacLaren
Field Officer, OME Region I

- ABSTRACT OF REMITTANCES -

Date	Amount	Bank, City and State	Name of Remitter	Docket & Contract Numbers	Purpose
2/5/68	$40.64	First Nat'l Bank in Spokane, Washington	Mascot Silver-Lead Mines, Inc. Ben Smick, Pres.	OME-6379 2201	Royalty

REMARKS: (List smelter or mill lot numbers covered by royalties)

A.S.&R. Co. - East Helena, Mont. Smelter lot no. 1096

2.12.68
Date Prepared

D. R. MacLaren
Person Preparing Abstract

2/16/68
Date Received

Lorraine E. Eckstein
Person Receiving Remittance

LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER-LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

February 7, 1968

RE: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201

Dear Mr. MacLaren:

Please refer to your letter of February 1, 1968 in which you mentioned sixteen tons of crude ore shipped to the Helena smelter averaging 34 ounces of silver per ton.

Please find enclosed Mascot Silver-Lead Mines, Inc. check for $40.64 which is the royalty due in accordance with the above cited contract, Article 6(b)(1) and 6(c). Thank you for reminding me of this oversight.

The smelter settlement sheets were enclosed with the recent application for further exploration dated December 14, 1967. However, I failed to enclose the check at that time.

Sincerely yours,

Ben Smick

BEN SMICK, President
Mascot Silver-Lead Mines, Inc.

BS:ec

Enc. Check $40.64
2 Copies Smelter Settlement Sheets

JUL - 2 1987

AMERICAN SMELTING & REFINING CO.
EAST HELENA PLANT
EAST HELENA, MONTANA

JUL 17 1987 JUL 17 1987

Form No. 1

Shipper: [illegible]
Mine: [illegible]
Class: [illegible] Shipping Point: [illegible]
Smelter Lot. No. [illegible] Mine Lot No: 1

TRUCK [illegible] 55940

Assays	Gold Oz. Per Ton	Silver Oz. Per Ton	Wet Lead %	Copper %	Zinc %	Arsenic %	Antimony %	Bismuth %
A.S.& R.Co.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Shipper	[illegible]	[illegible]						
Umpire								
Settlement	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

Assay Deduction	Percent Pay	METAL	Pay Quotation	Quotation Deduction
		~~Gold~~		
	[illegible]	Silver	[illegible]	[illegible]
		~~Lead~~		
		~~Copper~~		

H_2O	Wet Weight	Dry Weight	Dry Tons	Wet Tons
30.00	33,940	32,921	16,460	16,970.
	33,940	32,921	16,460	16,970

Date of Arrival: JUNE 27, 1987

Settlement Assay		Total Content	Assay Ded.		Percent Pay		Pay Content	Pay Quotation	Quot. Ded.	Net to Shipper
	Gold									
3,420.00	Silver	562.96			95.00		534.81	1,658.40	10.00	881.58
60.00	Lead	197.53					.00			
5.00	Copper	16.46					.00			

Special #3.50

Dry Tons X Total Contract Deductions #3.50	ST 6	16,460.90 S	3.50	881.58 S 57.61 ◇
Sampling				
Lbs. of Pb (Pay Content)				
Lbs. of Cu. (Pay Content)				
Tons of Pb & Cu X Bullion Frt. Act.	PR			
Tons of Pb & Cu X Bullion Frt. Cont.				
Sub-Total				
Wet tons X Frt. Rate	ST 5			823.97 S
Sub-Total				
Advances				
Hauling	ST 5			
Umpires				
Goodale #11.25				11.25 ◇
Net Proceeds				812.72 *

LABOR ADJUSTMENTS CHARGES

EAST HELENA RATE	CONTRACT RATE	DIFFERENCE	CHARGES

EXHIBIT 3C

JUL 2 1967

AMERICAN SMELTING & REFINING CO.
EAST HELENA PLANT
EAST HELENA, MONTANA

JUL 17 1967 JUL 17 1967

Form No. 1

Shipper: [illegible]
Mine: [illegible]
Class: [illegible] Shipping Point: [illegible]
Smelter Lot. No. [illegible] Mine Lot No: 1

Assays	Gold Oz. Per Ton	Silver Oz. Per Ton	Wet Lead %	Copper %	Zinc %	Arsenic %	Antimony %	Bismuth %
A.S.& R.Co.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Shipper	[illegible]	[illegible]						
Umpire								
Settlement	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

[illegible] 33940

Assay Deduction	Percent Pay	METAL	Pay Quotation	Quotation Deduction
		~~Gold~~		
	[illegible]	Silver	[illegible]	[illegible]
		~~Lead~~		
		~~Copper~~		

H_2O	Wet Weight	Dry Weight	Dry Tons	Wet Tons
30.00	33940	32921	16460	16,970
	33,940	32,921	16,460	16,970

Date of Arrival: [illegible]

lement Assay		Total Content	Assay Ded.		Percent Pay		Pay Content	Pay Quotation	Quot. Ded.	Net to Shipper
	Gold									
3,420.00	Silver	562.96			95.00		534.81	1,653.40	10.00	881.58
60.00	Lead	197.53					.00			
5.00	Copper	16.46					.00			

Special #3.50

Dry Tons X Total Contract Deductions #3.50	ST 6	16,460.90S	3.50	881.58S
Sampling				57.61
Lbs. of Pb (Pay Content)				
Lbs. of Cu. (Pay Content)				
Tons of Pb & Cu X Bullion Frt. Act.	PR			
Tons of Pb & Cu X Bullion Frt. Cont.				
Sub-Total				
Wet tons X Frt. Rate	ST 5			823.97S
Sub-Total				
Advances				
Hauling	ST 5			
Umpires				11.25
Federal #11.25				
Net Proceeds				812.72*

LABOR ADJUSTMENTS CHARGES

EAST HELENA RATE	CONTRACT RATE	DIFFERENCE	CHARGES

EXHIBIT 3C

656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

February 1, 1968

Mascot Silver-Lead Mines, Inc.
418 Symons Building
S. 7 Howard Street
Spokane, Washington 99204

Re: OME-6379 (silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Gentlemen:

An article in the Wallace Miner of January 11, 1968, states in part and in reference to the Meadow mine: "Sixteen tons of crude ore shipped to the Helena smelter averaged 34 ounces of silver per ton."

Thus it appears that, under the terms of the above-cited contract, Article 6(b)(1) and 6(c), that royalty is due the Government. Payment of royalty should be accompanied by two copies of "settlement sheets and certified accounts of production and sale or other disposition of production." (See Contract Article 5(d).)

Your prompt attention to this matter will be appreciated.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/rrc
cc: OME (2)
Voucher File

Director's Reading File

Wallace Meier 1/11/68

MASCOT NOTES PROGRESS AT PROPERTY IN MONTANA

SAY MEADOW SILVER MINE IS RESPONDING FAVORABLY TO DEVELOPMENT

Mascot Silver-Lead Mines Inc. says its Meadow Silver mine near Helena, Mont. is responding favorably to development and that it has acquired another interesting prospect in Montana.

[illegible] Stevens, president of the company, in a letter to stockholders:

Drifting on the vein from the 200-foot level of the Meadow Mine about 175 feet east and 350 feet west exposed two ore shoots. One near the shaft is about 1 foot wide and 60 feet long and some of the assays averaged more than [illegible] ounces of silver per ton.

A cross-cut encountered about [illegible] feet east of the shaft is approximately [illegible] feet long and from 1 to [illegible] feet wide. Sixteen tons of crude ore shipped to the Helena smelter averaged [illegible] ounces of silver per ton.

The vein looks very strong in the face at the end of the west drift [illegible] from the shaft. It is a [illegible] structure and contains about 12 [illegible] of ore assaying 10.3 ounces of silver per ton. A new government [illegible] is sought to permit drifting an additional 800 feet in search of additional ore shoots.

Last summer Mascot acquired a [illegible] interest in a lease held by [illegible] Hargrave of Kellogg, [illegible] of the Argentine and Bluebird [illegible] claims in the Wickes Mining District, 15 miles southwest of the Meadow Mine. The district has yielded more than $50 million worth of gold, silver, lead and copper, mostly before 1900.

Mascot then drove a tunnel 130 feet westerly on the Argentine vein and exposed numerous lenses of fair to good grade ore. The best assay [illegible] from a two-foot width [illegible] 23.5 per cent lead, 21.9 per cent zinc, 18.4 ounces of silver and 0.12 of an ounce of gold per ton.

Geochemical prospecting and bulldozer trenching 250 feet to the east exposed at a depth of 30 feet ore assaying 15.2 per cent lead, 14.2 per cent zinc and 3.4 ounces of silver per ton over a width of four feet, and eight [illegible] claims have been staked.

Inventory	3
[illegible]	130
[illegible]	170
[illegible]	170
[illegible]	120

Very fine

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/28/67	Peterson	120
		120
	On leave	110
		220
		120

DEC 28 1967

AIRMAIL

Mascot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

Re: OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc.
Meadow Mine
Jefferson County, Montana
Contract 2201

Gentlemen:

Your application for exploration assistance, dated December 14, 1967, submitted to our office in Spokane, Washington, has been assigned as an amendment to the subject contract.

Please identify all future correspondence relating to your application by reference to Docket No. OME-6379, Contract 2201.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Acting Chief
Office of Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME docket
OME Reading File
OME Region I
Mr. Peterson

GLAult/a 12-28-67

23263

MME FORM 60
SEPT. 1959

RECEIVED
JAN 8 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICE OF MINERALS EXPLORATION
RECEIVED
JAN 10 1968
INITIALS CODE

Docket No. 6379
Contract No. 14-23-090-2201
Contract Amount $ 28,200
Gov't. Participation % 75 $ 21,150
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of Nov.-Dec. 1967

Operator's Name Mascot Silver-Lead Mines, Inc.
Address 418 Symons Building, Spokane, Washington

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	480	27,320	27,800			
Drifting						
Crosscutting						
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	8.50	93.00	101.50	4.00		
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	488.50	27,413.	27,901.50	484.00		

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

Date Dec. 26, 1967 Payee Mascot Silver-Lead Mines, Inc.

Per Don Smith 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:

$ 363.00 14X0804

Signature John
(Authorized Certifying Officer)

Date 1-26-68 Vou. No. 84804

(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. 2201

Signature DRWeckerer Title Field Officer, Region I Date JAN 19 1968

Approved by OME Executive Officer or Alternate:

Signature DRWeckerer Title Field Officer, Region I Date JAN 19 1968

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~~ three 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
JAN 8 1968
C. M. E.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of Nov.-Dec. 1967 Docket No. 6379

Operator's Name Mascot Silver-Lead Mines, Inc. Contract No. 14-23-090- 2201

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	12	695	27,800	12	695	$ 27,800.00
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 Assays				101.50			88.00 [1]
TOTAL TO DATE (per MME Form 60)				27,901.50			$ 27,888.00 [2]

REMARKS

(Continue on back)

REMARKS

[1] Only one sample assay supported by assayer's certificate.
Prior accepted 21 assays @ $4.00 = $84.00
Accepted here 1 " " " " 4.00
88.00
Continue to withhold $200.00 pending operator's final report or amendment for additional work

(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. 26, 1967 Operator Mascot Silver-Lead Mines, Inc.

Per Ben Smith 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 R Macharen

Title Field Officer, Region I
Government Representative

Date JAN 19 1968

(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~~ three 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 costs 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.

JAN 23 3 30 PM 1966
7509

UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Hecoot Silver-Lead Mines, Inc.
418 Symons Building
Spokane, Washington 99204

Amount Claimed:	Differences (Explained Below)	Amount Approved
$488.50	$4.50	$484.00 $363.00 Government Participation
Bu. Voucher No.	Payee's Invoice No.	Period
	Docket # 6379 Contract # 2201	November-December 1967

EXPLANATION

Analytical Work claimed	8.50
" " allowed 1 sample @ 4.00 (in accordance with contract)	4.00
Disallowed	4.50

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

JDM
Branch of Budget and Finance

LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER-LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

December 26, 1967

MONTHLY REPORT FOR

Docket No. OME-6379 (Silver)
Contract No. 14-23-090-2201
Meadow Mine
Jefferson County, Montana

During the period of November-December 1967, the West drift of the Meadow Mine was extended 12 feet along the vein which appears stronger at the face than it has in the past 200 feet. A sample across 9 inches on the right-hand side assayed 10.3 oz. of silver, 1.2% zinc and 0% lead. Enclosed is copy of this assay #5743 dated December 14, 1967. There were several inches of similar ore in the strands on the left-hand wall. Geologic details are shown on the enclosed sketch map.

This concludes the Exploration Contract 2201 (OME-6379 Silver) dated July 1, 1966 as per Amendment #1 dated April 13, 1966.

Ben Smick

BEN SMICK, President
Mascot Silver-Lead Mines, Inc.

RECEIVED
JAN 8 1968
O.M.E.
SPOKANE, WASH.

GOODALL BROTHERS

ESTABLISHED 1909

ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 406/442-0696

PHONE 406/442-3770
46 SOUTH MAIN ST.
P. O. BOX 537
HELENA, MONTANA
59601

Helena, Montana, December 14, 1967

ASSAYED FOR
Mascot Mines

HAND SAMPLE

DESCRIPTION	GOLD Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	INSOL. Per Cent	Per Cent	Per Cent	
5743		10.3	None		1.2				

*Gold not deducted

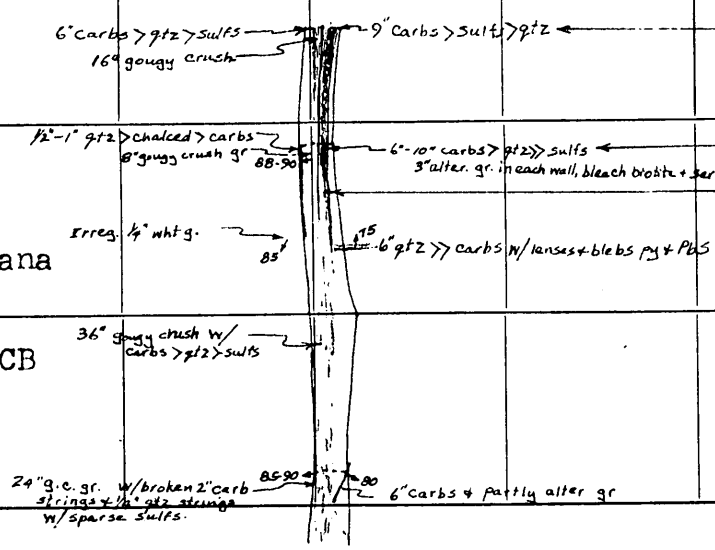
Charges $ 8.50

GOODALL BROS.

By Stephen T. Cackech

5-A

Sample No	Width	Ag oz	Pb %	Zn %
5743	9"	10.3	0.0	1.2
5479	9"	2.6	0.0	0.2
5478	4"	1.9	0.0	0.3



200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'

Sheet 5

16 Oct 67
16 Dec 67

MCB

SHANNON & CO.—ALBANENE

12/20/67

Beverly: Please note on your 5x8 card the date and amount of this application, which is being received as an amended application to OME-63~~6~~9, Contract 2201.
7

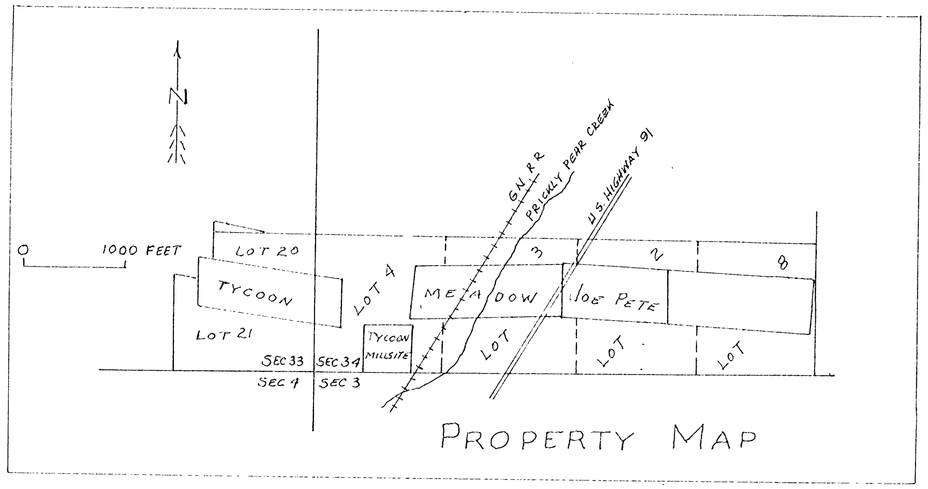
Mr. Johnson
✓Mr. Kirkemo:

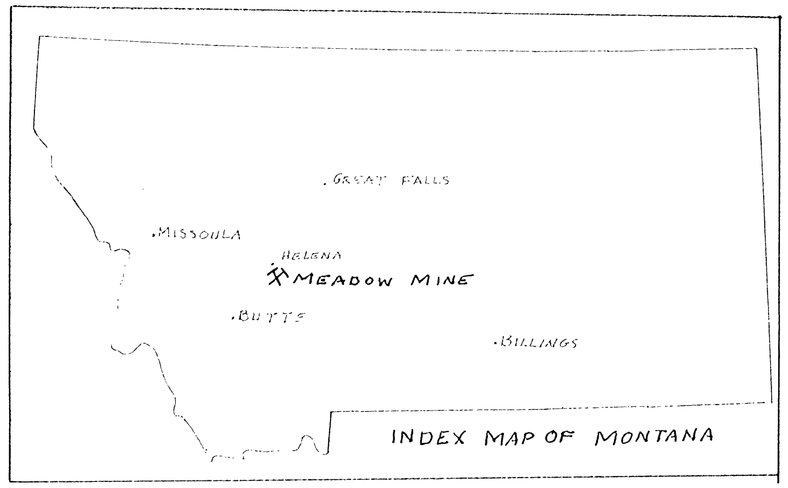
Letter of acknowledgment to be written.

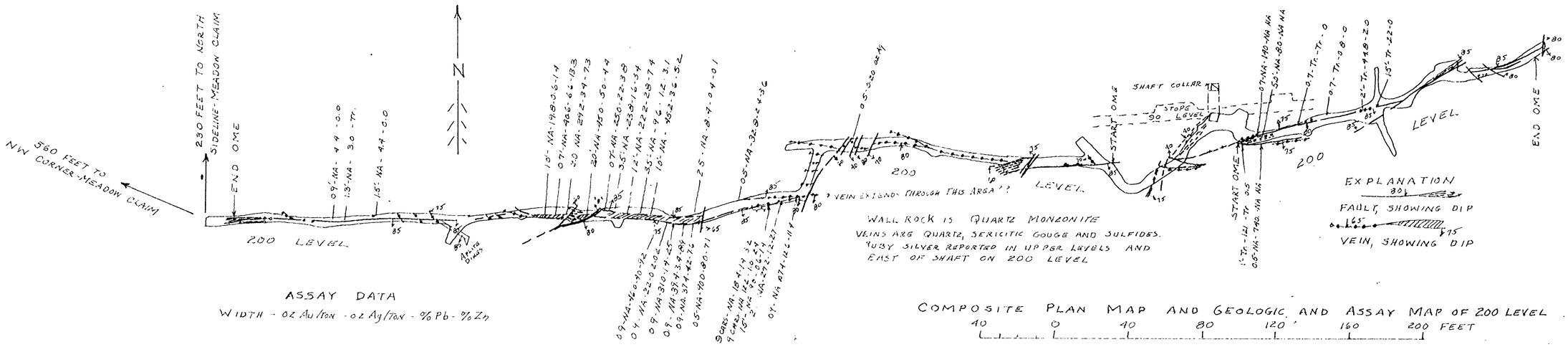
gla

Copy to R-I
Budget and Finance

Reserve [illegible] probably high. If accepted they don't [illegible] [illegible] amount [illegible]. Possibly [illegible] [illegible] [illegible] considered. [illegible]







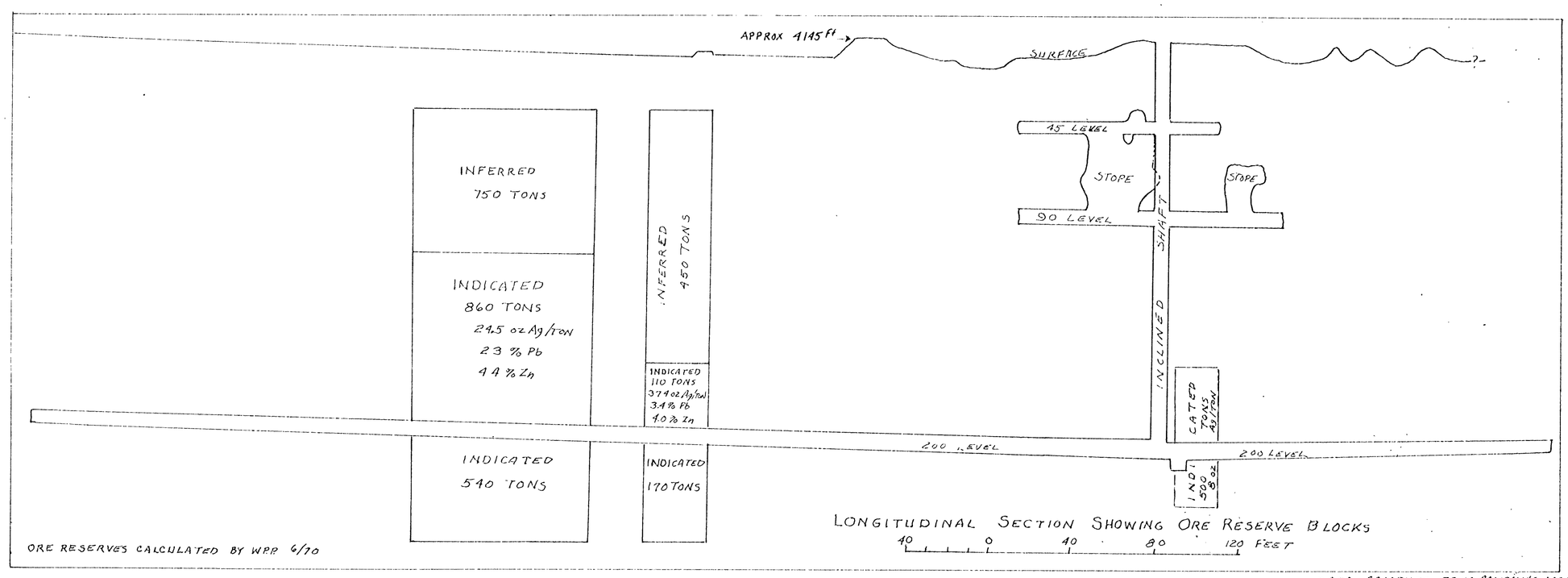


FIGURE 1 - GEOLOGIC, PROPERTY, ASSAY, AND ORE RESERVE MAPS, MEADOW MINE, SECS. 33 & 34, T.9N., R.3W., CLANCY MINING DISTRICT, JEFFERSON COUNTY, MONTANA

MASCOT SILVER-LEAD MINES, INC.

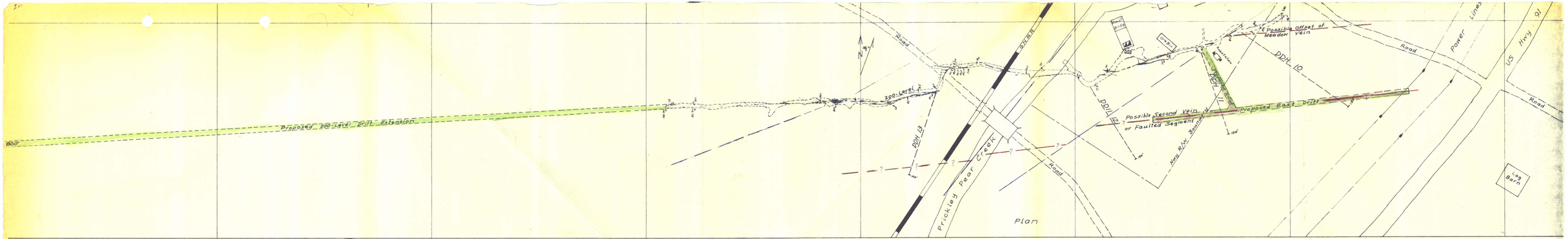
MEADOW MINE

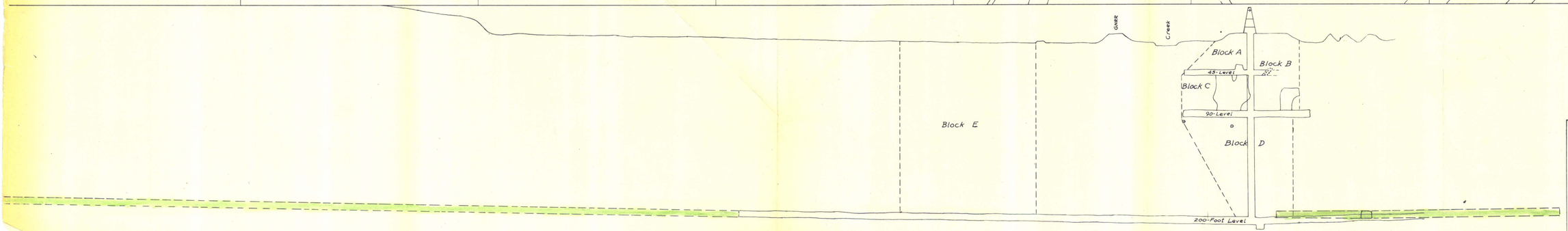
Clancy Mining District
Jefferson County, Montana
Scale: 1"=50'

Base: 1949 Compass and Tape Survey of A.E. Nugent
Pantographed by M.C. Brown May, 1967

Underground Workings by Compass & Tape
Oct. 1, 1967 MCB
Revised: Oct. 1968

Exhibit 3-f Revised





Vertical Longitudinal Projection

MASCOT SILVER-LEAD MINES, INC.

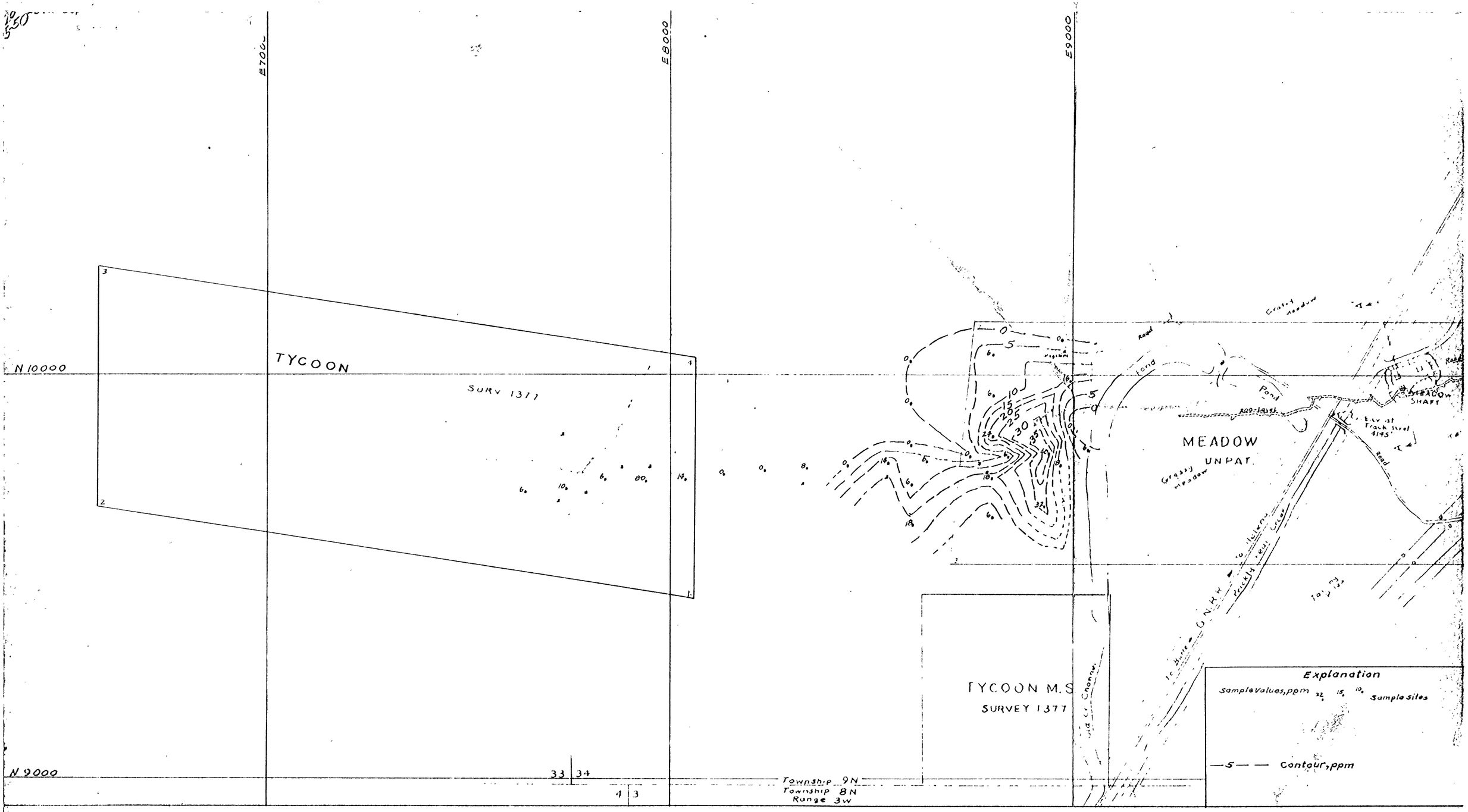
MEADOW MINE

Clancy Mining District
Jefferson County, Montana
Scale: 1"=50'

Base: 1949 Compass and Tape Survey of A.E. Nugent
Pantographed by M.C. Brown May, 1967

Underground Workings by Compass & Tape
Oct, 1967 MCB

Exhibit 3-f



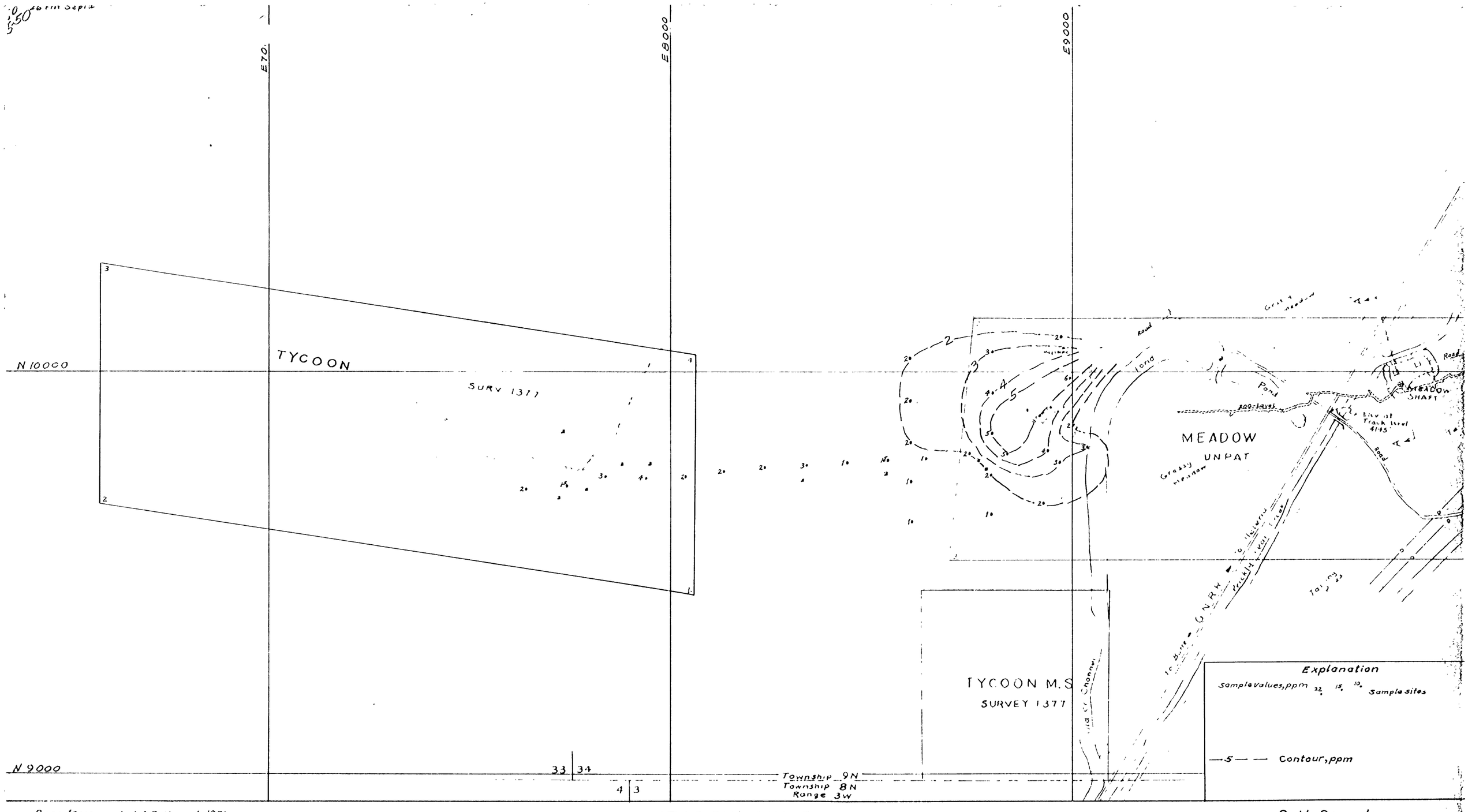
Base from print of A.E. Nugent, 1951
Additions by compass & tape and pace
Drawn Feb, 1968 M.C. Brown

MEADOW MINE

Clancy Mining District
Jefferson County, Montana
Scale: 1" = 200'

Soil Samples
Heavy Metals

Exhibit 3-f-1



Base from print of A.E. Nugent, 1951
Additions by compass & tape and pace
Drawn Feb, 1968 M.C. Brown

MEADOW MINE

Clancy Mining District
Jefferson County, Montana
Scale: 1" = 200'

Soil Samples
Copper

Exhibit 3-f-2