MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Contract No. 14-23-2201 Docket No. MME-6379

Application
- [x] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [x] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits March 1968
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments
  - ✓ Supplemental Application dated December 12/14/67 - Folder #2

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 10-26-64
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

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

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

Folders No. #2 : Settlement Sheets ✓

Folders No._____: Drill Logs

Folders No._____: Royalty Material

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/12/69	Kirkemo	120
2/13	Johnson	110
		220
		140
	App'd. Sol. Off.	120M
2/26	Kilszacel	
2/26	Neylon	

110

220

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.

should be
Plus $199.25
Total $20,916.00
($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 1, 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.

RECEIVED
FEB 1 3 1969
Division of Mineral Resources
General Legal Services

Docket copy

UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURVEY AND REVIEW
AUDIT OPERATIONS
WASHINGTON, D. C.

Report of Review-Contract 2201
Docket No. OME-6379 (Silver)
Mascot Silver-Lead Mines, Inc. (Operator)
Meadow Mine
Jefferson County, Montana

March 1968

We examined the disbursement records in the Branch of Budget and Finance, Administrative Division, Geological Survey, and reviewed the contract files of the Office of Minerals Exploration (OME) pertaining to the subject minerals exploration contract. The review was made at Washington, D. C. on March 6, 1968.

This contract, as amended, provided for not more than 695 feet of drifting and crosscutting at an agreed unit price of $40 per foot and the assaying 100 samples for silver, lead, and zinc at $4 per sample. The total estimated cost of the project was $28,200 with Government participation at 75 percent limited to $21,150.

OME has accepted 695 feet of drifting and crosscutting together with 22 sample assays as complying to the contract provisions. The accepted costs amount to $27,800 for the drifting and crosscutting plus $88 for the assays, or a total acceptable cost of $27,888 with the Government's share, on the 75 percent basis, amounting to $20,916 of which $20,716.75 has been paid to the Operator. The difference of $199.25 is comprised of the following:

Amount withheld from settlement pending receipt of an acceptable final report from the Operator as required by the contract	$200.00
Less: Amount overpaid in settlement of Voucher No. 84269 on December 27, 1967	.75
Net unpaid balance	$199.25

Voucher No. 84269 as submitted by the Operator claimed costs for Government participation amounting to $1,377. OME disallowed $9 of the claimed cost and approved $1,368 for Government participation amounting to $1,026. The Branch of Budget and Finance erroneously based the payment to the Operator on $1,369 of approved costs and paid the Operator $1,026.75.

The overpayment of 75¢ should be recovered in the final settlement with the Operator.

C. E. Fisher

C. E. Fisher, Auditor

Reviewed by:

W H Wilkerson, Jr.

W. H. Wilkerson, Jr., Contract and Grant Audit
Audit Operations, Office of Survey and Review

MME FORM 6 REFERENCE

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME	11/24/67	
2.		
3.		
4.		
5.		

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

M. L. Smelser

M. L. Smelser for
D. R. MacLaren

FROM: Fld. Officer, Reg. I

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 27 1967

INITIALS	CODE

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 Gov't. and Budget and Finance copies of Amendment No. 4 to the above-cited contract.

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

Government's Copy

EXPLORATION CONTRACT
MASCOT SILVER-LEAD MINES, INC.
OME-6379

AMENDMENT NO. 4

It is agreed this 14th day of November, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government," and Mascot Silver-Lead Mines, Inc., hereinafter referred to as the "Operator," that Exploration Contract No. 2201 (OME-6379), dated May 13, 1965, as amended, is further amended effective May 13, 1967, as follows:

Amendment No. 3 is revoked in its entirety and there is substituted in lieu thereof the following:

1. The period fixed by Amendment No. 1 to the contract for completion of the work is extended from twenty-four (24) to thirty (30) months from the date of the contract, or to November 13, 1967.

2. In Exhibit A:

(a) The first paragraph, the second paragraph, as revised by Amendment No. 2, and the third and fourth paragraphs are all revised to read as follows:

"The purpose of this project is to explore for silver-bearing ore bodies by drifting along the strike of the Meadow vein on the 200-foot level, and by crosscutting to recover faulted segments of the vein.

"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 695 feet of drifting and crosscutting on the 200-foot level.

"The drifts and crosscuts shall be not less than 5 ft. by 7 ft. in cross section in the clear, supported by timber as necessary.

"All significantly mineralized areas exposed in the drifts and crosscuts shall be sampled by cutting channels normal to the vein at intervals of five feet. Each sample shall be split and one split assayed for silver, lead, and zinc. The other split shall be stored in a suitable container properly labeled and available for Government inspection and possible use. Such stored samples may be disposed of upon prior Government approval."

(b) Under the heading Description of the Work, the second paragraph, as amended by Amendment No. 2, is revised 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."

(c) Under the heading Estimated Cost of the Project, the items are revised to read as follows:

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

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

MASCOT SILVER-LEAD MINES, INC.

By Ben Smith

Title President

Long

Stephens

Johnson

Kilgoard

Blom

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/31/67		120
"	Johnson	110
		220
		120M

October 31, 1967

Memorandum

To: The File

From: Assistant Chief, Office of Minerals Exploration

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

Justification for Amendment No. 4

The termination date of this contract was overlooked by both parties concerned. The Field Officer noted the oversight on October 25, 1967, and immediately recommended an amendment to extend the contract an additional six months, or to November 13, 1967.

Extension of the contract period is necessary to permit completion of the work. Excess flow of water in the mine and a power failure which shut down pumping facilities contributed to the delay in completing the work by May 13, 1967.

I concur in the Field Officer's recommendation to amend the contract to allow completion of the work.

Harold Kirkemo
Harold Kirkemo

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

HKirkemo/bsl 10/31/67

23263

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

TO: Chief, OME	DATE	INITIALS
1.	7/21/67	
Re: OME-6379 (Silver)		
2. Mascot Silver-Lead Mines, Inc.		
Meadow Mine		
3. Jefferson County, Montana		
Contract 2201		
4.		
D. R. MacLaren		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I	INITIALS	CODE

RECEIVED JUL 24 1967

FOR: Check items for action desired

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

REMARKS:

Transmittal of Gov't. and Budget and Finance copies of Amendment No. 3 to the above-cited contract.

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

Government's Copy

EXPLORATION CONTRACT
MASCOT SILVER-LEAD MINES, INC.
OME-6379

AMENDMENT NO. 3

It is agreed this 18th day of July, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government," and Mascot Silver-Lead Mines, Inc., hereinafter referred to as the "Operator," that Exploration Contract No. 2201 (OME-6379), dated May 13, 1965, as amended, is further amended effective June 1, 1967, as follows:

In Exhibit A:

1. The first paragraph, the second paragraph, as revised by Amendment No. 2, and the third and fourth paragraphs are all revised to read as follows:

"The purpose of this project is to explore for silver-bearing ore bodies by drifting along the strike of the Meadow vein on the 200-foot level, and by crosscutting to recover faulted segments of the vein.

"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 695 feet of drifting and crosscutting on the 200-foot level.

"The drifts and crosscuts shall be not less than 5 ft. by 7 ft. in cross section in the clear, supported by timber as necessary.

"All significantly mineralized areas exposed in the drifts and crosscuts shall be sampled by cutting channels normal to the vein at intervals of five feet. Each sample shall be split and one split assayed for silver, lead, and zinc. The other split shall be stored in a suitable container properly labeled and available for Government inspection and possible use. Such stored samples may be disposed of upon prior Government approval."

2. Under the heading Description of the Work, the second paragraph, as amended by Amendment No. 2, is revised 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."

3. Under the heading Estimated Cost of the Project, the items are revised to read as follows:

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

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

MASCOT SILVER-LEAD MINES, INC.

By Dan Smith

Title President

Long
Kirkemo
Johnson
Jove
Utypu

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/5/67		120
"	Johnson	110
		120M

July 5, 1967

Memorandum

To: The File

From: Assistant Chief, Office of Minerals Exploration

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

Justification for Amendment No. 3

The most favorable portion of the vein found to date on this project is in the west drift. The Operator reports geologic conditions near the face of the west drift on the 200-foot level on June 10, 1967, resembled conditions associated with the principal vein deposits of the district. The Field Officer and the Operator agree that these conditions warrant additional advance of the west drift. They suggest that funds remaining to advance the east drift, and funds to drive the raise be applied to advancing the west drift. Under such an arrangement, funds can be provided for an additional 65 feet of advance without increasing the estimated total cost of the contract.

A summary of work allowed, completed, and remaining on the contract as of June 9, 1967, is as follows:

	West drift and crosscut	East drift	Raise
Allowed	450 feet	200 feet	50 feet
Completed	436 "	175 "	0 "
Remaining	14 "	25 "	50 "

By applying the contract allowance for 50 feet of raising to the cost of drifting, an additional 45 feet of drifting can be allowed. This distance plus the 25 feet remaining from the allowance for the east drift will permit advancing the west drift 65 feet beyond the present limitations of the contract.

I concur with the Field Officer's recommendation to amend the contr

Harold Kirkemo

Harold Kirkemo

cc: Director's Read. File
Division File
Econ. Geol. File
OME Docket
OME Reading File
Mr. Kirkemo
HKirkemo/gla 7-5-67

E5505

Government's Copy

EXPLORATION CONTRACT
MASCOT SILVER-LEAD MINES, INC.
OME-6379

AMENDMENT NO. 2

It is agreed this 8th day of March, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government," and Mascot Silver-Lead Mines, Inc., hereinafter referred to as the "Operator," that Exploration Contract No. 2201 (OME-6379), dated May 13, 1965, as amended, is further amended effective January 1, 1967, as follows:

1. In EXHIBIT A, the second paragraph is revised 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."

2. In EXHIBIT A under the heading Description of the Work, the second paragraph is revised 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."

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

MASCOT SILVER-LEAD MINES, INC.

By Don Smith

Title President

Long
Johnson
Kiebanoe
Kildgaard
Clegg

Government's Copy

EXPLORATION CONTRACT
MASCOT SILVER-LEAD MINES, INC.
OME-6379

AMENDMENT NO. 1

It is agreed this 13th day of April, 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Mascot Silver-Lead Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2201 (OME-6379), dated May 13, 1965, is amended effective the date of the contract as follows:

1. In Article 1(a) of the contract:

   (a) The time fixed on or before which the Operator shall begin work is changed from January 1, 1966 to July 1, 1966.

   (b) The time fixed for the completion of the work is changed from eighteen (18) to twenty-four (24) months from the date of the contract.

2. In Article 6(b)(2) of the contract:

   The maximum period for royalty payments and for the lien to secure payment thereof is extended from ten (10) to eleven (11) years from the date of the contract.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank C. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

MASCOT SILVER-LEAD MINES, INC.

By Ben Smith

Title President

Long
Apr. 20, 66

Johnson
Stirkemo
McGrand
Smith

Government's Copy

MME Form 51
June 1963

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

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6379	Silver	14-23-090- 2201	Jefferson	Montana

It is agreed MAY 13 1965 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Mascot Silver-Lead Mines, Inc., an Idaho corporation

whose mailing address is 416 Hutton Building, Spokane, Washington 99204, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before January 1, 1966 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 18 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $28,200.00 The Government will contribute ~~80~~ 75 percent of the total fixed unit costs of the work performed, not in excess of $21,150.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest at the rate of 6 - ¼ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

See Annex I

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

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

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

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

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

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

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

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

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

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

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

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

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

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

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

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

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

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

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The Office of Minerals Exploration may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

MASCOT SILVER-LEAD MINES, INC.
(Operator)

By Ben Smick

Title President

THE UNITED STATES OF AMERICA

By George Turnick

Acting Director, Office of Minerals Exploration

Long
App'd. Int. Off.
Johnson
Gallagher
Crowe

I, Ronald E Eggart (Name), certify that I am the secretary of the corporation named as Operator herein; that Ben Smick (Name), who signed this contract on behalf of the Operator, was then President (Title) of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Ronald E Eggart - Secretary
Mascot Silver-Lead Mines Inc

CORPORATE SEAL

INT.-DUP. SEC., WASH., D.C. 31011

EXPLORATION CONTRACT
MASCOT SILVER-LEAD MINES, INC.
OME-6379

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of 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.

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 is in possession of the aforementioned 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.

Lien and Subordination Agreements dated May 20, 1965, executed by Albert Haab and by Inar Norgaard and Henning Norgaard, are attached hereto and made a part hereof.

The outer boundary of the property is shown in green on Figure 1, entitled "Property Meadow Mine," attached hereto and made a part hereof.

EXPLORATION CONTRACT
MASCOT SILVER-LEAD MINES, INC.
OME-6379

EXHIBIT A

The purpose of this project is 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.

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 in the approved costs of not to exceed 650 feet of drifting on the 200 foot level and 50 feet of raising from this level. B. Smith

The drifts shall be not less than 5 ft. by 7 ft. in cross section in the clear, supported by timber as necessary. The raise shall be of the same cross section with two compartments and timbered as necessary.

All significantly mineralized areas exposed in the drifts and raise shall be sampled by cutting channels normal to the vein at intervals of five feet. Each sample shall be split and one split assayed for silver, lead, and zinc. The other split shall be stored in a suitable, identified container for Government inspection and possible use. Such stored samples may be disposed of upon prior Government approval.

Two copies of assay certificates of all samples shall be submitted with the Operator's monthly reports, which shall also include maps or sketches showing the work completed during the reporting period. The maps shall show the locations and assay values for the samples and the general geology of the vein and rock formation exposed.

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

The location, direction, and extent of each work item are subject to Government approval.

Description of the Work

The initial work under this contract which is to be performed at the sole expense of the Operator, shall consist of unwatering and rehabilitating the Meadow mine, followed by sinking the present shaft not to exceed an additional 130 feet, including sump, with the same specifications, to the 200 foot level, and driving a 5-foot by 7-foot crosscut to the Meadow vein and a 5-foot by 7-foot drift westward therefrom on the vein for a distance of 50 feet. B. Amick

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.

Attached to and made part hereof is a cross-section map, Figure 2 entitled "Meadow Mine" showing the OME work in green.

Estimated Cost of Project

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

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Jefferson, State of Montana,

described as follows: 2/ Lots 11, 20, and 21 in Section Thirty-three (33); Lots 2, 3, 4, and 8, and the Meadow and Joe Pete unpatented mining claims in Section Thirty-four (34); and the Tycoon Patented Mining Claim and Millsite Patent No. 1377 in Sections Thirty-three (33) and Thirty-four (34), T. 9 N., R. 3 W., Clancy mining district, Jefferson County, Montana,

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

Mascot Silver-Lead Mines, Inc., 416 Hutton Building, Spokane, Washington 99204 3/

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 20th day of May, 1965.

Inar Norgaard (Seal) 411 Rodney St (Street) Helena Montana 59601 (City & State)

Hemming Norgaard (Seal) 411 Rodney St (Street) Helena Montana 59601 (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

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

_____ (Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Jefferson, State of Montana,

described as follows: 2/ Lots 11, 20, and 21 in Section Thirty-three (33); Lots 2, 3, 4, and 8, and the Meadow and Joe Pete unpatented mining claims in Section Thirty-four (34); and the Tycoon Patented Mining Claim and Millsite, Patent No. 1377 in Sections Thirty-three (33) and Thirty-four (34), T. 9 N., R. 3 W., Clancy mining district, Jefferson County, Montana,

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

Mascot Silver-Lead Mines, Inc., 416 Hutton Building, Spokane, Washington 99204 3/

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 20th day of May, 1965.

Albert Hoab	(Seal)	Lolaney Montana 59634	(Street) (City & State)
			(Street) (City & State)
_____	(Seal)	_____	
			(Street) (City & State)
_____	(Seal)	_____	
			(Street) (City & State)
_____	(Seal)	_____	
			(Street) (City & State)
_____	(Seal)	_____	
			(Street) (City & State)
_____	(Seal)	_____	

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

_____
(Corporate Seal)

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 301, Executive Order 10925, March 6, 1961, as amended)

'During the performance of this contract, the contractor agrees as follows:

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

'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

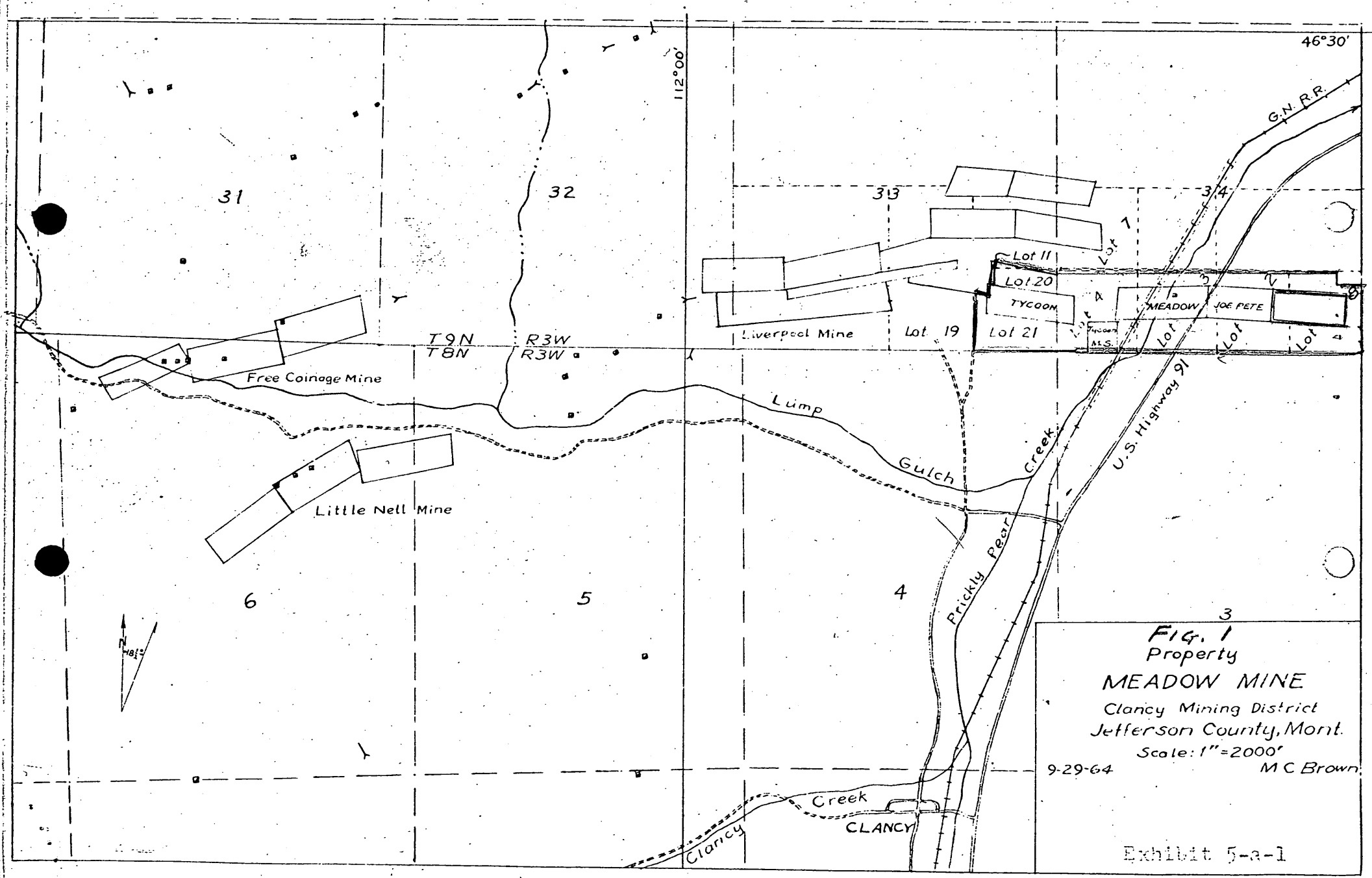
'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's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

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

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

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

'(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"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T8N
R3W
R3W
Free Coinage Mine
Little Nell Mine
Liverpool Mine
Lot 19
Lot 20
Lot 21
Lot 11
Lot 7
TYCOON
MEADOW
JOE PETE
Lump
Gulch
Creek
Prickly Pear
Clancy
Creek
CLANCY
U.S. Highway 91
G.N. R.R.
N
Fig. 1
Property
MEADOW MINE
Clancy Mining District
Jefferson County, Mont.
Scale: 1" = 2000'
9-29-64
M C Brown
Exhibit 5-a-1

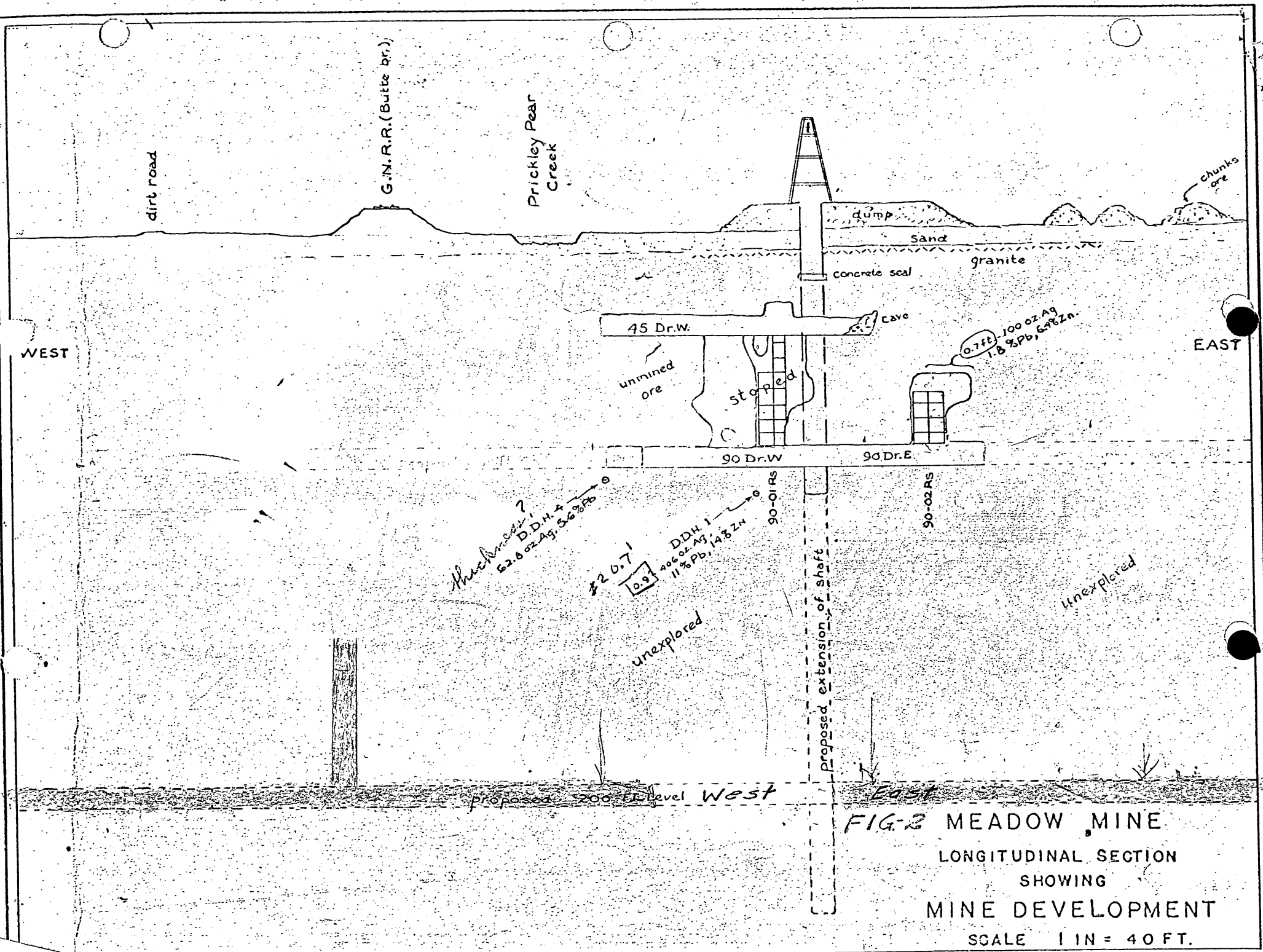

FIG-2 MEADOW MINE

LONGITUDINAL SECTION SHOWING MINE DEVELOPMENT

SCALE 1 IN = 40 FT.

MME Form 40
July 1962

RECEIVED
OCT 2
O.M.E.
WASHINGTON

OFFICIAL FILE COPY
UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
RECEIVED NOV 2 1964

DATE	INITIALS	CODE

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

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 Mines, Inc.
Box ~~#989~~ 660
Kellogg, Idaho

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6379

DATE RECEIVED: 11-2-64

REGION: 1

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	416 Hutton Bldg., Spokane, Washington	President
Dunham Bell	Box #673, Blanding, Utah	Vice-President
Harold Reugh	S. 4504 Helena, Spokane, Washington	Secretary-Treasurer

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Silver

ESTIMATED COST OF PROJECT: $ $60,112.90

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 25, D. C., or with the nearest OME Field Office.*

CERTIFICATION

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

10-2-64
DATED

Ben Smick — President
BY (Signature)

Mascot Mines, Inc.
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 openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *land boundaries* or to the closest identifiable corner.

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

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1. a. Annexed hereto (Exhibit 1-a) are photocopies of correspondence in which Mascot Mines, Inc. attempted unsuccessfully to obtain a loan from its bank of account, the Idaho First National Bank, and subsequently from the First National Bank of Spokane.

   b. Mascot has no affiliated, parent or controlling companies.

   c. We propose to borrow from major stockholders, who will not undertake the exploration at their sole expense, but have agreed to advance funds for Mascot's share of the cost if an OME contract is obtained.

2. a. Mineral rights are held under lease and option from Albert Haab to Inar Norgaard and Henning Norgard and assigned to Mascot Mines, Inc.. (Exhibit 2-a) There are no liens or mortgages.

   b. The property is known as the Meadow Mine, and is described as follows:

      Lots 2, 3, 4 and 8 in section 34, and lots ~~3~~ 20 21 and ~~4~~ in section 33, T. 9N, R. 3 W.; and Tycoon Patented Mining Claim and Millsite, Patent No. 1377; and Meadow and Joe Pete unpatented mining claims, the Location Certificates of which are recorded in the office of the County Recorder of Jefferson County, Montana, in Book 46 on page 547.

   c. Five copies of lien and subordination agreement executed by the owner, Albert Haab, on MME Form 52 are annexed hereto.

3. a. The following information on previous exploration and development is abstracted from the April, 1951, report of Alfred E. Nugent.

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3. a. Because it was deeply covered by alluvial gravel, the Meadow vein was not discovered in the heyday of the Clancy district during the late 19th century. In 1936 a gold dredge working the gravels, dug up rich fragments of the vein from bedrock. In 1949 North Range Mining Company of Negaunee, Michigan, under the direction of Alfred E. Nugent, put down nine diamond drill holes with inconclusive results. Some holes showed rich ore, others little or no vein structure. North Range surrendered the lease which was then taken by Alfred E. Nugent and Henning Norgaard, both of Helena. Nugent and Norgaard sank a 100 foot shaft and drifted 90 feet on the 45-foot level and 125 feet on the 90-foot level. Two small stopes were opened from the 90-foot level. This work is shown in longitudinal section by Plate V of Nugent's Report. One important result of this work was that it demonstrated that the assumed strike and dip of the vein, upon which the North Range diamond drilling program had been based, was erroneous. Therefore, only three holes (1, 2 & 4) were correctly oriented to cut the vein.

Nugent and Norgaard suspended operations in May, 1951, for lack of funds. Nugent's interest was bought by Inar Norgaard, who started to deepen the shaft to the 200-foot level, but halted the work in 1952 to join the uranium rush to the Colorado Plateau. The mine has been idle since that time.

b. Mascot Mines, Inc. had no interest in the above described operations.

c. Production by Nugent and Norgaard was 130.78 tons, ±40' drift containing 17,708 ounces of silver, 5,116 pounds of lead and 20,088 pounds of zinc. Shipments are summarized on Nugent's Plate VI, and smelter settlement sheets are attached hereto. Gross smelter value was $16,096 or $123.82 per ton. No pay was received for zinc.

d. Nugent and Norgaard kept no assay maps or sampling data. Exhibit 3-d attached hereto, is an attempt to

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3. d. estimate ore reserves based on production and Nugent's Plate V. We estimate reserves of indicated ore at 506 tons containing 148. ounces of silver per ton and 4.1% lead per ton.

e. The Meadow vein occupies a shear zone in the quartz monzonite of the Boulder batholith, striking N. 85 deg. E. and dipping nearly vertical. Recently (1963) the U. S. Geological Survey published Professional Paper 428, "Geology and Mineral Deposits of the Jefferson City Quadrangle", as part of a general study of the geology and mineral deposits in and around the Boulder batholith. The publication contains considerable information on the Clancy mining district and pertinent to the Meadow mine which lies about 1-1/2 miles east of the northeast corner of the Jefferson City Quadrangle.

The authors classify the veins of the Jefferson City quadrangle into three groups (1) quartz veins, (2) chalcedony veins, (3) quartz-chalcedony veins. The following quotations are abstracted from pages 37 to 42 of Professional Paper 428.

> "Quartz veins ..... of coarsely crystalline quartz ..... contain varying amounts of sulfide minerals. ..... Chalcedony is not uncommon in quartz veins, but it is a minor constituent only, definitely younger than the quartz and sulfides."

> "Chalcedony veins ..... of chalcedony and microcrystalline quartz ..... commonly have prominent reeflike outcrops .... The Chalcedony veins contain only minor amounts of sulfide minerals, and for this reason, few have been explored and little is known about them."

> "In a few veins chalcedony and coarsely crystalline quartz are about equally abundant; such veins have been distinguished as quartz-chalcedony veins. Some may represent a stage of vein formation between quartz vein and chalcedony vein types, but

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3. e. others are probably quartz veins along which there was fracturing and later deposition of chalcedony."

"Along strike, individual veins die out where their controlling fault or joint dies out, but other subparallel veins continue along the shear zone or vein zone. Regardless of the complexity of the controlling fracture system, nearly all the veins have sharp walls and only a few grade into their wallrocks."

"Argentiferous galena is the chief ore mineral in the quartz veins. Sphalerite is very common ..... in orebodies that have replaced wallrock along tight fractures. It is rarely deposited in open fractures and is not disseminated in the wallrocks."

"Ore minerals are scattered throughout large parts of most veins, but only locally are they sufficiently concentrated to form orebodies. Little is known about the limits and shape of most of the orebodies ..... . The orebodies range in size from shoots a foot or two wide and a few tens of feet long within single veins to large, complexly fractured and mineralized parts of altered zones several hundred feet long ..... . Most orebodies, however, are only a few hundred feet long."

"The chalcedony veins are distinctly different from the quartz veins in mineralogy. They consist almost entirely of chalcedony, microcrystalline quartz, opal and, in places, pyrite and barite."

"The quartz chalcedony veins are characterized by about equal quantities of coarsely crystalline quartz and chalcedony, either intermingled or segregated. ..... Sulfide minerals are commonly associated with the coarse quartz

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3. e. parts of the veins. ..... The most common sulfide mineral is pyrite; galena and sphalerite are locally abundant, and chalcopyrite and tetrahedrite occur in a few places."

"The Little Nell vein is typical of many quartz-chalcedony veins. At the Little Nell mine the vein consists principally of milky quartz grains or crystals a few millimeter in diameter associated with pyrite, galena and sphalerite. About 1-1/2 miles northeast, the vein is predominantly microcrystaline quartz and chalcedony and contains no sulfide minerals. Farther east at the Liverpool mine, a short distance east of the quadrangle boundary, the vein is again predominantly quartz and contains sulfide minerals. From this point eastward to the end of its outcrop area, the vein contains mostly chalcedony and carbonate minerals. The change from predominately coarse-grained quartz to predominately chalcedony also takes place vertically. The High Ore vein along its outcrop in secs. 2, 3 and 10, T. 6N., R. 5 W, consists of a few large veins and many veinlets of chalcedony in altered quartz monzonite. About 900 feet beneath the land surface, where it is cut by the High Ore crosscut, the vein consists of fine-to coarse-grained grey to white quartz and contains pyrite, galena and sphalerite."

The Liverpool property lies adjacent to our property on the west. The croppings of the latter are completely hidden by valley fill, but Nugent's 1951 description of the geologic features of the mine (pages 4 and 5) (of Exhibit 3-g) is based on first-hand observation before the shaft filled with water. His description is that of a quartz-sulfide vein with considerable later fracturing re-cemented by chalcedony.

f. For the following reasons we expect to find ore by the proposed exploration:

1. The Meadow mine is in a concealed quartzose segment of what appears to be the easterly extension of the Liverpool-Free Coinage shear zone,

3. f. which has probably been joined by the Little Nell shear zone. Two orebodies were mined from the Free Coinage mine before 1900. One of them is known to be at least 400 feet long and 350 feet deep (USGS P. P. 428, p. 66). The Liverpool was stoped for a length of at least 500 feet and a depth of 750 feet as shown by a map by J. P. Lyden, Exhibit 3-f. The Little Nell was mined for a length of at least 400 feet and from about 60 feet below the surface to the 450 level (USGS P. P. 428, p. 64-65).

2. Rich ore was actually mined from the Meadow and shipped during the Norgaard-Nugent operation in 1949-51.

3. The Winston Bros. gold dredge dug up rich fragments of the vein from bedrock and deposited them on tailings piles farther east than the present extent of drifting from the Meadow shaft. (Nugent report, p. 2 and Plate V, Exhibit 3-g).

4. The longitudinal stope maps of both the Little Nell and the Liverpool indicate narrow wide-spaced stopes within 100 feet of the surface, coalescing into larger more continuous ore shoots below that depth. We believe that similar conditions may prevail at the Meadow.

We have taken no samples within the area of the proposed exploration because the surface croppings of the vein are completely covered by deep valley fill and the underground workings are under water. Our best estimate of the grade of ore to be expected is the weighted average of the Nugent-Norgaard smelter settlement sheets: 135.3 oz. silver per ton, 1.57% lead and 7.63% zinc.

g. Two photocopies of the only available geologic and engineering report (Nugent, 1951) are appended hereto and need not be returned.

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4. a. The property will be shown to any OME representative by Malcolm C. Brown, 102 First Security Bank Building, Kellogg, Idaho, Phone 784-1271. To avoid conflicts with other committments, such meetings should be scheduled two weeks in advance.

The property may be reached by driving south 10 miles from Helena on U. S. 91 to the Haab ranch, where the Meadow shaft may be seen about 400 feet west of the highway. No workings are accessible because water stands at the surface of the ground. Lake?

b. The shipping point, ASARCO's East Helena smelter, and the supply point, Helena, are 10 miles distant by a paved road.

5. a. Refer to the following maps accompanying this application:

Exhibit 5-a-1. Plan map of Meadow property.

Exhibit 5-a-2. Longitudinal projection of present workings showing proposed work.

Exhibit 5-a-3. Section along Line A-A'.

We propose to unwater the Meadow mine and sink the 1-1/2 compartment shaft (approximately 5-1/2' x 9' outside timber) 130 feet from the present sump to the 200-level sump. A small station 10'x10' and 15' long (crosscutting the vein) will be excavated on the 200-level. A small pocket (5'x5'x20') will be excavated. This will be follow-by drifting (5'x7' cross-section) 200 feet easterly and 500 feet westerly on the vein at the 200-level, sampling at 5 foot intervals. At some point, to be determined by sample results in the drift, we propose to drive a 2-compartment raise approximately 100 feet up-dip on the vein to sample the ore in the vertical dimension at 5-foot intervals.

In summary, the program calls for 130 feet of 1-1/2 compartment shaft, 2000 cubic feet of station and pocket, 700 feet of drifting, and 100 feet of raising.

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5. b. No additional access road is required.

c. The work will start within 60 days after the execution of an OME contract and require 15 months for completion. This is based on an estimated average progress of 30 feet per month for shaft sinking, 80 feet per month for drifting, and 100 feet per month for raising, with one month for initial installations and unwatering and one month for other contingencies.

6. Mascot Mines, Inc. was incorporated under the laws of the State of Idaho, September 25, 1950. It operated the Little Pittsburg zinc-lead mine near Kellogg until low metal prices and decreased ore reserves forced suspension of operation in August, 1953.

The proposed exploration project will be under the direction of Malcolm C. Brown, a director of Mascot and consulting engineer. Mr. Brown obtained the degree of Engineer of Mines from the Colorado School of Mines, is a Registered Professional Engineer in the State of Idaho and has been active in mining practice in the Coeur d' Alene district for the past 27 years. He was employed as engineer and geologist for the Bunker Hill company for six years, leaving to become Superintendant for Sidney Mining Company in June, 1943. He subsequently became General Manager and in 1953 became President and Director of Sidney, a position he holds at present. During the past 10 years he has been actively engaged in exploration of many mineral prospects in western North America.

The direct supervisor of the work will be Inar Norgeard, who has been actively engaged in mining the past 36 years. He worked in various mines of the Coeur d' Alene district from 1928 to 1939, and was Lessee-partner at the Interstate-Callahan mine from 1939 to 1942 and in the Little Pittsburg mine from 1942 to 1950. He was mine superintendant for Mascot Mines from 1950 to 1956. From that time until 1963 he was successfully engaged as an independant uranium producing lessee at several mines on the Colorado Plateau.

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7. a. It is not contemplated that independent contractors will be used for any part of the work.

b. Following is a schedule of personal services itemized by number and classes, rates of wages, salaries or fees, and period of employment. Such services are available.

Classification	Number	Estimated Cost
Shaft men (sinking) (vertical)	2	$23.76 per shift
Hoistman (single drum)	1	$21.76 per shift
Drift Miners	2	$21.84 per shift
Supervisor	1	$25.00 per shift
Consulting Engr. & Geologist (Estimated 2 days per month and $50.00 per day plus expenses.)	1	$150.00 per month

Following is a distribution of estimated costs per foot and total costs of labor for shaft sinking:

	Cost per foot	Total Cost (130 ft)
Direct Labor	$ 42.96	$ 5,584.80
Service Labor ?	30.99 ?	4,028.70
Supervisor	11.30	1,469.00
Engineer & Geologist	5.00	650.00
Total	$ 90.25	$ 11,732.50

Conforming with general practice, it is proposed to pay the direct labor on a contract basis. It is estimated that the rate for shaft labor will be $39.50 per foot. The above direct labor cost is an average cost, including overtime pay.

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7. b. Following is a distribution of estimated labor costs per cubic foot of station and pocket:

	Cost per cubic foot	Total Cost (2000 cu. ft.)
Direct Labor	$ 0.40	$ 800.00
Service Labor	.25	500.00
Supervisor	.11	220.00
Engr. & Geologist	.05	100.00
Total	$ 0.81	$ 1620.00

Following is a distribution of estimated labor costs per foot of drifting:

	Cost per cubic foot	Total Cost (700')
Direct Labor	$ 12.50	$ 8,750.00
Service Labor	8.70	6,090.00
Supervisor	3.80	2,660.00
Engr. & Geologist	1.88	1,316.00
Total	$ 26.88	$ 18,816.00

Conforming with general practice, it is proposed to pay direct labor on a contract basis. It is estimated that the rate for drifts will be on a sliding scale, with a lower limit of $10.50 per foot and an upper limit of $12.00 per foot. The above direct cost is an average cost, including overtime pay.

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7. b. Following is an itemized list of the estimated cost per foot and total cost of labor for raising:

	Cost per foot	Total Cost (100')
Direct Labor	$ 11.00	$ 1,100.00
Service Labor	7.00	700.00
Supervision	3.05	305.00
Engineer & Geologist	1.50	150.00
Total	$ 22.55	$ 2,255.00

Conforming with general practice, it is proposed to pay the direct labor on a contract basis. It is estimated that the rate for raising will be $10.00 per foot.

7. c. Following is an itemized list of the estimated cost per foot and total cost of operating materials and supplies for shaft sinking:

	Cost per foot	Total Cost (130')
Electric cables	$ 0.50	$ 65.00
Pipe	1.65	214.50
Drill steel & bits	4.50	585.00
Explosives	5.50	715.00
Vent Pipe	1.00	130.00
Timber	7.50	957.00
Utilities (Power, air, water)	2.75	357.50
Air & Water hose	.18	23.40
Casing pipe	.10	13.00
Total	$ 23.68	$ 3,078.40

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7. c. Following is an itemized list of the estimated cost per cubic foot and total cost of operating materials and supplies for station and pocket.

	Cost per cu. ft.	Total cost (2000 cu.ft.)
Drill Steel & bits	$ 0.06	$ 120.00
Explosives	.09	180.00
Utilities	.03	60.00
Timber & Misc.	.15	300.00
Total	$ 0.33	$ 660.00

Following is an itemized list of the estimated cost per foot and total cost of operating materials and supplies for drifting:

	Cost per foot	Total cost (700')
Track	$ 1.20 0.60	$ 840.00
Pipe	.60 0.30	420.00
Drill steel & bits	2.20	1,540.00
Explosives	3.20	2,240.00
Vent pipe	1.00 0.50	700.00
Timber	.50	350.00
Utilities	1.00	700.00
Total	$ 9.70	$ 6,790.00

Following is an itemized list of the estimated cost per foot and total cost of operating materials and supplies for raising:

	Cost per foot	Total cost (100')
Drill steel & bits	$ 4.00	$ 400.00
Explosives	5.00	500.00
Timber & chute	2.00	200.00
Utilities	2.75	275.00
Total	$ 13.75	$ 1,375.00

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7. d. Following is a list of operating equipment, which will be furnished by the Company with rental for each item:

		Fair Market Value, each	Monthly Rental, each*	Estimated Rental Cost Per Foot			Estimated Total Cost
				Shaft	Drift	Raise	
1	250-cu. ft. Sullivan Compressor	$ 2,500.00 ?	41.67 $ 83.33	$ 2.50	$ 1.04	$ 0.83	$ 1,136.00
1	25-hp. Electric Hoist	2,500.00	41.67 83.33	2.50	1.04	0.83	1,136.00
1	Thor Sinker Drill	275.00	4.58 9.20	0.30	0.12	0.09	132.00
2	G-D Jackleg Drills	300.00	5.00 10.00	0.66	0.25	0.20	280.80
1	Thor Sump Pump	200.00	3.33 6.66	0.22	0.08	0.07	91.60
1	5-hp Electric Fan	200.00	3.33 6.66	0.22	0.08	0.07	91.60
1	15-hp Electric Fan	450.00	7.50 15.00		0.19	0.15	148.00
2	1-ton Cars	125.00	2.08 4.17	0.28	0.11	0.08	121.40
1	7-1/2 hp I-R Double-drum Slusher Hoist	1,200.00	20.00 40.00		0.50		350.00
1	Pomona Turbine Pump	1,200.00 ?	20.00 40.00	1.33	0.50	0.40	562.90
1	Sinking Bucket	100.00	1.67 3.33	0.11	0.04	0.03	45.30
		Total		$ 8.12	$ 3.95	$ 2.75	$ 4,095.60

*The monthly rental has been computed on the basis of a 30-month depreciation of the fair market value of the used equipment, not replacement cost.

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7. e. Following is an itemized list of the estimated cost of initial rehabilitation and repair of buildings and equipment and unwatering the shaft:

	Estimated Cost			Estimated Total Costs
	Labor	Materials	Miscellaneous	
Install pumps and unwater shaft (inc. rental of extra pump)	$300.00	$100.00	$100,000	$ 500.00
Install Hoist	200.00	75.00		275.00
Overhaul Compressor	200.00	50.00		250.00
Reroof buildings & Misc.	100.00	100.00		200.00
			Total	$ 1,225.00

7. f. No new buildings are contemplated.

7. g. Following is an itemized list of the estimated cost per foot and total cost of miscellaneous charges for shaft sinking:

	Cost per foot	Total Cost (130')
Equipment repairs	$ 3.85	$ 500.00
Liability & Industrial Compensation Ins.	8.58	1,115.00
Payroll taxes	5.45	708.50
Total	$ 17.88	$ 2,324.40

Following is an itemized list of the estimated cost per cubic foot and total cost of miscellaneous charges for station and pocket:

	Cost per Cu. Foot	Total Cost (2000 cu.ft)
Repairs	$ 0.10	$ 200.00
Liability & Industrial Compensation Ins.	.08	160.00
Payroll Taxes	.05	100.00
Total	$ 0.23	$ 460.00

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7. g. Following is an itemized list of the estimated cost per foot and total cost of miscellaneous charges for drifting:

	Cost per foot	Total Cost (700')
Repairs	$ 2.00	$ 1,400.00
Liability & Industrial Compensation Ins.	2.53	1,771.00
Payroll Taxes	1.60	1,120.00
Assaying	1.00	700.00
Total	$ 7.13	$ 4,991.00

Following is an itemized list of estimated cost per foot and total cost of miscellaneous charges for raising:

	Cost per foot	Total Cost (100')
Equipment repairs	$ 1.60	$ 160.00
Liability & Industrial Compensation Ins.	2.15	215.00
Payroll taxes	1.35	135.00
Assaying	1.00	100.00
Total	$ 6.10	$ 610.00

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7. g. Following is a summary of the estimated costs for the entire project:

	Estimated cost Per Unit	Estimated Total Cost	
Shaft (130 feet)			
Labor	$ 90.25	$ 11,732.50	
Materials and Supplies	23.68	3,078.40	
Equipment Rental	8.12	1,055.60	
Miscellaneous	17.88	2,324.40	
Total Shaft	$ 139.93 $84.38 before		$ 18,190.90
Station & Pocket (2000 cu. ft.)			
Labor	$ 0.81	$ 1,620.00	
Materials and Supplies	0.33	660.00	
Equipment Rental	0.04	80.00	
Miscellaneous	0.23	460.00	
Total Station & Pocket	$ 1.41		$ 2,820.00
Drift (700 feet)			
Labor	$ 26.88	$ 18,816.00	
Materials and Supplies	9.70	6,790.00	
Equipment Rental	3.95	2,765.00	
Miscellaneous	7.13	4,991.00	
Total Drift	$ 47.66 $40.19 before		$ 33,362.00
Raise (100 feet)			
Labor	$ 22.55	$ 2,255.00	
Materials and Supplies	13.75	1,375.00	
Equipment Rental	2.75	275.00	
Miscellaneous	6.10	610.00	
Total Raise	$ 45.15		$ 4,515.00
Initial Rehabilitation & Unwatering			$ 1,225.00
PROJECT TOTAL			$ 60,112.90

file mascot

July 13, 1964

Mr. Gordon Giles, Manager
Kellogg Office
Idaho First National Bank
Kellogg, Idaho

Dear Sir:

Mascot Mines, Inc. has acquired, by lease and option, the Meadow Mine located two miles north of Clancy, Montana. The mine made a small production of high-grade silver ore between November 1949 and April 1951. It has a good potential for profitable production, especially at today's higher silver prices which can be expected to go even higher.

Although the previous production made a small profit, the mine has suffered because there has never been enough exploration and development work done to block out adequate ore reserves. Such ore reserves would provide additional working places to assure a large enough daily production and to justify milling to recover the significant zinc values previously lost.

To accomplish that end, Mascot is seeking to borrow $35,000 to sink the shaft an additional 100 feet and drift approximately 500 feet, which should discover enough ore to insure an adequate production level.

Mascot is prepared to give a Chattel Mortgage on the equipment presently at the mine, worth about $5,000, and on any equipment subsequently installed, and would give a lien on smelter returns to apply to repayment of the loan.

We would be glad to meet with you, at your convenience, to show you maps, engineering reports and detailed plans of the proposed operation.

Yours very truly,

BEN SMICK, President
Mascot Mines, Inc.
416 Hutton Building
Spokane, Washington 99204

cc: Mr. Malcolm C. Brown

Exhibit 1-a

JUL 17 1964

KELLOGG OFFICE

The Idaho First National Bank

ESTABLISHED 1867

KELLOGG, IDAHO

July 15, 1964

Mr. Ben Smick, President
Mascot Mines, Inc.
416 Hutton Building
Spokane, Washington

Dear Mr. Smick:

I have received your letter requesting to borrow $35,000.00 for the Mascot Mines, Inc. Our bank would not be able to loan money for this purpose or have a loan secured by a chattel mortgage on mining equipment.

I do appreciate you considering this bank in seeking to secure funds and am sorry we are unable to assist you.

Yours very truly,

J. G. Giles
Manager

JGG:pc

file Mascot

XXXXXXX
XXXXXXXXXXXX

416 Hutton Bldg.
Spokane, Washington

September 21, 1964

Mr. James Brennan, President
First National Bank
Spokane, Washington

Dear Mr. Brennan:

Mascot Mines, Inc. has acquired, by lease and option, the Meadow Mine located two miles north of Clancy, Montana. The mine made a small production of high-grade silver ore between November 1949 and April 1951. It has a good potential for profitable production, especially at today's higher silver prices which can be expected to go even higher.

Although the previous production made a small profit, the mine has suffered because there has never been enough exploration and development work done to block out adequate ore reserves. Such ore reserves would provide additional working places to assure a large enough daily production and to justify milling to recover the significant zinc values previously lost.

To accomplish that end, Mascot is seeking to borrow $35,000 to sink the shaft an additional 100 feet and drift approximately 500 feet, which should discover enough ore to insure an adequate production level.

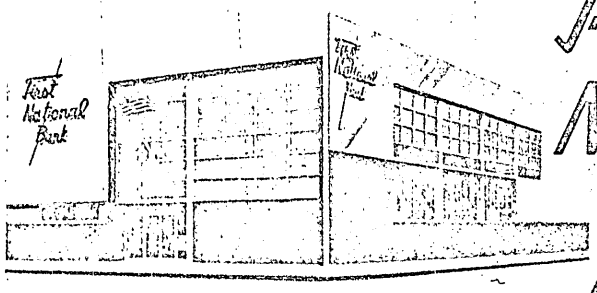
Mascot is prepared to give a Chattel Mortgage on the equipment presently at the mine, worth about $5,000, and on any equipment subsequently installed, and would give a lien on smelter returns to apply to repayment of the loan.

We would be glad to meet with you, at your convenience, to show you maps, engineering reports and detailed plans of the proposed operation.

Yours very truly,

BEN SMICK, President
Mascot Mines, Inc.

BS:ec



First National Bank IN SPOKANE

JAMES B. DAVIS
VICE-PRESIDENT

SPOKANE 10, WASHINGTON

September 21, 1964

Mr. Ben Smick, President
Mascot Mines, Inc.
416 Hutton Building
Spokane, Washington

Dear Mr. Smick:

Your letter of September 21, 1964 addressed to James Brennan, President, has been referred to me for reply.

Our Loan Committee has studied your requirements for credit and are unable to approve your request for a $35,000. loan. We are sorry that it was necessary to decline this request, however such a loan would have to be properly secured with collateral of a more marketable type than mentioned in your letter.

We appreciate your giving us the opportunity to assist your organization, and again, express our regrets.

Sincerely,

James B. Davis

JBD aw

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

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";

WITNESSETH:

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".

Exhibit 2-a

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 be subjected 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.

By Ben Smith
President

ATTEST:

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.

NOTARY PUBLIC

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

STATE OF WASHINGTON)
: ss.
County of Spokane)

On this 21st day of ~~June~~ Sept., 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 BURQUEST NOTARY PUBLIC COMMISSION EXPIRES SEPT. 4, 1966

Glenys Burquest
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 IMAR NORGAARD, of Kellogg, Idaho, and MERWINE 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 ~~twelve~~ ten per cent (~~12%~~ 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 miner-like 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 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 workings 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.

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

Albert Neale
PARTY OF THE FIRST PART

Henning Magnusson

Inar Karsaard
PARTIES OF THE SECOND PART

STATE OF MONTANA)
: ss.
County of ~~Lewis and Clark~~ Jefferson)

On this 20th day of ~~March~~ June, 1963, before me, ~~PAUL E.~~ Fred E. ~~KEISER~~ 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.

Fred E. Haab
Notary Public for State of Montana
Residing at ~~Helena~~ Nancy, Montana
My commission expires ~~[illegible]~~ March 25, 1965

(S E A L)

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.

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

(S E A L)

Exhibit "C"

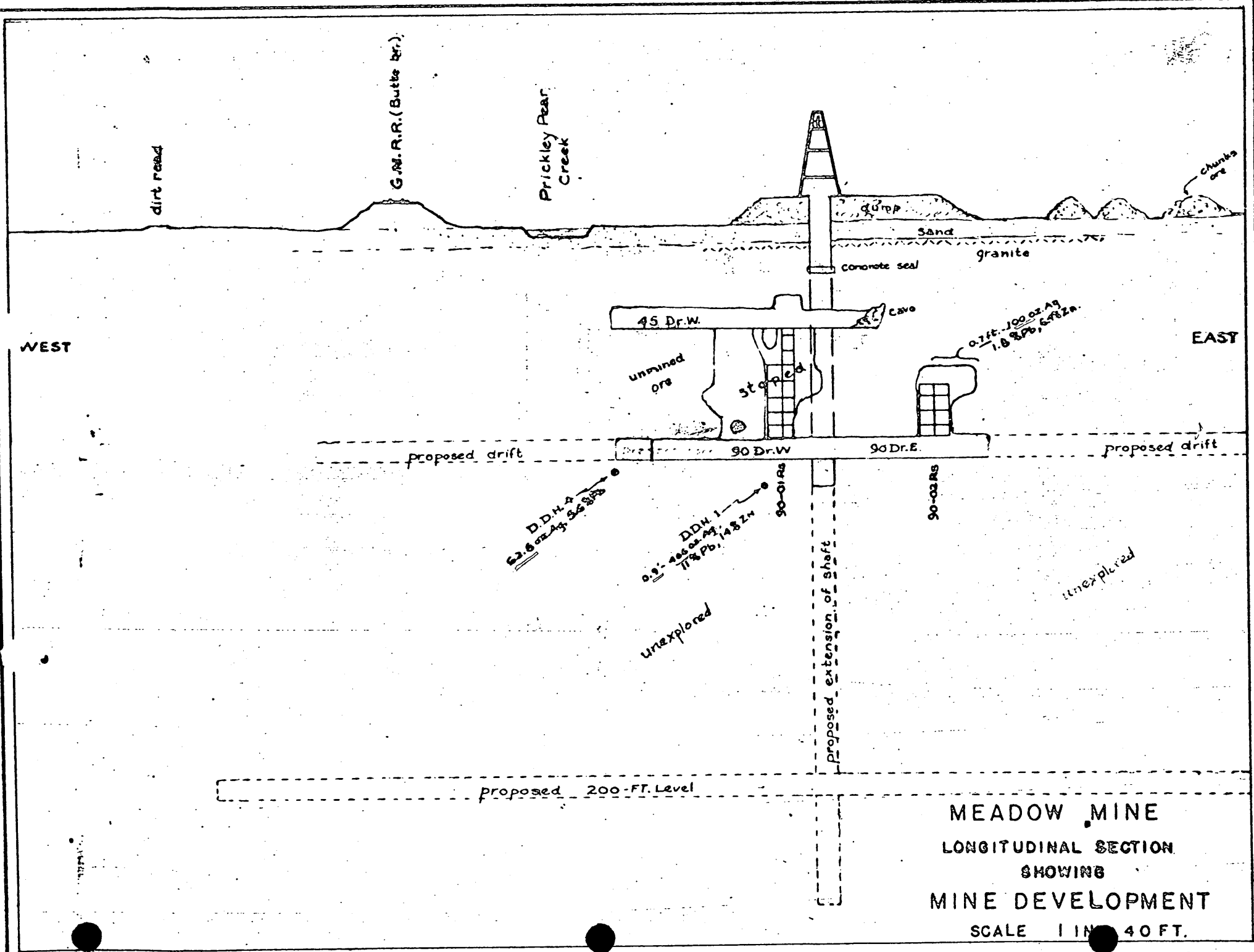


PLATE V

ADDENDUM

THIS ADDENDUM, Made this 2nd day of June, 1964, by and between the parties mentioned in the attached and foregoing agreement, dated June 20, 1963.

It appearing to be advantageous to the party of the first part that a reduction be made in the amount of rental agreement mentioned in paragraph 7, page 3 of said agreement, therefore, in consideration of the advantages and benefits which apparently may accrue to the party of the first part, in part being that rentals from royalties heretofore required do not present an agreement which would facilitate or permit in some instances the financing of an operational program and that the hereinafter mentioned reduction would render the agreement and property more attractive to development, the party of the first part does covenant and agree with the parties of the second part that the said paragraph 7 be amended to read as follows:

> 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.

The parties of the second part agree to pay the said ten per cent (10%) royalty as mentioned. This amendment may be construed and read into said agreement as if originally incorporated therein and such consideration as mentioned in said agreement shall, in addition to the consideration, promises, covenants and terms herein, be considered by the party of the first part to apply to this amendment.

That it is mutually agreed that the remainder of the terms and provisions of said agreement shall remain as originally written and that this

amendment and change shall be of no force and effect to said agreement except as stated herein.

Albert Haab

Albert Haab

Inar Norgaard

Inar Norgaard

Henning Norgaard

HENNING NORGAARD

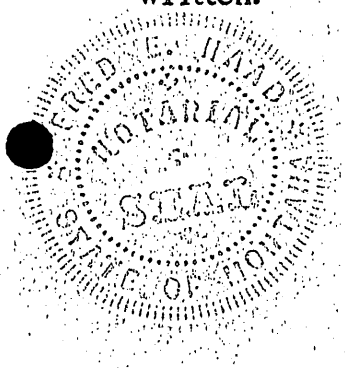
By Inar Norgaard

His Attorney-in-Fact

STATE OF MONTANA)
: ss.
County of Jefferson)

On this 8th day of June, 1964, before me, the undersigned, 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 hereinabove first written.



Enid E. Haab

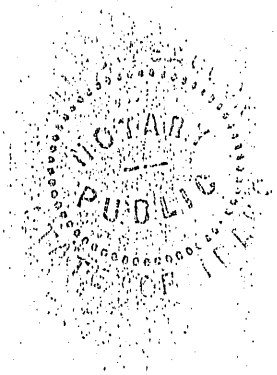
Notary Public for the State of Montana
Residing at Clancy, Montana

My Commission expires March 25, 1965

STATE OF IDAHO)
: ss.
County of Shoshone)

On this 2nd 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 NORGARRD, 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.



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

CONSENT

I, ALBERT HAAB, the party of the first part in that certain Lease agreement made and entered into on the 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, do hereby consent to the assignment of said Lease and agreement to MASCOT MINES, INC., an Idaho corporation, without relinquishing the said Inar Norgaard and Henning Norgaard from any of the requirements of said Lease agreement.

Dated this 5th day of June, 1964.

Albert Haab

Albert Haab

STATE OF MONTANA)
: ss.
County of Jefferson)

On this 5th day of June, 1964, before me, the undersigned, 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 hereinabove first written.

Fred C. Haab

Notary Public for the State of Montana
Residing at Clancy, Montana.

My Commission expires March 25, 1965

2343

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

10 916 NOV 1 '48

East Helena, Mont., 19

Bought of N & N Mng Co Mine Meadow Our Lot No. 2343

Class Crude Shipping Point Clancy Montana Mine Lot No. 1

Quotations of week ending Silver 90 Lead 13.00 Cathode Copper 17.20

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	Trace	247.5	5.7	0.10	61.2	3.0	0.3		14.4	0.25	1.02		0.2
Producer	0.005	246.9	5.9										
Umpire													
Settlement	0.005	247.2	5.8	0.10	61.2	3.0	0.3		14.4	0.25	1.02		0.2

Car Number	Weight
Truck	1980

VALUES PER TON		
Gold @		
Silver 95% @	90	211.36
Lead Less 1.5 90% @	13.00-1.80	8.67
Copper, Less @		
		220.03
3.87		
Less Total Deduction		9.32

DEDUCTIONS PER TON		
Base for charge Lead	8.00	
		8.00
Insoluble % @		
Zinc 4.4 % @	30	1.32
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		
Debit		
Iron % @		
Total Deductions		9.32

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 1.3 % 26

Dry Weight 1954 Pounds @ 210.71 Per Ton $ 205.86

Freight Per Wet Ton @		$
Total 3 Hauling Per Wet Ton @ 4.00 Louis Olsen + 3% Tax	(12)	$ 412
Royalty 25% Nate Hart - Clancy		$ 48.15
Bullion ft on 70 oz 21.82 Ton	83 3% Tax	$ 02
Sub Total 70 oz 19.04 Ton	72	$ 11
Advances		$ 9.00
Umpire		$
Sampling When Less Than 10 Tons	(waived)	$

Date of B/L

Date of Arrival 10-22-49

Checked

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ 61.40 $ 61.40

NET PROCEEDS $ 144.46

3-C

2687

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

12 49 — East Helena, Mont., 19

Bought of N & N Mining Co Mine Meadow Our Lot No. 2687

Class Crude Shipping Point Clancy Montana Mine Lot No. 2

Quotations of Week Avg Silver 90 / Lead 1v.00 Cathode Copper 18 07v

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	1.40c	199.9	3.5	0.05					9.v				
Provaler	1.42	199.5	3.9										
Umpire													
Settlement	1.40	199.7	3.7	0.05					9.v				

Car Number	Weight
Truck	4120

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 3.2 % 132

Dry Weight 3988 Pounds

VALUES PER TON		
Gold @		
Silver 95% @ 90		170.74
Lead Less 1.5 90% @ 1v.00 - 1.80		4.04
Copper, Less @		
Total Au. & Ag.		174.78
Lead (7.00-)		
Copper (1400-)		
Deductions Per Ton		
Bullion Frt. Per Ton		
Valuation For Frt. ( )		
Less Total Deduction		8.00
@		166.78

DEDUCTIONS PER TON		
Base for Charge Lead 8.00		
		8.00
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		
Debit		
Iron % @		
Total Deductions		8.00

Per Ton $ 33v.56

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @ v.00 Jones Comm. 3D, 1x (1v)	$ 4v4	
Royalty v1 % Note Head Clancy - Mont	$ 6493	
Bullion - 1 m 79#08 0.84 Cu .86 x 3D, 1x	$ .03	
" " - 79#08 19.04 Lo .75	$ .11	
Advances	$ 9.00	
Umpire Provaler	$ 10.00	
Sampling When Less Than 10 Tons		
TOTAL	$ 68.31	$ 88.31
NET PROCEEDS		$ v44.v5

Date of B/L

Date of Arrival 12-3-49

Checked

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

2688

AMERICAN SMELTING AND REFINING CO.

12 50 EAST HELENA PLANT

East Helena, Mont., 19

Bought of N + N Mining Co Mine Meadow Our Lot No. 2688

Class Crude Shipping Point Clancy Montana Mine Lot No. 3

Quotations of Wuhr Cung Silver 90 Lead 12.00 Cathode Copper 18.07

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	Trace	78.8	1.6	0.05					1.0				
Fraser	Trace	78.8	1.5										
Umpire													
Settlement	Trace	78.8	1.55	0.05					1.0				

Car Number	Weight
Truck	8100

VALUES PER TON		
Gold @		
Silver 95% @	90	67.37
Lead Less 90% @		
Copper, Less @		
Total Au. & Ag.		67.37
Lead (7.00-)		
Copper (1400-)		
Deductions Per Ton		
Buillon Frt. Per Ton		
Valuation For Frt. ( )		
Less Total Deduction		7.00

DEDUCTIONS PER TON		
Base for Charge Lead	7.00	
		7.00
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		
Debit		
Iron % @		
Total Deductions		7.00

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 7.8 % 632

Dry Weight 7468 Pounds @ 60.37 Per Ton $ 445.44

Date of B/L

Date of Arrival 12-3-49

Checked

Correct

Freight Per Wet Ton @		$
Hauling Per Wet Ton @ 1.00 Four Queen 3 Ds X 26 (24)		$ 8.34
Royalty 1.1 % Late Haul Clancy Mont		$ 11.11
		$
Advances		$
~~Umpire~~ Trodall		$ 6.00
Sampling When Less Than 10 Tons		$ 10.00
TOTAL		$ 46.46
NET PROCEEDS		$ 178.96

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

15

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., 19

Bought of N & N Mining Co. Mine Meadow Our Lot No. 152

Class Crude Shipping Point Clancy Montana Mine Lot No. 1

Quotations of Week Ending Silver 90 Lead 14.00 Cathode Copper 18.075

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	Trace	170.6	4.0	0.10	71.8	3.4	0.2		9.4	0.30	0.72		1.2
Moisell	Trace	171.5	4.6										
				Sent to Rosst & Thompson for Lead Vinyard									
Umpire													
Settlement	Trace	171.05	4.0	0.10	71.8	3.4	0.2		9.4	0.30	0.72		1.2

Car Number	Weight
Truck	4560

VALUES PER TON		
Gold @		
Silver 95% @ 90		146.25
Lead Less 1.5 90% @ 14.00 - 1.80		4.59
Copper, Less @		
Total Au. & Ag.		150.84
Lead (7.00 -)		
Copper (14.00 -)		
Deductions Per Ton		
Bullion Frt. Per Ton		
Valuation For Frt. ( )		
Less Total Deduction		8.00

DEDUCTIONS PER TON		
Base for Clancy Lead	8.00	
		8.00
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		
Debit		
Iron % @		
Total Deductions		8.00

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 7.2 % 328

Dry Weight 4232 Pounds @ 142.84 Per Ton $ 302.25

Date of B/L

Date of Arrival 1-21-50

Checked

Correct

Freight Per Wet Ton @	$	
Total Hauling Per Wet Ton @ 4.00 from Clancy - 30% Pr (.12)	$ 4.12	
Royalty 20% Note Head Clancy - Mill	$ 56.99	
Bullion Frt on 95 Ag 21.84 Oz 1.00 & 30% Pr	.03	
Assay " " 95-Ag 19.04 Oz .90	.14	
Advances Forward	$ 9.00	
Umpire Charge with bill	$ 4.00	
Sampling When Less Than 10 Tons Waived	$	
TOTAL	$ 74.28	$ 74.28
NET PROCEEDS		$ 227.97

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

557

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., 19

Bought of N. & N. Mining Co. Mine Meadow Our Lot No. 557

Class Crude Shipping Point Clancy Montana Mine Lot No. 2

Quotations of [illegible] Silver 90 Lead 10.583 Cathode Copper 18.075

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	Trace	163.4	2.7	0.04					7.8	0.40	0.76		
Goodell	Trace	164.4	2.9										
Umpire													
Settlement	Trace	163.8	2.8	0.04					7.8	0.40	0.76		

Car Number	Weight
Truck	33480

Weight of Lot
Weight of Sacks
Wet Weight
Less Moisture 8.40 % 2812

Dry Weight 30668 Pounds @ 133.05 Per Ton $ 4040.19

VALUES PER TON

Gold @		
Silver 95% @	90	140.05
Lead Less 90% @		
Copper, Less @		140.05
Less Total Deduction		7.00

DEDUCTIONS PER TON

Base for Charge Lead	7.00	
		7.00
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		
Debit		
Iron % @		
Total Deductions		7.00

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @ 1.00 Jones Ouma & 3904-2 (100)	$ 34.48	
Royalty 18.90 Nate Rash Charge Mint	$ 359.41	
	$	
Advances 3-10-50	$ 950.00	
Umpire	$	
Sampling When Less Than 10 Tons Goodell	$ 9.00	
TOTAL	$ 1351.89	$ 1351.89
NET PROCEEDS		$ 687.30

Date of B/L
Date of Arrival 3-14-50
Checked
Correct

Rates except on contract, subject to change without notice.
A minimum charge of 35.00 made on all lots under 10 dry tons.

3-C

666

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., [illegible] 19

Bought of N. & M. Mining Co. Mine Meadow Our Lot No. 666

Class Crude Shipping Point Chance, Montana Mine Lot No. 3

Quotations of Wednesday Silver 90 Lead 10.50 Cathode Copper 18.07 ✓

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	0.005	168.✓	2.9	0.07									
Goodall	0.005	168.4	3.3						6.4	0.55	0.6✓		
Umpire													
Settlement	0.005	168.3	3.1	0.07					6.4	0.55	0.6✓		

Car Number	Weight
Truck	6000

VALUES PER TON		
Gold	@	
Silver 95%	@ 90	143.90
Lead Less 1.5 90%	@ 10.50-1.80	2.51
Copper, Less	@	
		146.41
1.44		
Less Total Deduction		8.00

DEDUCTIONS PER TON		
Base for Charge Lead	8.00	
		8.00
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		
Debit		
Iron % @		
Total Deductions		8.00

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 5.5 % 330

Dry Weight 5670 Pounds @ 138.41 Per Ton $ 39✓.39

Freight Per Wet Ton @

Hauling Per Wet Ton @ ✓.00 Lewis Gerry ✓ 3.07 (.18) $

Royalty 18% Pate Frank Chancy - Nmt $ 6.18

Bullion Fyt 6.4 8✓ Pbs -1.80 Cu .78 ✓ 3.47✓ $ 66.07

Less " " " 8✓ Pbs 19.04 Cu .18 $ .03 ✓

Date of B/L

Date of Arrival 3-22-50

Advances 4-4-50 $ 165.00

Checked

Umpire Travel $ 9.00

Correct

Sampling When Less Than 10 Tons $ 10.00

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ ✓56.40 $ ✓56.40

NET PROCEEDS $ 135.99

3-C

762

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., 19

Bought of N & N Mining Co. Mine Meadow Our Lot No. 762

Class Crude Shipping Point Clancy, Montana Mine Lot No. 4

Quotations of Dulles Lead Silver 90 Lead 10.50 Cathode Copper 18.075

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	Trace	188.0	4.3	0.10					9.7	0.10	0.64		
Goodells	0.005	189.4	4.9										
Umpire													
Settlement	0.0005	188.7	4.3	0.10					9.7	0.10	0.64		

Sent to Union Assay Office for Lead Output

Car Number	Weight
Trucks	18490

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 10.6 % 1960

Dry Weight 16530

VALUES PER TON

Gold	@	
Silver 95%	@ 90	161.34
Lead Less 1.5 60%	@ 0.70 - 1.80	4.38
Copper, Less	@	
		165.72
2.5		
Less Total Deduction		8.00
Pounds	@ 157.72	Per Ton

DEDUCTIONS PER TON

Base for Charge Lead	8.00	
		8.00
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		
Debit		
Iron % @		
Total Deductions		8.00

$ 1303.56

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @ 1.50 Louis Creek 390 Yr (4v)	$ 14.49	
Royalty 10.10 Pd Nat Clancy Mont	$ 54.11	
Deduct Tax 417 Pd 21.84 Yr 4.55 × 390 Yr	$ .14	
Less: Tax 417 Pd 19.04 Yr 3.97	$ .58	
Advances Account	$ 9.00	
Umpire Charge with lead	$ 4.00	
Sampling When Less Than 10 Tons	$ 5.00	
TOTAL	$ 87.12	$ 87.12
NET PROCEEDS		$ 1216.44

Date of B/L

Date of Arrival 4-8-50

Checked

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

927

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

31

East Helena, Mont., ... 19.....

Bought of V. & N. Mining Co. Mine Meadow Our Lot No. 927

Class Crude Shipping Point Clancy, Montana Mine Lot No. 5

Quotations of Week Avg Silver 90 Lead 11.125 Cathode Copper 19.075

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	Trace	183.1	3.3	0.30					11.v	0.30	0.68		
Mowell	0.005	183.9	3.5										
Umpire													
Settlement	0.005	183.5	3.4	0.30					11.v	0.30	0.68		

Car Number	Weight
Truck	13500
Weight of Lot	
Weight of ..... Sacks	
Wet Weight	
Less Moisture 96 %	1296
Dry Weight	12204

VALUES PER TON

Gold ..... @		
Silver 95% ..... @	90	156.89
Lead Less 1.5 90% @	11.125-1.80	3.19
Copper, Less ..... @		
		160.08
1.71		
Less Total Deduction		8.00

DEDUCTIONS PER TON

Base for charge Lead	8.00	
		8.00
Insoluble ..... % @		
Zinc ..... % @		Waived
Arsenic ..... % @		
Antimony ..... % @		
Bismuth ..... Lbs. @		
Debit		
Iron ..... % @		
Total Deductions		8.00

Pounds @ 152.08 Per Ton $ 957.99

Freight Per Wet Ton @		$
Hauling Per Wet Ton @ 1.50 Long Ones x 30 Yx	(.30)	$ 10.43
Royalty Vouch Rate Hazb - Clancy - Mx		$ 180.64
Loss " " " " v09		$ .09
Advances 5-8-50		$ 560.00
Umpire Mcdalls		$ 9.00
Sampling When Less Than 10 Tons		$ 5.00
TOTAL		$ 765.43
NET PROCEEDS		$ 165.56

Date of B/L

Date of Arrival 5-2-50

Checked

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

1122

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

JUN 15 1950

East Helena, Mont., 19

Bought of N & N MINING Co. Mine MEADOW Our Lot No. 1122

Class CRUDE Shipping Point CHANCY MONTANA Mine Lot No. 6

Quotations of Wk Avg Silver 90 Lead 12.00 Cathode Copper 19.475

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	TRACE	155.0	3.4	0.05					9.0	0.55	0.72		
	TRACE	155.6	3.6										
Umpire													
Settlement	TRACE	155.3	3.5	0.05					9.0	0.55	0.72		

Car Number	Weight
TRUCK	4200

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 4.1 % 172

Dry Weight 4028

VALUES PER TON

Gold @		
Silver 95% @ .90		132.78
Lead Less 1.5 90% @ 12.00 − 1.80 (1.80)		3.67
Copper, Less @		
		136.45
Less Total Deduction		8.00

DEDUCTIONS PER TON

Base for charge Lead 8.00	
	8.00
Insoluble % @	
Zinc % @	waived
Arsenic % @	
Antimony % @	
Bismuth Lbs. @	
Debit	
Iron % @	
Total Deductions	8.00

Pounds @ 128.45 Per Ton $ 258.70

Freight Per Wet Ton @		$
Hauling Per Wet Ton @ total to S Plura 500 & 370 tax (0.15)		$ 5.15
Royalty 17% KATE HAGG CHANCY MONTANA		$ 40.36
(less) BULLION FRT ON 73 F 802.8-420.88 & 330 FRT 73 F 2 1.9.4-8.88		$ .11
Advances 6-6-50		$ 80.00
Umpire Goodell		$ 6.00
Sampling When Less Than 10 Tons		$ 10.00
TOTAL	$ 141.62	$ 141.64
NET PROCEEDS		$ 117.06

Date of B/L

Date of Arrival 5-27-50

Checked

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

1245

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., 19

Bought of N & N Mining Co. Mine Meadow Our Lot No. 1245

Class Crude Shipping Point Clancy, Montana Mine Lot No. 7

Quotations of Week Ending Silver 90 Lead 1v.00 Cathode Copper v0.07v

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	Trace	173.8	50	0.10					6.4	0.60	0.7v		
Goodale	0.005	174.8	54										
Umpire													
Settlement	0.00v5	174.3	5.v	0.10					6.4	0.60	0.7v		

Car Number	Weight
TRUCK	11560

VALUES PER TON		
Gold @		
Silver 95% @	90	149.03
Lead Less 1.5 90% @	1v.00-1.80	6.79
Copper, Less @		
		155.8v
3.33		
Less Total Deduction		8.00

DEDUCTIONS PER TON		
Base for Charge Lead	8.00	
		8.00
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		
Debit		
Iron % @		
Total Deductions		8.00

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 5.5 % 636

Dry Weight 10924 Pounds @ 147.8v Per Ton $ 807.39

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @ v.00 & Crum - 20 Yd (.35)	$ 11.91	
Royalty 1990 Rate Based Elsewhere Mont	$ 147.79v	
Assay	$ .50	
Advances 6-16-50	$ 450.00	
Umpire Goodale	$ 1v.00	
Sampling When Less Than 10 Tons	$ 5.00	
TOTAL	$ 6v7.3v	$ 6v7.3v
NET PROCEEDS		$ 180.07

Date of B/L

Date of Arrival 6-8-50

Checked

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

1414

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

7 139

East Helena, Mont., [illegible] 19

Bought of N. & N. Mining Co. Mine Meadow Our Lot No. 1414

Class Crude Shipping Point Clancy, Montana Mine Lot No. 8

Quotations of Week Avg Silver 90 Lead 11.167 Cathode Copper 11.075

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A.S.&R. Co.	0.005	177.5	3.3	0.05					10.4	0.40	0.66		
Hoover	0.005	178.0	3.7										
Umpire													
Settlement	0.005	177.75	3.5	0.05					10.4	0.40	0.66		

Car Number	Weight
TRUCK	6480

VALUES PER TON

Gold @		
Silver 95% @	90	171.98
Lead Less 1.5 90% @	11.167 - 1.80	3.37
Copper, Less @		
		175.35
1.80		
Less Total Deduction		8.12

DEDUCTIONS PER TON

Base for Clancy Lead	8.00	
		8.00
Insoluble % @		
Zinc 0.4 % @	.30	1.2
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		
Debit		
Iron % @		
Total Deductions		8.12

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 4.5 % 292

Dry Weight 6188 Pounds @ 147.73 Per Ton $ 455.53

Freight Per Wet Ton @ 1.00 Lowe Owen 1 390 lx (19)	$	
Hauling Per Wet Ton @	$ 6.67	
Royalty 1970 Nate Hart Clancy Mint	$ 81.64	
Bullion Tax - 111 1604 21.84 1.50 1.21 1.06 / 1 390 lx	$ .04	
Bullion Tax - 111 1604 19.04 1.10	$ .15	
Date of S/L	$ 150.00	
Date of Arrival 6-26-50 Advances 6-30-50	$ 9.00	
Checked ~~Umpire~~ Moore	$ 10.00	
Correct Sampling When Less Than 10 Tons	TOTAL $ 257.50	$ 257.50
	NET PROCEEDS	$ 198.03

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

167 ✓

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

AUG 1 8 1950

East Helena, Mont., 19

Bought of J. P. Mining Co. Mine Sheridan Our Lot No. 167 ✓

Class Lead Shipping Point Clancy, Mont Mine Lot No. 9

Quotations of Week Ago Silver 92 Lead [illegible] Cathode Copper 11.075

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	TRACE	148.5	2.9	0.15					.75	0.25	0.62		
	0.005	148.9	3.1										
Umpire													
Settlement	0.0025	148.7	3.0	0.15					.75	0.25	0.62		

Car Number	Weight
Trash	V0530

VALUES PER TON		
Gold	@	
Silver 95%	@ 90	127.14
Lead Less .15 90% (1.35)	@ 12.00 - 1.80	2.75
Copper, Less	@	
		129.89
Less Total Deduction		8.00

DEDUCTIONS PER TON		
Base for Charge Lead	8.00	
		8.00
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		
Debit		
Iron % @		
Total Deductions		8.00

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture V.8 % 575

Dry Weight 1995 Pounds @ 121.89 Per Ton $1216.16

Freight Per Wet Ton @		$
Hauling Per Wet Ton @ 1.50 L. Peura 0.37 Ton (.46)		$ 15.86
Royalty 17% Kate Haag Clancy Montana		$ 201.08
Less Buyson Fat on 269 oz Silver Ton 2.996 Dumax		$ .38
Less 2.69 oz Silver Ton 2.56		$
Advances 7-31-50		$ 500.00
~~Umpire~~ Goodalls		$ 12.00
Sampling When Less Than 10 Tons		$ 5.00
TOTAL		$ 734.41 $ 734.41
NET PROCEEDS		$ 481.75

Date of S/L

Date of Arrival 7-25-50

Checked

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

1885

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

S 190

East Helena, Mont., 19

Bought of A. O. Murray Co. Mine Meadow Our Lot No. 1885

Class Ore Shipping Point Clancy Mont Mine Lot No. 10

Quotations of Week Ave. Silver 90 Lead 14.833 Cathode Copper 14.075

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	Trace	167.8	3.5	0.10					5.8				
Goodall	Trace	168.3	3.9										
Umpire													
Settlement	Trace	168.05	3.7	0.10					5.8				

Car Number	Weight
Truck	17060

Weight of Lot

Weight of ... Sacks

Wet Weight

Less Moisture 3.0 % 514

Dry Weight 16548

VALUES PER TON

Gold @		
Silver 85% @	90	143.68
Lead Less 1.9 1.5 90% @	14.833-180	4.37
Copper, Less @		
		148.05
Less Total Deduction		8.00
Pounds @	140.05	Per Ton

DEDUCTIONS PER TON

Base for Clancy Lead	8.00	
		8.00
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		
Debit		
Iron % @		
Total Deductions		8.00

$ 1158.77

Date of B/L

Date of Arrival 8.8.50

Checked

Correct

Freight Per Wet Ton @		$
Hauling Per Wet Ton @ 14.00 Jones Opens 4 3/8 Yd (51)		$ 17.57
Royalty 1950 Nate Naab Clancy Mont		$ 13.49
B.S.L. 1015 Fr on 3x8 NBS 21.84 Ton 3.58 4 3/8 Yd		$ .76
RFJ 3x8 NBS 19.04 Ton 3.12		$ 400.00
Advances 823.50		$ 14.00
Umpire Goodall		$ 5.00
Sampling When Less Than 10 Tons		
TOTAL	$ 648.63	$ 648.63
NET PROCEEDS		$ 510.14

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

AMERICAN SMELTING AND REFINING CO.

10 73 EAST HELENA PLANT

East Helena, Mont., 19

Bought of Mt. Mining Co. Mine Meadow Our Lot No. V3V1

Class Crude Shipping Point Clancy Mont Mine Lot No. 11

Quotations of week long Silver 90 Lead 16.00 Cathode Copper 11.515

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A.S. & R. Co.	Trace	163.1	3.5	0.05					8.9				
Modicka	—	163.4	3.4										
Umpire													
Settlement	Trace	163.3	3.45	0.05					8.9				

Car Number	Weight
Truck	7140

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 3 % 1 1

Dry Weight 6919

VALUES PER TON		
Gold @		
Silver 95% @	90	139.61
Lead Less 1.755 1.5 90% @	1.600 - 1.80	4.98
Copper, Less @		
		144.60
Less Total Deduction		8.00
Pounds @	136.60	Per Ton

DEDUCTIONS PER TON		
Base for Charge Lead 8.00		
		8.00
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		
Debit		
Iron % @		
Total Deductions		8.00

$ 47.57

Freight Per Wet Ton @		$
Hauling Per Wet Ton @ 8.00 L Crum - 3%	(.24)	$ 8.14
Royalty 18% Roll Back Clancy Mint		$ 79.58
Discount Freight 1.41	1.30	$ .04
Assay 1.41	1.15	$ .17
Advances 10-6-50		$ 300.00
Umpire Truck		$ 10.00
Sampling When Less Than 10 Tons		$ 10.00
TOTAL		$ 410.03 $ 410.03
NET PROCEEDS		$ 61.54

Date of B/L

Date of Arrival 10-11-50

Checked

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

2611

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

11 150

East Helena, Mont., 19

Bought of N + N Mining Co Mine Meadow Our Lot No. 2611

Clr Cruse Shipping Point Clinton Montana Mine Lot No. 12

Quotations of Wednesday Silver 90 Lead 16 833 Cathode Copper 14.075

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	Trace	1.5	5.4	0.10					8.4	0.10	1.00		
Howell	0.005	3.4	5.4										
Umpire													
Settlement	0.005	1.85	5.4	0.10					8.4	0.10	1.00		

Car Number	Weight
Truck	17100

Weight of Lot

Weight of ..... Sacks

Wet Weight

Less Moisture 8.4% 1436

Dry Weight 15664 Pounds

VALUES PER TON

Gold @		
Silver 95% @	90	190.54
Lead Less 1.5 90% @	16833-1.85	10.01
Copper, Less @		
		200.55
3.33		
Less Total Deduction		8.00
@	192.55	Per Ton

DEDUCTIONS PER TON

Base for Chgs Lead 8.00	
	8.00
Insoluble % @	
Zinc % @	
Arsenic % @	
Antimony % @	
Bismuth Lbs. @	
Debit	
Iron % @	
Total Deductions	8.00

$ 1508.05

Freight Per Wet Ton @		$
Hauling Per Wet Ton @ 1.50 L. Clinton x 3 Ton	(.38)	$ 13.41
Royalty 14010 Hale Hart Clinton Mont		$ 354.47
BILL 870 FRT 010 [illegible] DRG 21.80 [illegible] 5.30 x 35% Tax		$ .73
LESS " " " [illegible] NOV 19.34 LIN 4.87		$ 400.00
Advances 11-6-50		$ 14.00
Umpire Howell		$ 5.00
Sampling When Less Than 10 Tons		
TOTAL		$ 785.58 $ 785.58
NET PROCEEDS		$ 722.47

Date of B/L

Date of Arrival 11-7-50

Checked

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., ... 19.....

Bought of N + N Mining Co Mine Meadow Our Lot No. 3002

Class Crude Shipping Point Clancy Montana Mine Lot No. 12

Quotations of Delivered Silver 90 Lead 17.00 Cathode Copper [illegible]

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A.S. & R. Co.	Trace	59.5	0.8	0.05					4.0	0.05	0.50		
Howell	0.005	59.4	1.1										
Umpire													
Settlement	0.0025	59.45	1.0	0.05					4.0	0.05	0.50		

Car Number	Weight
Truck	16500

Weight of Lot

Weight of ..... Sacks

Wet Weight

Less Moisture 8.5 % 1403

Dry Weight 15097

VALUES PER TON

Gold @		
Silver 95% @	90	50.83
Lead Less 90% @		
Copper, Less @		
		50.83
Less Total Deduction		7.00

DEDUCTIONS PER TON

Base for Charge Lead	7.00	
		7.00
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		
Debit		
Iron % @		
Total Deductions		7.00

Pounds @ 43.83 Per Ton $ 330.85

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @ 1.00 Louis Quinn + 30% x 150	$ 17.00	
Royalty 10% Nate Nash Clancy Mint	$ 19.69	
	$	
Advances 11-18-50	$ 285.00	
Umpire Howell	$ 11.00	
Sampling When Less Than 10 Tons	$ 6.00	
TOTAL	$ 348.69	$ 348.69
NET PROCEEDS		$ 17.84

Date of B/L

Date of Arrival 12-13-50

Checked

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., JAN 26 1951 19

Bought of N & N Mining Co Mine Meadow Our Lot No. 110

Class Crude Shipping Point Clancy Montana Mine Lot No. 1

Quotations of Wednesday Silver 90¢ Lead 11.0 Cathode Copper 14.075

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	Trace	152.0	2.7	0.10	69.2	4.0	0.4		8.4	1.30	0.88		1.0
Goodwin	0.01	154.4	2.7										
Umpire													
Settlement	0.005	154.1	2.7	0.10	69.4	4.0	0.4		8.4	1.30	0.88		1.0

Car Number	Weight
Truck	10320

VALUES PER TON		
Gold @		
Silver 95% @	90¢	130.48
Lead Less 90% @		
Copper, Less @		
		130.48
Less Total Deduction		7.09

DEDUCTIONS PER TON			
Base for Charge Lead	2.00		
			7.00
Insoluble % @			
Zinc % @			
Arsenic % @			
Antimony 0.18 % @		.50	.09
Bismuth Lbs. @			
Debit			
Iron % @			
Total Deductions			7.09

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 3.6 % 372

Dry Weight 9948 Pounds @ 143.19 Per Ton $ 614.75

Freight Per Wet Ton @		$
Hauling Per Wet Ton @ 4.00 Long Canyon 2.90 ton (21)		$ 10.63
Royalty 17% Note Hoot Clancy Yard		$ 100.34
Line Wells - advance 1 lot 300.14 14-18-50		$ 17.84
Advances		$
Umpire Goodwin		$ 14.00
Sampling When Less Than 10 Tons (Waived)		$
TOTAL	$ 140.79	$ 140.79
NET PROCEEDS		$ 473.96

Date of B/L

Date of Arrival 1-11-51

Checked

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

323

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

2 112

MAR 1 1951

East Helena, Mont., ..., 19.....

Bought of N & N Mining Co Mine Meadow Our Lot No. 323

Class Crude Shipping Point Clancy Montana Mine Lot No. 2

Quotations of Week Avg Silver 90¼ Lead 17.00 Cathode Copper 14.075

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	Trace	154.5	2.8	0.05					9.9				
Yoseph	Trace	154.9	3.1										
Umpire													
Settlement	Trace	154.7	3.0	0.05					9.9				

Car Number	Weight
Truck	12330

VALUES PER TON		
Gold	@	
Silver 95%	@ 90¼	131.50
Lead Less 1.5 90%	@ 17.00 - 1.85	4.10
Copper, Less	@	
Total Au. & Ag.		136.60
Lead (700-)	1.35	
Copper (1400-)		
Deductions Per Ton		
Bullion Frt. Per Ton		
Valuation For Frt. ( )		
Less Total Deduction		8.00

DEDUCTIONS PER TON		
Base for Chicago Lead	8.00	
		8.00
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth % @		
Debit		
Iron Lbs. @		
Total Deductions		8.00

Weight of Lot		
Weight of Sacks		
Wet Weight		
Loss Moisture 3.7 %	456	
Dry Weight	11874	

Pounds @ 128.60 Per Ton $ 763.50

Freight Per Wet Ton @		
Hauling Per Wet Ton @ 1.50 Lowe Creek + 3½ % (1.8)	$	
Royalty 17% Flat Head Clancy Mont	$ 9.53	
Smelter Gift 0.0 163 Ag 2.7 Pb 1.75 + 30% Pb	$ 145.44	
Zn 0.0 160 Au 1.04 Cu 1.5	$ .03 .13	
Advances 4-19-51	$ 300.00	
Umpire Yoseph	$ 14.00	
Sampling When Less Than 10 Tons	$ 5.00	

Date of B/L

Date of Arrival 2-14-51

Checked

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ 457.05 $ 457.05

NET PROCEEDS $ 311.45

3-C

535

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

128

AR 28 1951

East Helena, Mont., ..., 19.....

Bought of P. D. Murray & Co. Mine Meadow Our Lot No. 535

Class Crude Shipping Point Clancy Mont Mine Lot No. 3

Quotations of Metal Bull Silver 90¢ Lead 17.00 Cathode Copper 14.075

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	Trace	89.9	1.0	0.05					8.5	0.40	0.58		
Montana	0.005	90.3	1.4										
Umpire													
Settlement	0.005	90.1	1.1	0.05					8.5	0.40	0.58		

Car Number	Weight
Truck	11760

VALUES PER TON			
Gold	@		
Silver 95%	@	90/6	77.17
Lead Less 90%	@		
Copper, Less	@		
Total Au. & Ag.			77.17
Lead (700-)			
Copper (1400-)			
Deductions Per Ton			
Bullion Frt. Per Ton			
Valuation For Frt. ( )			
Less Total Deduction			7.00

DEDUCTIONS PER TON		
Base for Charge Lead 7.00		
		7.00
Insoluble	% @	
Zinc	% @	
Arsenic	% @	
Antimony	% @	
Bismuth	% @	
Debit		
Iron	Lbs. @	
Total Deductions		7.00

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 3.9 % 406

Dry Weight 11494 Pounds @ 70.17 Per Ton $ 403.27

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @ 1.00 Lou Jones = 3.074 (1.36)	$ 1.37	
Royalty 1% Rate Heat Clancy - Mont	$ 4.87	
	$	
Advances 3-11-51	$ 150.00	
Umpire Frederick	$ 1.00	
Sampling When Less Than 10 Tons	$ 5.00	

Date of B/L

Date of Arrival 3-15-51

Checked

Correct

TOTAL $ 144.19 $ 224.19

NET PROCEEDS $ 179.08

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

3-C

587

AMERICAN SMELTING AND REFINING CO.

205 EAST HELENA PLANT

APR 8 1961

East Helena, Mont., 19

Bought of P + M. Mining Co Mine Meadow Our Lot No. 587

Class Crude Shipping Point Clancy - Mont Mine Lot No. 6

Quotations of Week Avg Silver 90.16 Lead 17.00 Cathode Copper 24.075

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	Trace	57.1	1.4	0.05					5.3	0.30	0.15		
Mitchell	Trace	57.0	1.6										
Umpire													
Settlement	Trace	57.05	1.5	0.05					5.3	0.30	0.15		

Car Number	Weight
Trucks	26000

VALUES PER TON		
Gold	@	
Silver 95%	@ 90.16	48.86
Lead Less 90%	@	
Copper, Less	@	
Total Au. & Ag.		48.86
Lead (700-)		
Copper (1400-)		
Deductions Per Ton		
Bullion Frt. Per Ton		
Valuation For Frt. ( )		
Less Total Deduction		7.00

DEDUCTIONS PER TON		
Base for Chicago Lead	7.00	
		7.00
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth % @		
Debit		
Iron Lbs. @		
Total Deductions		7.00

Weight of Lot			
Weight of Sacks			
Wet Weight			
Less Moisture 5.8 %	1509		
Dry Weight	24571	Pounds @ 41.86 Per Ton	$ 513.00

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @ 1.00 L. Pena + Sons (7%)	$ 26.80	
Royalty 10% Butte Hard Clancy, Mont	$ 47.40	
	$	
Date of B/L		
Date of Arrival 3-11-61	Advances	$
Checked	Umpire Rochelle	$ 10.00
Correct	Sampling When Less Than 10 Tons	$

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ 86.40 $ 86.40

NET PROCEEDS $ 426.80

3-C

708

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

APR 24 1951

East Helena, Mont., ..., 19....

Bought of N & N Mining Co Mine Meadow Our Lot No. 708

Class Crude Shipping Point Clancy Montana Mine Lot No. 5

Quotations of week Avg Silver 90 1/8 Lead 17.00 Cathode Copper 14.075

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	Trace	91.1	1.6	0.10					7.9	0.10	0.30		
Goodall	0.01	91.4	1.7										
Umpire													
Settlement	0.005	91.3	1.65	0.10					7.9	0.10	0.30		

Car Number	Weight	VALUES PER TON			DEDUCTIONS PER TON	
		Gold	@		Base for Clancy Lead 7.00	
Truck	26020	Silver 95%,	@ 90 1/8	78.10		
		Lead Less 90%	@			
		Copper, Less	@			
		Total Au. & Ag.		78.10		
		Lead (700-)				7.00
		Copper (1400-)			Insoluble % @	
					Zinc % @	
		Deductions Per Ton			Arsenic % @	
					Antimony % @	
Weight of Lot		Bullion Frt. Per Ton			Bismuth % @	
Weight of Sacks					Debit	
Wet Weight		Valuation For Frt. ( )			Iron Lbs. @	
Less Moisture 4.8 %	1249	Less Total Deduction		7.00	Total Deductions	7.00
Dry Weight	24771	Pounds	@	71.10	Per Ton	$ 881.85

	Freight Per Wet Ton @	$
	Hauling Per Wet Ton @ 1.50 Long Creek to 3 Pts 74 (78)	$ 26.83
	Royalty 1 1/2 % Nate Head Clancy Mont	$ 101.17
Date of B/L	1 1/2 % J. C. Archibald Royalty Arizona	$ 16.86
Date of Arrival 4-9-51	Advances	$
Checked	Umpire Goodall	$ 10.00
Correct	Sampling When Less Than 10 Tons	$

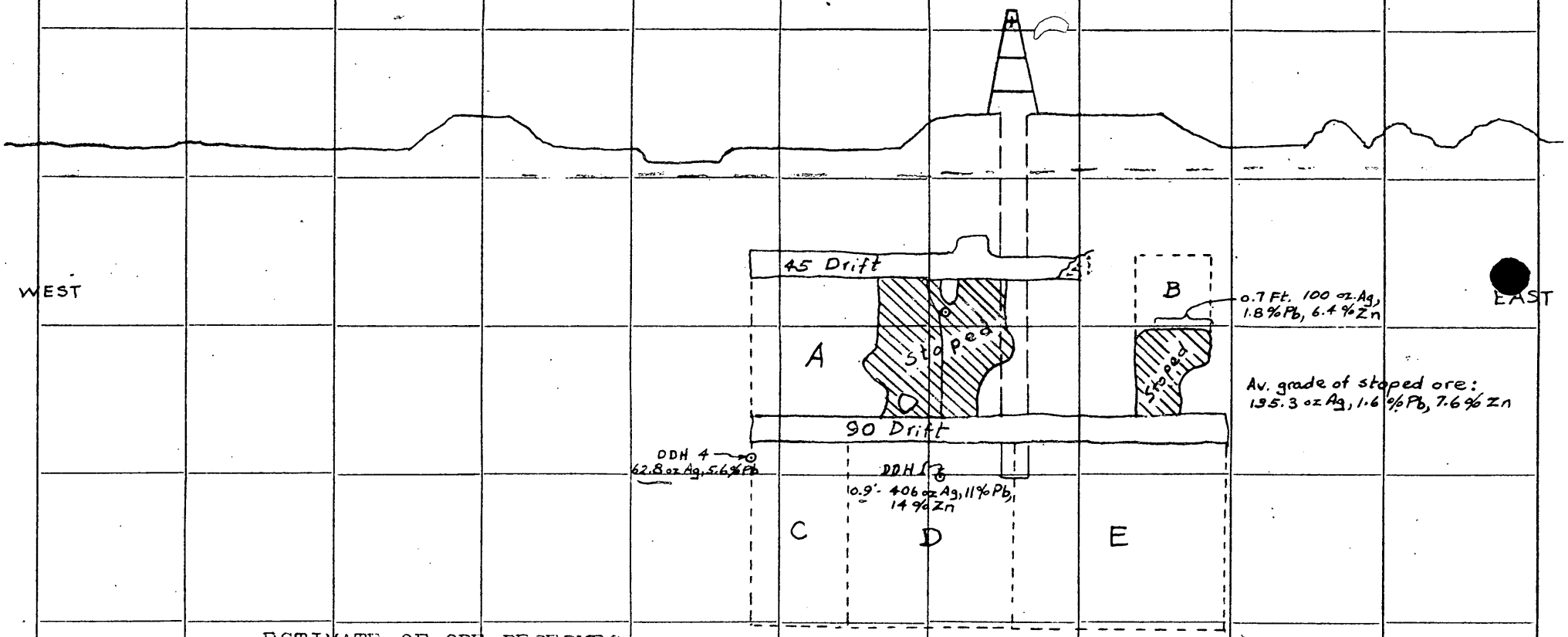
Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ 156.83 $ 156.83

NET PROCEEDS $ 725.02

3-C



ESTIMATE OF ORE RESERVES

Measured Block	Ore: None Sq. Ft.	Width ft	Cu. Ft.	Tons (13 cu.ft.)	Estimated Grade Ag, oz	Pb, %
Indicated	Ore:					
A	1225	1.0	1225	94.23	99.0	3.6
B	400	0.7	280	21.54	100.0	1.8
C	1250	0.9	1125	86.54	198.6	6.9
D	2250	0.9	2025	155.76	202.0	6.0
E	2750	0.7	1925	148.07	100.0	1.8
Totals				506.14 Tons		
Averages		0.84 ft.			148.0	4.1

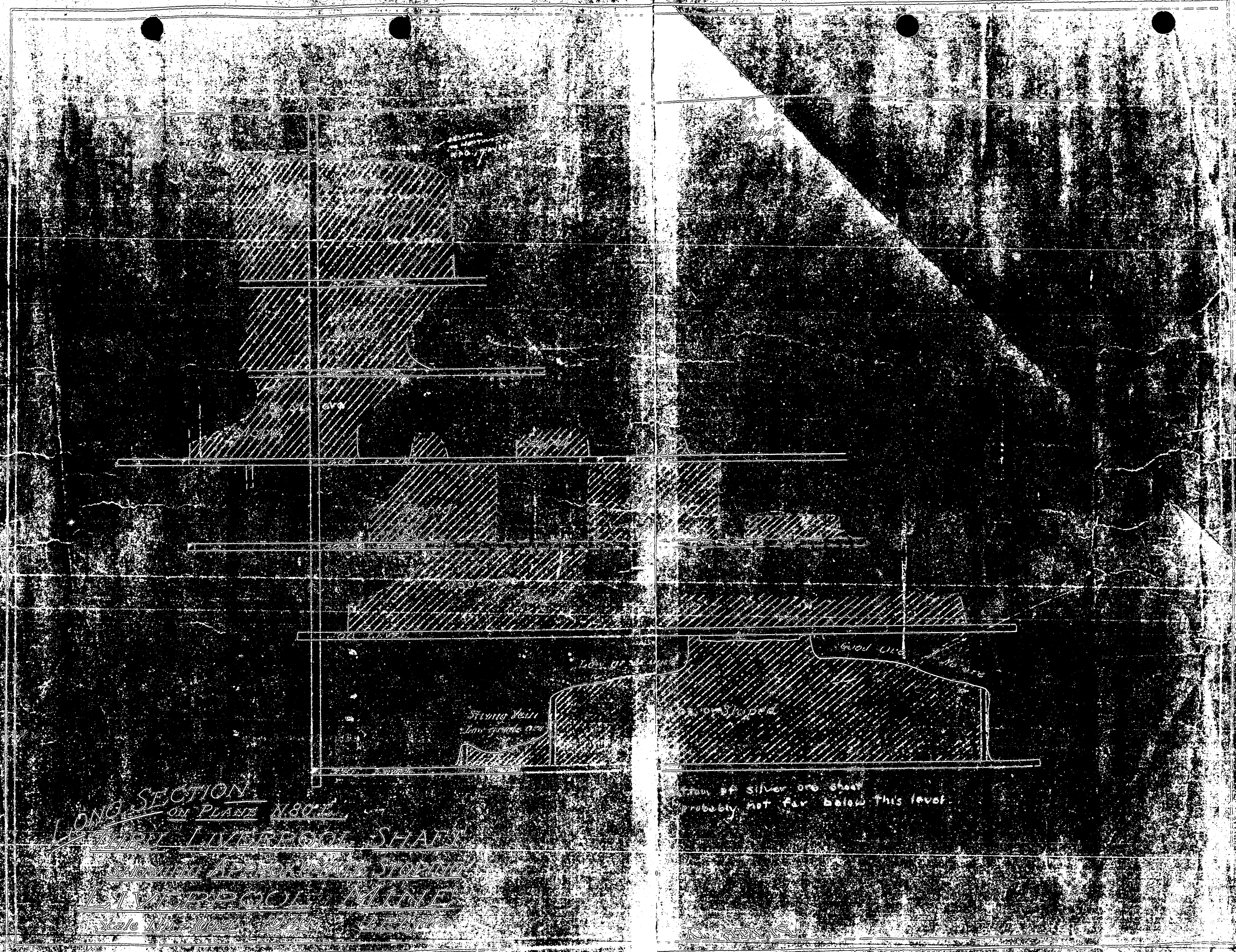
MEADOW MINE
Clancy Mining District
Jefferson County, Mont.
Traced from Nugent, 1951

Scale: 1' = 40'

M. C. Brown 9/29/64

Exhibit 3-d

SHANNON & CO.—ALBANENE


LONG SECTION
ON PLANE N80°E
THRU LIVERPOOL SHAFT
SHOWING APPROXIMATE STOPING
LIVERPOOL MINE
Bottom of silver ore shoot
probably not far below this level
Strong vein
Low grade ore
Good ore
Stoped

OFFICIAL FILE COPY
O. M. E.
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DATE	INITIALS	CODE

Exhibit 3-f

REPORT

on the

MEADOW MINE

Clancy, Montana

By

Alfred E. Nugent

April 1951.

Exhibit 3-9

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REPORT ON THE MEADOW MINE

Clancy, Montana

INTRODUCTION

The Meadow Mine is located in the Clancy Mining District of Jefferson County, Montana. This district is contained in an area about three miles wide and five miles long lying in T.8 N. & T9N, R 3 W. The central point of the area is Clancy, a village located along U. S. Highway 91 about 10 miles south of Helena. (see index map, Plate I).

The principal mines of the district have been the Liverpool, Legal Tender, Little Nell, Free Coinage, and King Solomon. They were discovered and worked in the 1880's and 1890's, but have been nearly forgotten in late years. The Liverpool produced more than $1,250,000 and the Legal Tender more than $2,000,000 in silver and lead. Most abundant metal of the ore was zinc, but having no market value was considered as gangue. These mines were developed by shafts from 500 to 800 feet deep. The rich sulphide ores were deposited in veins cutting through the quartz-monzonite (locally called granite) of the Boulder Batholith.

All of the old mines are abandoned and inaccessible now. According to the meager information available, the ore shoots were never bottomed; the silver values declined to the point where the crude ores were not profitable. It is possible that by using modern flotation some of these baser ores would now be profitable to mine.

The only mines of the district being developed and

operated now are the newly-discovered Haines Uranium Property being developed by Newmont Mining Company and the Meadow Mine by Nugent and Norgaard.

LOCATION AND HISTORY OF THE MEADOW MINE

The Meadow Mine is located on the Haab Ranch about two miles north of Clancy. It is on the valley floor alongside Prickley Pear Creek and the Butte branch of the Great Northern Railway. The mine is not more than 400 feet from U. S. Highway 91 between Butte and Helena (see Plate II).

The Meadow vein was'nt discovered during the years of greatest activity of the district because it was covered by valley debris. It was found accidentally in 1936 when the Winston Bros. godd dredge dug up rich fragments of the vein from bedrock and deposited them on the tailing piles. The discovery excited much local interest, but the owners made no attempt to lease the ground until thirteen years later.

In 1949 the North Range Mining Co. of Negaunee, Michigan secured a lease on the property through its local manager, J. C. Archibald of Helena. The ground was diamond-drilled with inconclusive results- some holes showed rich ore, others little or no vein structure. Because of this and of the uncertain amount of water to be encountered in mining operations exploration was suspended and the lease surrendered.

Later in 1949 Alfred E. Nugent, who had directed the drilling program for North Range Mining Co., and Henning Norgaard, both of Helena, took a lease on the property and commenced to sink a shaft. The property was named the "Meadow Mine" because of its unique location.

Nugent and Norgaard sunk the shaft to the 90-ft. level in 1949 and 1950 and have since steadily developed the mine by drifts and raises. Progress has been retarded by the lack of adequate capital.

During this development period 130 tons of ore containing 5,116 pounds of lead, 20,088 pounds of zinc, and 17,708 ounces of silver have been shipped to the smelter. Returns for lead and silver have amounted to $16,091, but no pay has been received for the zinc.

OWNERSHIP

The Meadow Mine is located on the Haab Homestead, which was taken up prior to 1916. However, because the homestead does not cover the entire projection of the vein two unpatented claims have been located; these claims, the Meadow and the Joe Pete, and the Haab homestead are all owned by Mrs. Kate Haab of Clancy (see Plate II). The Hennepin patented claim belongs to another owner.

Nugent and Norgaard, a partnership, have a 15-year lease, dated August 1949, on the property. Royalties to be paid to the owner are on a sliding scale ranging from 10% to 25% and vary with the value of the ore; royalties in 1949-1950 averaged 19%. In addition to this there is a 2% royalty, in effect for the year April 1951 to April 1952, which applies toward a $1000 purchase price on a minority interest in the lease; this interest amounts to 10% of net smelter returns during the life of the lease and is held by J. C. Archibald of Nogales, Arizona.

EQUIPMENT AND SERVICE

The Meadow Mine is well-equipped for immediate mining and development needs. An automatic Pomona turbine pump easily handles the 65-gal. per minute flow of water now coming into the mine. A 250 cubic-foot Sullivan compressor, a 100-gal. per min. Pacific pump, a 5-H.P. Austin fan, an Anaconda air hoist with brake, a tugger hoist, pickup truck, and stopers, drifter, jackhammer comprise the major part of the equipment.

Surface buildings consist of headframe with ore and waste bins, hoist house, compressor house, and temporary warehouse. It is planned to build a small change house and permanent warehouse during the summer months of this year.

Power is provided by the Montana Power Co. from a transmission line 300 feet from the mine. A substation at the mine transforms the 7200-volt current to 440-volt current for use of compressor, pump and fan motors. A smaller transformer cuts this voltage to 110-volts for mine and surface lights.

An ore trucker hauls the mine ore to the East Helena smelter 7 miles away at a rate of $2,00 per ton. The smelter pays for lead and silver, but not for zinc; base smelting charge is $8.00 per ton.

GEOLOGY

The geology of the Meadow Mine is similar to that of the older mines of the district. The vein occupies a fault fissure in the quartz-monzonite rock of the Boulder Batholith. The development work to date shows the average strike of vein

to be S 85 deg. West and the dip to be nearly vertical; width of vein varies from six inches to two feet. Ore shoots tend towards a lensy, though not pockety, character.

The ore minerals are sphalerite, galena, tetrahedrite, argentite, and pyrargyrite in a gangue of quartz, chalcedony, ankerite and minor pyrite and arsenopyrite. The presence of minute amounts of radioactive minerals, especially associated with the chalcedony, has been demonstrated by recent tests made by an engineer of the Atomic Energy Commission.

Minerals were deposited during two periods, both during late Tertiary age. During the first period quartz and sulphides of silver, lead, zinc and iron were deposited along the fault fracture. Some movement occurred along the vein during this mineralization, but most of it took place after sulphide mineralization had ceased, thereby brecciating the ore. This breccia was later re-cemented and in some places replaced by chalcedony of a second period of mineralization.

Structural control- by changes in strike and dip and amount of fault gouge- seemsd to have directed local and possibly areal deposition of ore. Of course, such variations probably represent existing evidence for pre-mineral movements along the fault plane.

Two oreshoots have been found thus far in the development of the mine, but the limits of each have not been found and it is possible that they may be branches of one large shoot. The size of the oreshoots is therefore an unknown that must wait for lateral and vertical exploration. The oreshoots of the neighboring Liverpool Mine were stoped for a length of

200 to 600 feet and for a depth of 200 to 750 feet below surface.

DEVELOPMENT

DIAMOND DRILLING:

In June 1949 the North Range Mining Co. drilled nine diamond-drill holes at what is now the Meadow Mine. All were drilled from surface, through the seven-foot overburden of dredge tailings and gravel, into the underlying granite. The target for the first hole was an area some forty to fifty feet beneath the westernmost tailing pile containing ore fragments. The plan was to locate the vein by the first hole, determine the dip by a second hole drilled under the first, (see Plate III), and then determine strike by one or more holes at intervals to east and west of the first hole, (as shown by Plate IV).

The results of the drilling were not conclusive. Cores from three holes contained good values, but other holes cored badly or did not encounter recognizable vein structure. The ninth and last hole encountered some vein material before coring was started but was drilled through very solid granite where the projection of the vein was expected to be found. Because of this information another hole should have been drilled, but it was not authorized and the whole drilling program was stopped.

Subsequent mine development has given a clearer understanding of the situation, shown on Plate IV. It is now

evident that the suggested strike and dip on the basis of the first four holes were erroneous and that only three of the holes may have been drilled far enough to pass through the vein.

Some facts concerning diamond-drilling of this type of vein emerge from this experience. It is recognized that diamond-drilling is the easy and most satisfactory way to locate the buried vein, but is not reliable for figuring average width or grade of ore. Three holes are not enough to determine the strike and dip of the vein accurately for the planning of the mine development. And lastly, those holes which do not pierce the anticipated structure should be drilled far enough before being abandoned to allow for local variations in strike of dip.

MINE DEVELOPMENT:

The Meadow shaft was sunk as a 70-degree incline shaft for 50 feet below surface, then vertically to a depth of 100 feet below surface. Small stations were cut at the 45-foot and the 90-foot levels, short crosscuts driven to the vein, and drifting done west of the shaft on the 45-foot level and both east and west on the 90-foot level. One development raise was driven between levels west of the shaft and some stoping done from it. One exploratory raise was driven above the 90-foot level east of the shaft. Development work to date is shown by Plate V which is a longitudinal section along the plane of the vein.

MINING

Mining problems have not been so serious as might have been expected. Shortly after the shaft had been sunk below bedrock the surface water was sealed off by pouring a concrete shaft ring at bedrock elevation and by boarding around the shaft from that elevation to surface by means of water-tight planks. The water from the mine workings comes from the vein but has not amounted to more than 70 gallons per minute yet. It is pumped to surface by a deep-well turbine pump located on the 45-foot shaft station; this pump will handle four or five times the present volume of water.

Drifts are timbered with 5-foot sets which leave a passageway 4 feet by 6 feet in the clear. The granite country-rock stands well except that immediately adjacent to the vein; for that reason comparatively light timbering is sufficient.

Stoping is done by the horizontal-cut and fill method. The waste is blasted first for fill and the ore stripped afterwards; the ore produced by this sequence requires very little sorting.

The profit per ton of ore stoped is high because of the relatively high smelter return; net smelter returns of all ore shipped in 1949 and 1950 averaged $129 per ton 9(see Plate VI, Ore Shipments from Meadow Mine). However, most of the ore shipped has come from development rather than stoping and no stoping costs are yet available.

RECOMMENDATIONS

The lateral development of the mine should be continued

by extending the drifts on the 90-ft. level both east and west. There is good reason to believe, because of ore on tailing piles east of present development, that another shoot of ore of good width and grade lies under the power substation or beyond.

However, with a view toward developing larger ore reserves the main objective should be the sinking of the shaft to the 200-ft. level and thence drifting east and west on that level. Blocking out larger reserves will not only assure a larger daily production but will also make it feasible to consider building a small flotation mill to separate the lead and zinc sulphides. It will be noted by referring to Plate VI that some 20,000 pounds of zinc worth $3,800 gross value have been shipped but lost to the mine so far as profit is concerned. A mill would undoubtedly save a large part of this loss.

But- until financial assistance is obtained whereby additional miners can be put to work the Meadow Mine cannot attain a steady and profitable production.

Alfred E. Nugent

Alfred E. Nugent

Helena, Montana

April 1951.

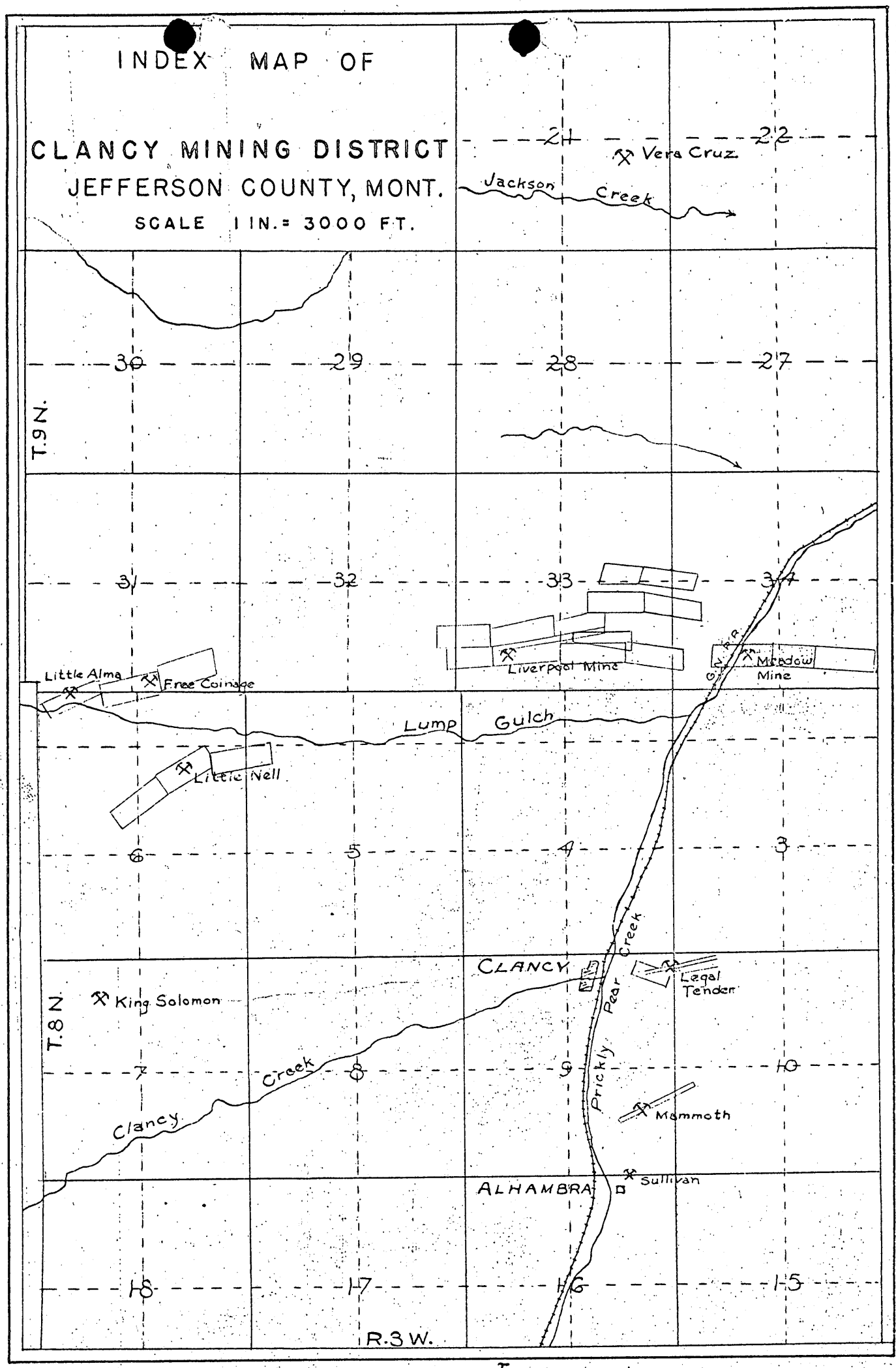
INDEX MAP OF
CLANCY MINING DISTRICT
JEFFERSON COUNTY, MONT.
SCALE 1 IN. = 3000 FT.
21
22
Vera Cruz
Jackson Creek
30
29
28
27
T.9 N.
31
32
33
34
Liverpool Mine
Meadow Mine
Little Alma
Free Coinage
Lump Gulch
Little Nell
6
5
4
3
CLANCY
Legal Tender
King Solomon
T.8 N.
Prickly Pear Creek
7
8
9
10
Clancy Creek
Mammoth
ALHAMBRA
Sullivan
18
17
16
15
R.3 W.

PLATE I

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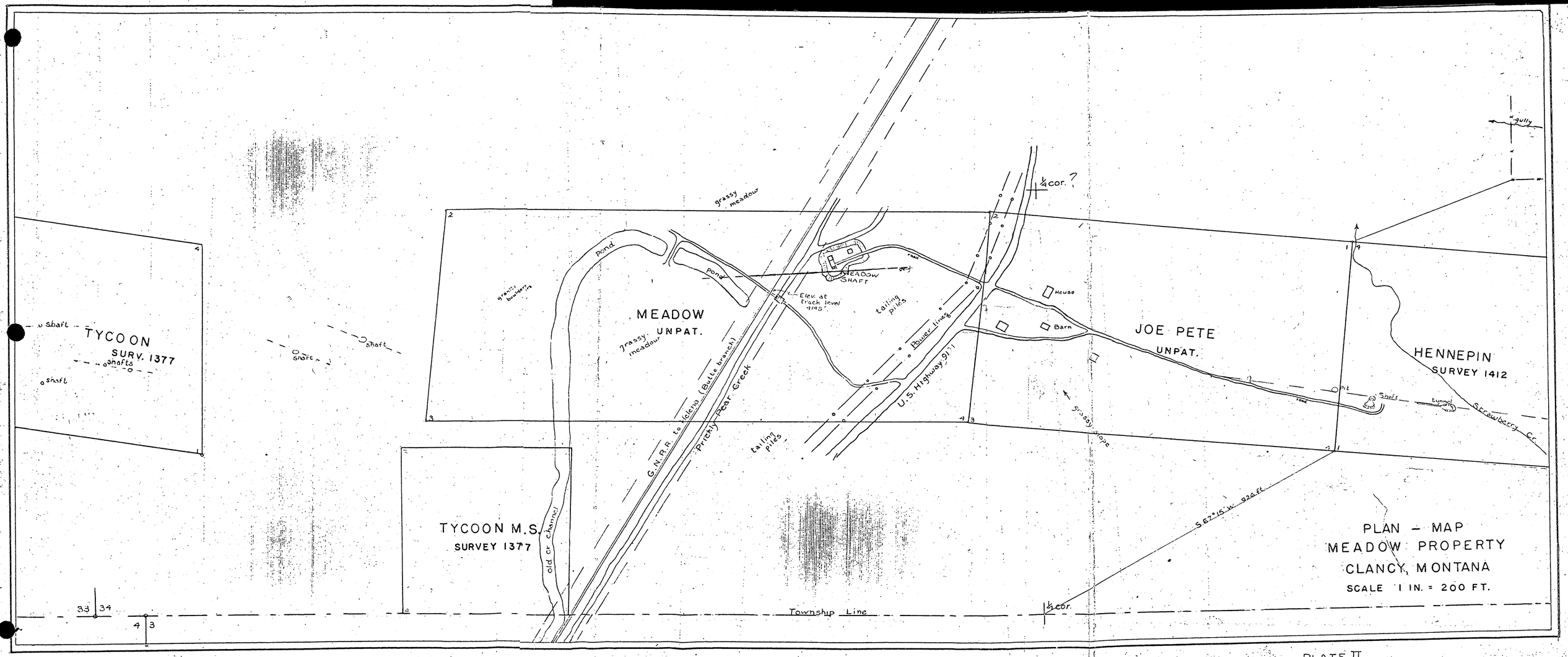
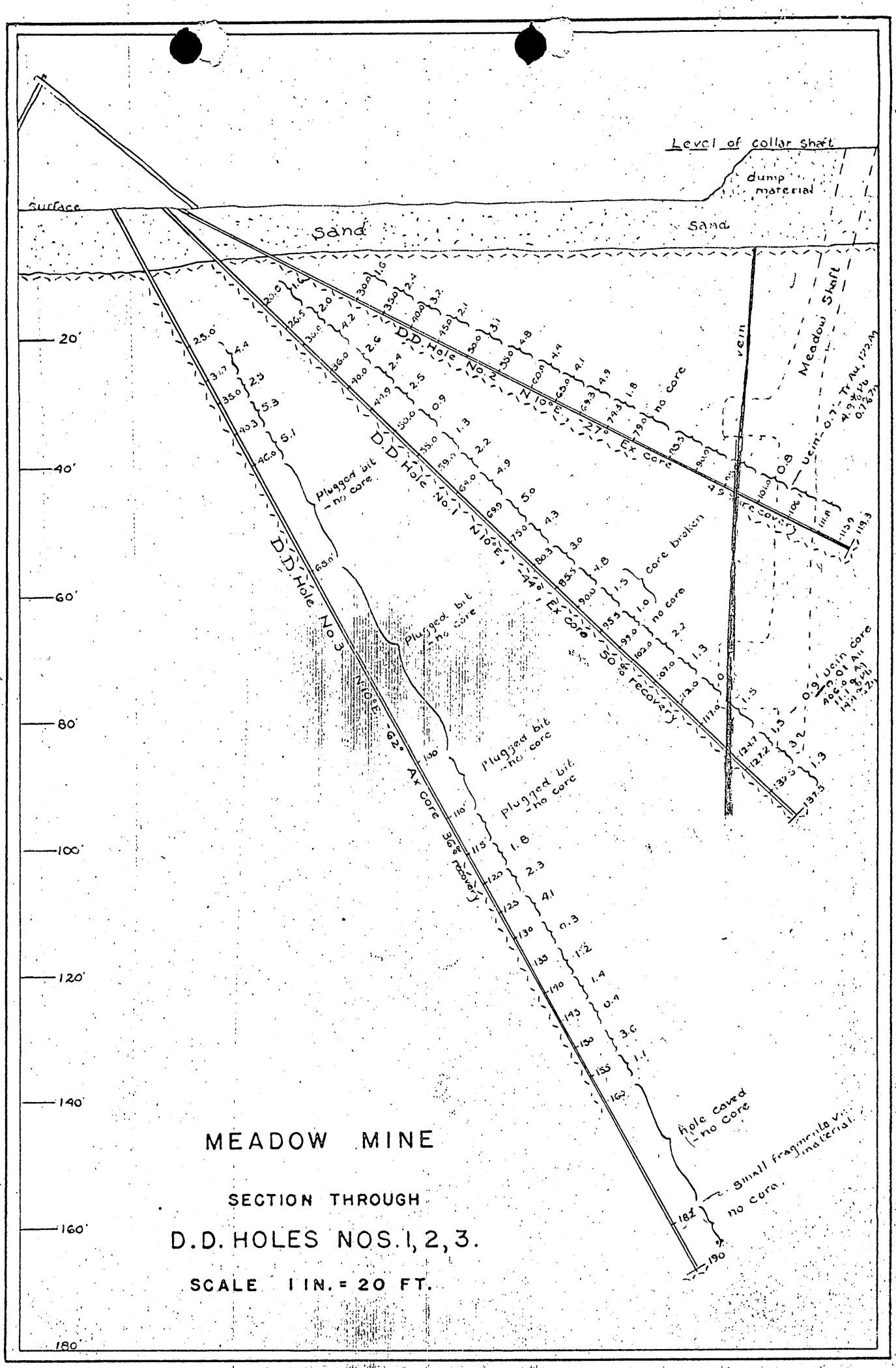


PLATE II

PLATE II



MEADOW MINE

SECTION THROUGH

D.D. HOLES NOS. 1, 2, 3.

SCALE 1 IN. = 20 FT.

PLATE III

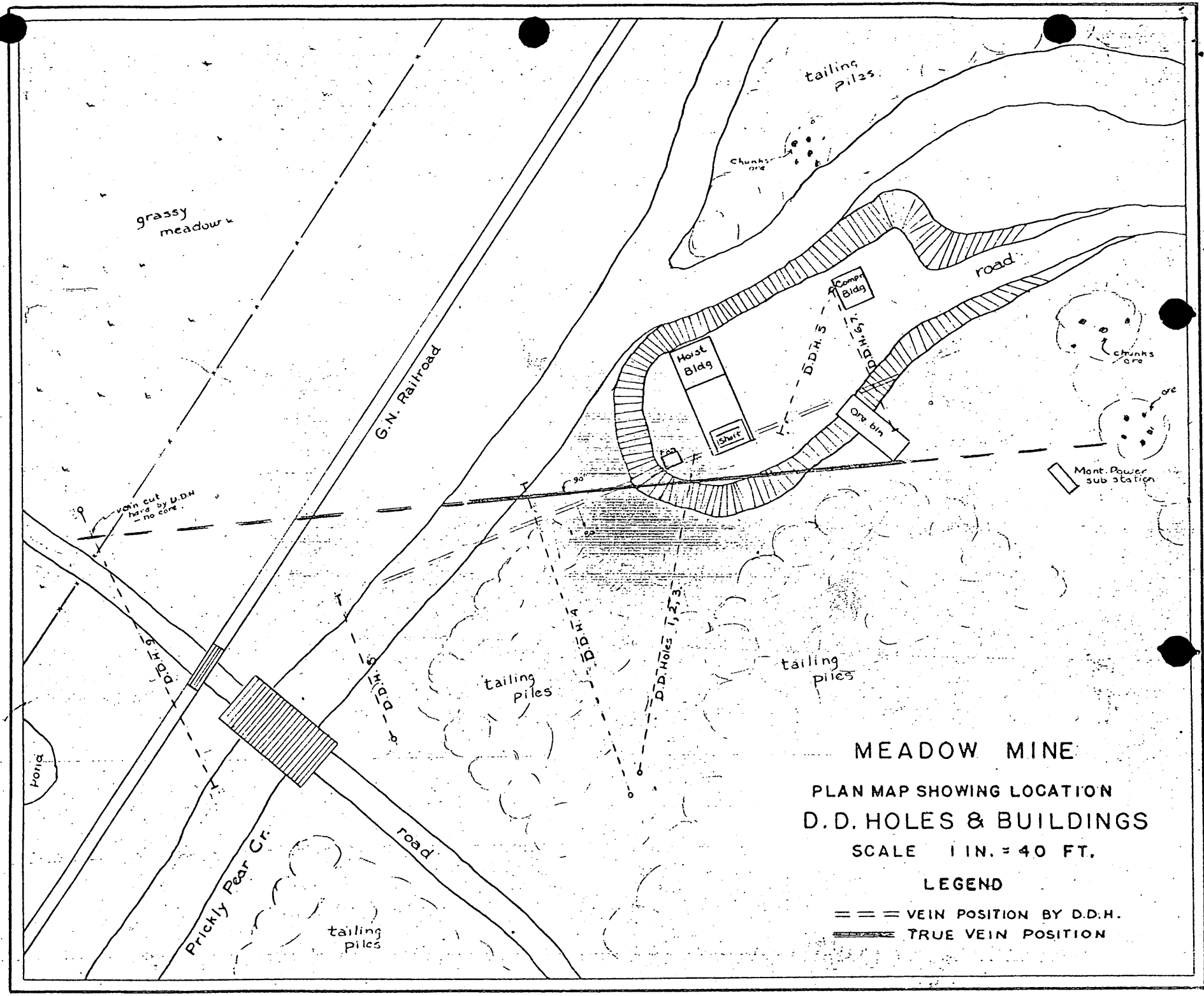

grassy meadow
tailing piles
Chunks ore
road
Compr. Bldg
Hoist Bldg
Shaft
D.D.H. 5
D.D.H. 7
Ore bin
chunks ore
ore
Mont. Power sub station
G.N. Railroad
vein cut hard by D.D.H. — no core.
90°
60°
D.D.H. 9
D.D.H. 8
D.D.H. 4
D.D. Holes 1, 2, 3.
tailing piles
tailing piles
tailing piles
tailing piles
house
Prickly Pear Cr.
road
MEADOW MINE
PLAN MAP SHOWING LOCATION
D. D. HOLES & BUILDINGS
SCALE 1 IN. = 40 FT.
LEGEND
VEIN POSITION BY D.D.H.
TRUE VEIN POSITION

PLATE IV

PLATE VI

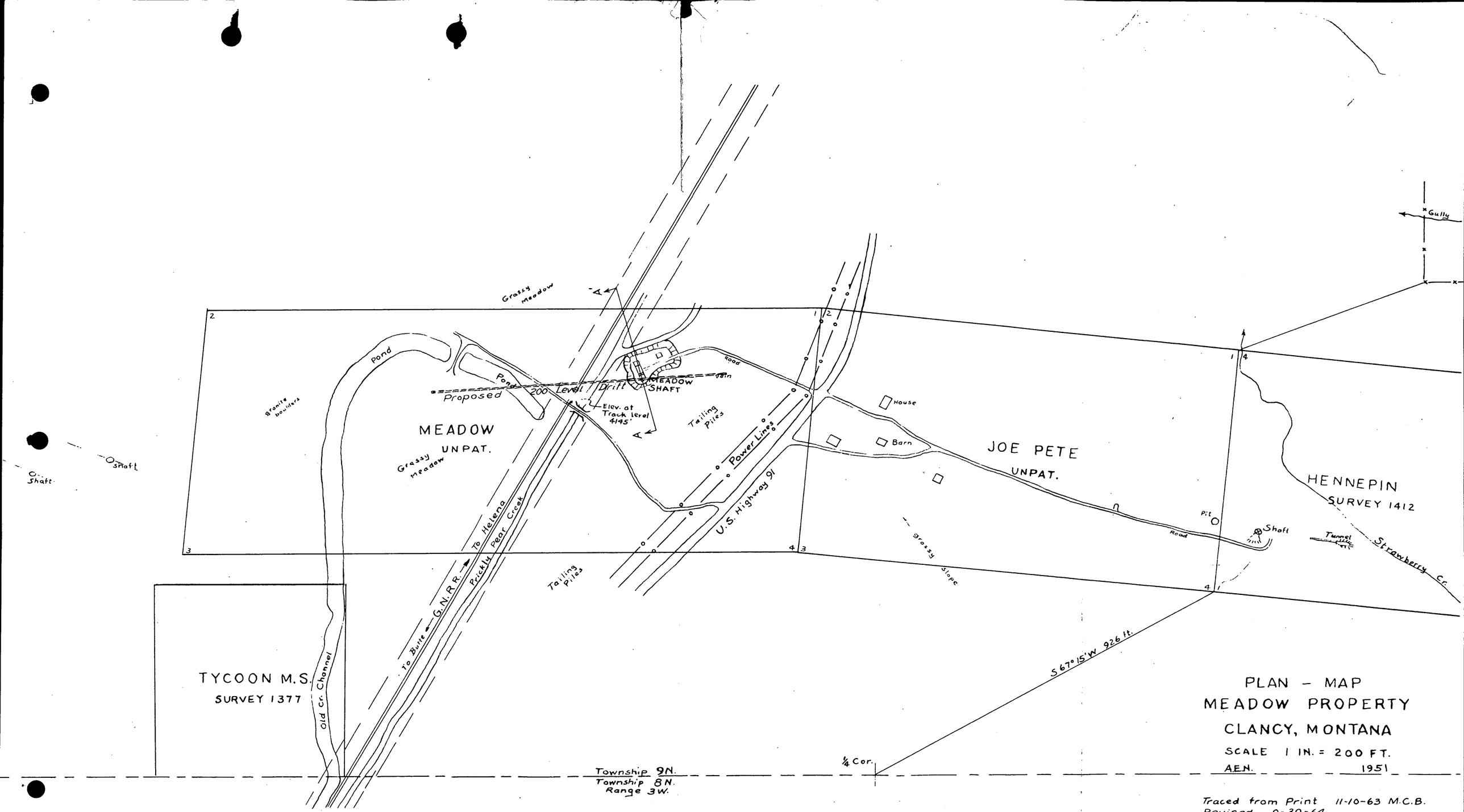
SHIPMENTS OF CRUDE ORE FROM MEADOW MINE
to East Helena Smelter

1949 to May 1951.

Date	Lot No.	Dry Wt. lbs.	Silver oz/T.	Lead %	Zinc %	Smelter Ret. (incl. royalty)	Location
Nov. 1949.	1.	1,954	247.2	5.8	14.4	$ 192.59	Tailing piles.
Dec. "	2.	3,988	199.7	3.7	9.2	309.18	45 DW
Dec. "	3.	7,468	78.8	1.6	5.0	201.08	45 DW
Jan. 1950.	1.	4,232	171.1	4.0	9.4	284.96	45 DW
Mar. "	2.	30,668	163.8	2.8	7.8	1996.71	90 DW
Mar. "	3.	5,670	168.3	3.1	6.4	367.06	90 DW
Apr. "	4.	16,530	188.7	4.6	9.7	1276.36	45 DW
May "	5.	12,204	183.5	3.4	11.2	903.20	90-01 Rs.
May "	6.	4,028	155.3	3.5	9.0	237.42	90-01 Rs.
June "	7.	11,560	174.3	5.2	6.4	777.86	45-01 Stope.
June "	8.	6,480	177.8	3.5	10.4	429.67	90-01 Rs.
July "	9.	19,955	148.7	3.0	7.5	1182.83	90-01 Rs.
Aug. "	10.	16,548	168.1	3.7	5.8	1123.63	90-01 Rs.
Oct. "	11.	6,919	163.3	3.5	8.9	442.12	90 DW
Nov. "	12.	15,664	222.9	5.2	8.4	1476.94	90-01 Stope.E.
Dec. "	13.	15,097	59.5	1.0	4.0	296.85	90 DE
Jan. 1951.	1.	9,948	152.1	2.7	8.4	590.12	90-02 Rs.
Feb. "	2.	11,874	154.7	3.0	9.9	736.69	90-01 Stope W.
Mar. "	3.	11,494	90.1	2.2	8.5	373.95	90-01 Stope W.
Mar. "	4.	24,511	57.1	1.5	5.3	474.22	90-01 Stope W.
Apr. "	5.	24,771	91.3	1.7	7.9	843.05	45 DW.
Totals		261,563 lbs.				$14516.49	

MINE PRODUCTION BY YEAR

Date	Dry Wt. lbs.	Silver oz.	Lead lbs.	Zinc lbs.	Gross Value	Charges	Royalty	Net Smelter
1949	13,410	887	155	1,021	$ 815.	$ 112.	$ 135.	$ 568.
1950	165,555	12,803	2,307	12,825	11,814	1,019	2,066	8,729
To May 1951	82,598	4,005	1,653	6,238	3,467	449	418	2,199
Totals	261,563	17,695	4,115	20,084	$16,096	$1,580	$2,619	$11,496
	130.78 T.	135.3 oz/T.	1.57%	7.68%				

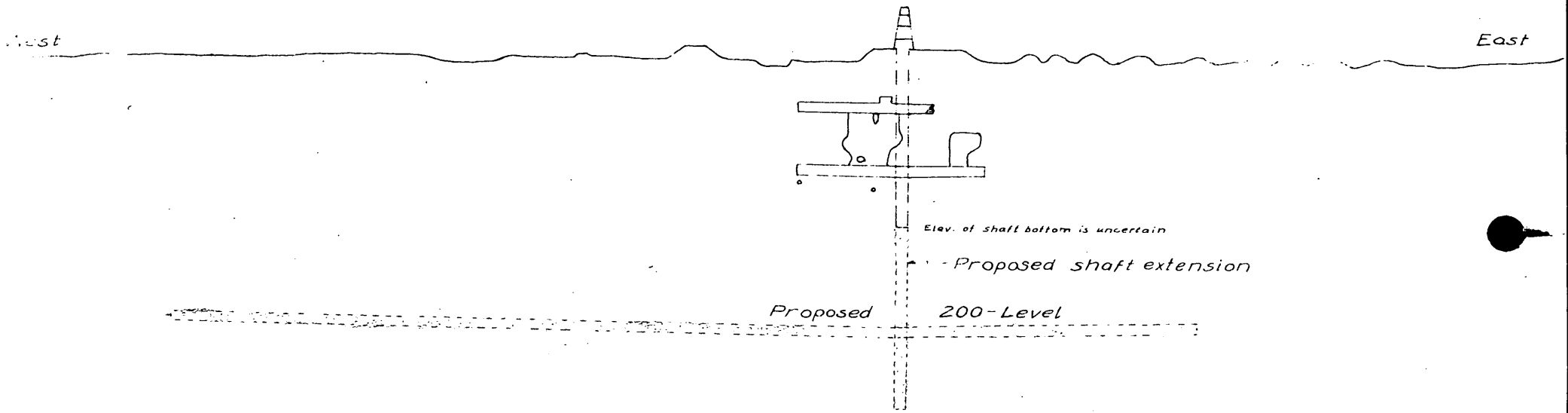


PLAN - MAP
MEADOW PROPERTY
CLANCY, MONTANA
SCALE 1 IN. = 200 FT.
A.E.N. 1951

Traced from Print 11-10-63 M.C.B.
Revised 9-30-64

PLATE II

Exhibit 5-a-1a

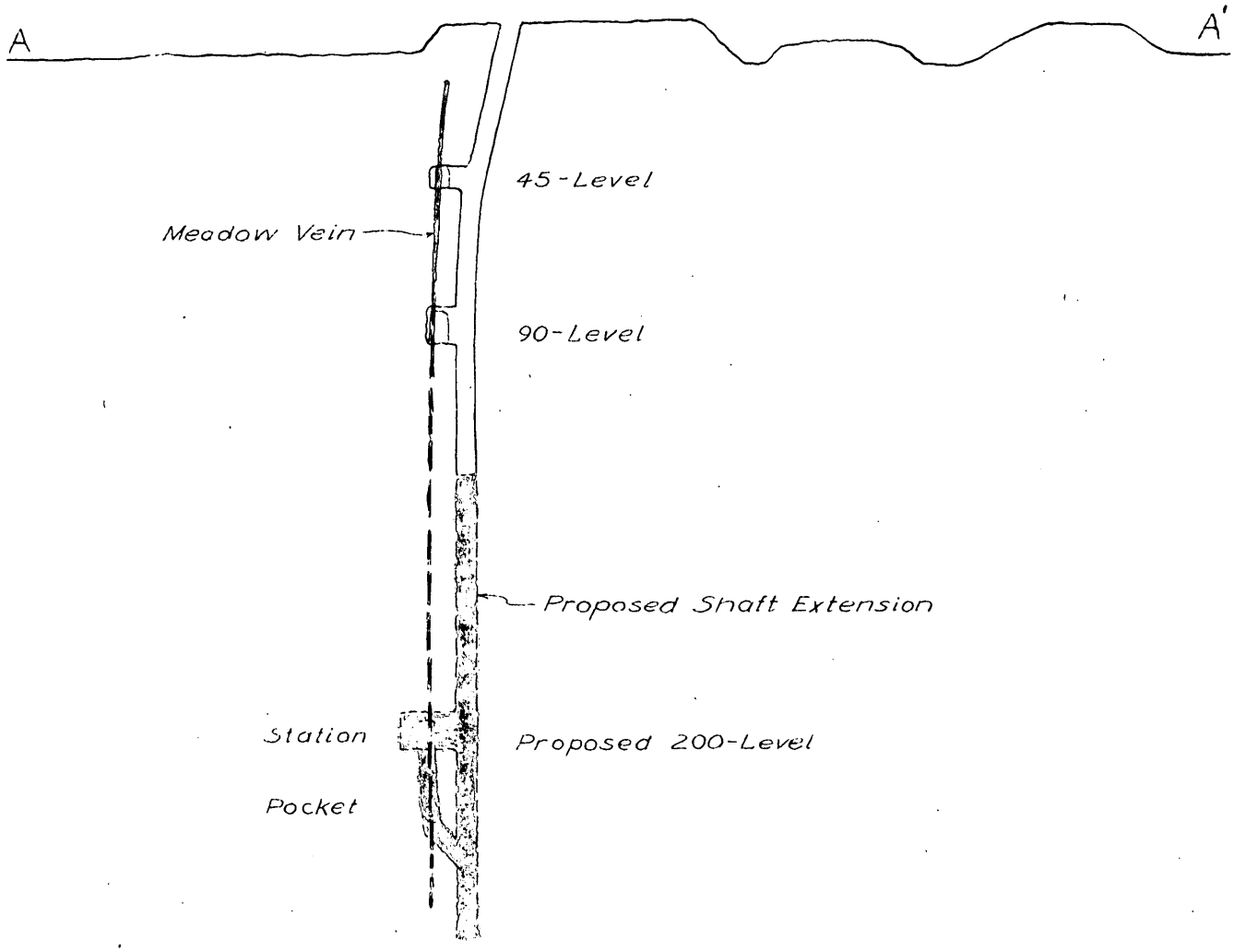


MEADOW MINE

LONGITUDINAL PROJECTION

Scale: 1" = 100'

9-30-64 M C Brown



Cross-section A-A'

MEADOW VEIN

Clancy Mining District
Jefferson County, Mont.

Scale: 1" = 50'

Drawn 9/20/64

Exhibit 5-a-2

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DATE	INITIALS	CODE

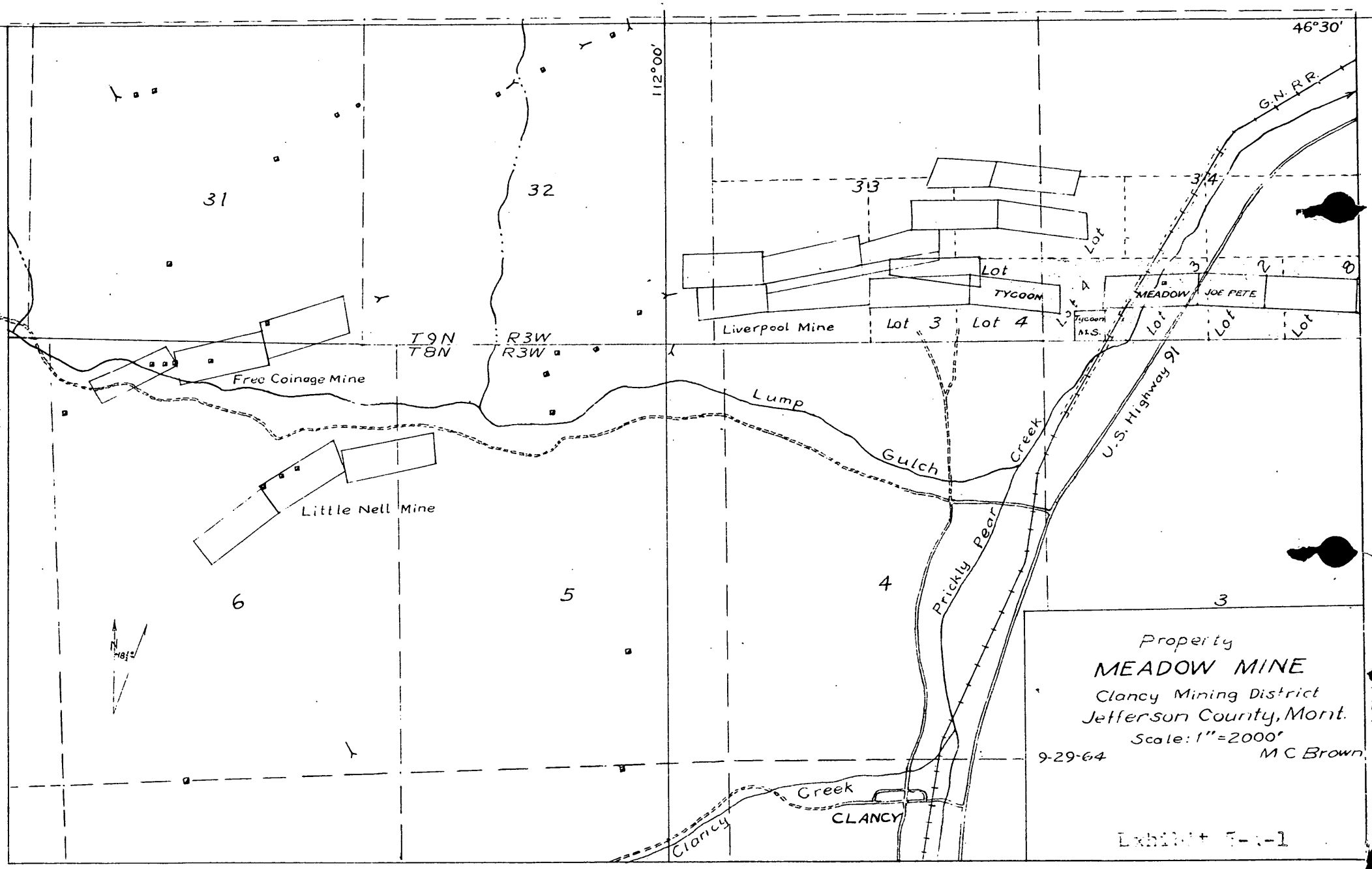
46°30'
112°00'
31
32
33
34
G.N. R.R.
Lot
Lot
TYCOON
MEADOW
JOE PETE
Liverpool Mine
Lot 3
Lot 4
Tycoon M.L.S.
T9N
T8N
R3W
R3W
Free Coinage Mine
Lump
Gulch
Creek
U.S. Highway 91
Little Nell Mine
Prickly Pear
6
5
4
3
Property
MEADOW MINE
Clancy Mining District
Jefferson County, Mont.
Scale: 1" = 2000'
9-29-64
M C Brown
Clancy
Creek
CLANCY

Exhibit T-1-1

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the County of Jefferson, State of Montana, described as follows: 2/ Lots Two (2), Three (3), Four (4) and Eight (8) in Section Thirty-four (34), and Lots Three (3) and Four (4) in Section Thirty-three (33), Township Nine (9) North, Range 3 West; and ~~Tycoon Patented Mining Claim and Millsite, Patent No. 1377; and~~ Meadow and Joe Pete unpatented Mining Claims, the Location Certificates ~~of which are recorded in the office of the County Recorder of~~ Jefferson County, Montana, in Book 46 at Page 547

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

Mascot Mines, Inc., Box 989, Kellogg, Idaho 3/

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 23rd day of September, 1964.

APPLICANT SHOULD NOT SIGN

Albert Haab	(Seal)	Clarency Montana	(Street) (City & State)
	(Seal)		(Street) (City & State)
	(Seal)		(Street) (City & State)
	(Seal)		(Street) (City & State)
	(Seal)		(Street) (City & State)

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

_____
(Corporate Seal)

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

95181

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT U
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

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To the United States of America:

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

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None

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

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

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

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

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

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

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

Dated this 23rd day of September, 1964.

APPLICANT SHOULD NOT SIGN

Albert Hoab	(Seal)	Belaney Montana	(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)

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

_____
(Corporate Seal)

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the County of Jefferson, State of Montana, described as follows: 2/ Lots Two (2), Three (3), Four (4) and Eight (8) in Section Thirty-four (34), and Lots Three (3) and Four (4) in Section Thirty-three (33), Township Nine (9) North, Range 3 West; and Tycoon Patented Mining Claim and Millsite, Patent No. 1377; and Meadow and Joe Pete unpatented Mining Claims, the Location Certificates of which are recorded in the office of the County Recorder of Jefferson County, Montana, in Book 46 at Page 547

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

Mascot Mines, Inc., Box 989, Kellogg, Idaho 3/

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

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

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

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

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

None

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

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

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

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

Dated this 23rd day of September, 1964.

APPLICANT SHOULD NOT SIGN

Albert Neal	(Seal)	6 Lancy Montana	(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)

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

_____
(Corporate Seal)

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

95181

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

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Mascot Mines, Inc., Box 989, Kellogg, Idaho 3/

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

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

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

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

Dated this 23rd day of September, 1964.

APPLICANT SHOULD NOT SIGN

Albert Hoah	(Seal)	L Loney Montana	(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)

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_____
(Corporate Seal)

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

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

Lancot Mines, Inc., Box 969, Kellogg, Idaho 3/

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

Dated this 23rd day of September, 1961.

APPLICANT SHOULD NOT SIGN

Albert Hall	(Seal)	Colony Montana	(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)

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

_____
(Corporate Seal)

INT.-DUP. SEC., WASH., D.C.
95181

See Folder No. 2 - Supplemental Application
dated December 14, 1967

Future correspondence to

be filed in Folder No. 2

LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG IDAHO

MASCOT SILVER-LEAD MINES INC
416 HUTTON BUILDING
SPOKANE WASHINGTON 99204

November 21, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 27 1967

INITIALS	CODE
da	136
[illegible]	120 M
[illegible]	116
HK	130

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

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

Dear Mr. MacLaren:

Please find enclosed signed copies of proposed Amendment No. 4 (two pages) as per your letter of instruction of November 16 1967.

Sincerely yours,

Ben Smick

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

BS:ec

Enc. Government's Copy
Field Office's Copy
Budget and Finance's Copy

SPOKANE, WASH.

OME

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
November 16, 1967

Mr. Ben Smick, President
Mascot Silver-Lead Mines, Inc.
418 Symons Building
So. 7 Howard Street
Spokane, Washington 99204

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

Dear Mr. Smick:

Enclosed are the original and three copies of proposed Amendment No. 4 (two pages) to the subject contract, signed for the Government by the Chief, Office of Minerals Exploration.

If the proposed amendment is satisfactory to you, please sign all four copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

Mary L. Smelser for
D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls

cc: OME

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/8/67	Kirkemo	120
"	Johnson	110
11/9	Kulsgaard	
11/9	Keyes	
11/14	Cal	220
		120M

NOV 1 4 1967

AIRMAIL

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 original and three copies of proposed Amendment No. 4 (two pages) to the subject contract, signed for the Government. An extra copy of the amendment is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

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/bsl 11/8/67

23263

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
October 25, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 27 1967

INITIALS	CODE
	130
	120
	110
HK	120

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

The date of the subject contract is May 13, 1965. Amendment No. 1, to the contract places the time within which work would be completed at 24 months from the contract date or May 13, 1967. The termination date was mutually overlooked by all parties concerned.

During April the drift west passed through an ore zone 80 feet long that had a weighted average grade of 28.5 ounces silver per ton, 2.7 percent lead, and 4.23 percent zinc over a width of 1.5 feet.

As of May 1, 1967, there remained 118 feet of drifting and 50 feet of raising to be completed. Amendment No. 3, effective June 1, 1967, deleted the raising and applied the raising funds to the cost of additional drifting which then became 695 feet. As of June 1 there remained 84 feet of drifting.

Because of heavy water flow and one period of power failure, which resulted in flooding the workings to a point near the middle of the shaft, progress had been slower than expected.

In view of the above facts had either of the parties concerned not overlooked the termination date an amendment to extend the contract period from 24 months to 30 months would have been requested and/or recommended. Such an amendment is now recommended.

D R MacLaren
D. R. MacLaren

FORM 60
1959

RECEIVED
OCT 24 1967
O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY
RECEIVED
DEC 29 1967
MINERALS CODE

Docket No. 6379
Contract No. 14-23-090-2201
Contract Amount $ 28,300
Gov't. Participation % 75 $ 21,150
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of Sept-Oct. 1967

Operator's Name Mascot Silver-Lead Mines, Inc.
Address 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	1360	25,960	27,320			
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	17.00	76.00	93.00			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	1377.00	26,035.	27,413.			

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

Date Oct. 24, 1967 Payee Mascot Silver-Lead Mines, Inc.

Per Ben 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.)

(INSTRUCTION ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: 1,026.75 - 14X0804
200.00 - 14X6875(08)
$ 826.75

Signature John
(Authorized Certifying Officer)

Date DEC 27 1967 Vou. No. 04269

(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 D R Mackeson Title Field Officer, Region I Date DEC 11 1967

Approved by OME Executive Officer or Alternate:

Signature D R Mackeson Title Field Officer, Region I Date DEC 11 1967

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
OCT 24 1967
OME
SPOKANE, WASH.

HK 12/2/67

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of Sept.-Oct. 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	34	683	27,320	34	683	$ 27,320.00
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				93.00			84.00
TOTAL TO DATE (per MME Form 60)				27,413			$ 27,404.00

REMARKS

(Continue on back)

REMARKS

1 Prior approved $76.00
Here is 2 Samples @ 4.00 8.00
$ 74.00

Note: Withhold $200.00 pending receipt of Operator's final report.

H. Kirkham 12/2/67
Asst Chief, OME

(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 Oct. 24, 1967 Operator Mascot Silver-Lead Mines, Inc. Signature

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.

Title Field Officer, Region I
Government Representative

Date DEC 11 1967

(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 cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

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

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.
Symons Building
Spokane, Washington 99204

Amount Claimed:	Differences (Explained Below)	Amount Approved
$1,377.00	$209.00	$1,369.00 — 1368.00 $1,026.75 Govt. Participati 200.00 $ 826.75
Bu. Voucher No.	Payee's Invoice No.	Period
	Docket # 6379 Contract # 2201	Sept-Oct 1967

EXPLANATION

Analytical Work claimed	17.00	
Allowed 2 samples @ $4.00 ea.	8.00	
Disallowed (Contract specifices 4.00 per sample)		9.00
Withheld $200.00 pending receipt of Operator's final report		200.00
		209.00

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

JEM

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

October 24, 1967

MONTHLY REPORT FOR

Docket No. OME-6379 (Silver)
Contract No. 14-23-090-2201
Meadow Mine
Jefferson County, Montana

During the months of September and October 1967, the West drift of the Meadow Mine was advanced 34 feet along the vein. The vein material consists of veinlets of carbonates and quartz with sparse sulfides along a strong zone of gougy crushing. For nearly 100 feet, the strike of the vein has been nearly due West, but near the face it looks as if it may be swinging back toward the usual S. 85° W. strike.

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
OCT 24 1967
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, October 18, 1967

ASSAYED FOR

Mascott 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	
5478		1.9*	None		0.2				
5479		2.6*	None		0.3				

*Gold not deducted

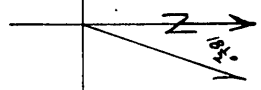
Charges $ 17.00

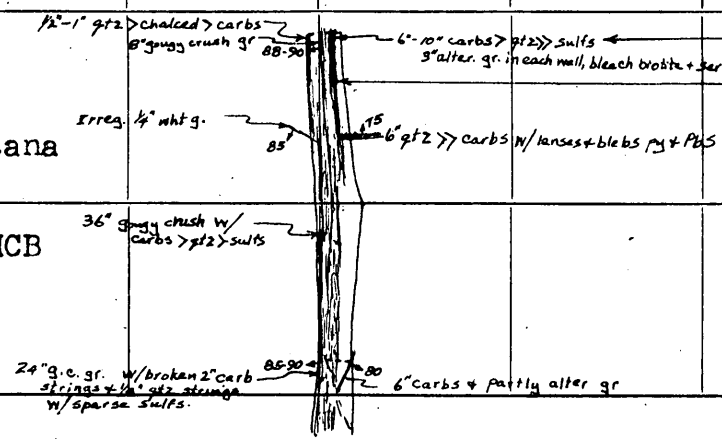
GOODALL BROS.

By Horace Hand

4

Sample No	Width	Ag oz	Pb %	Zn %
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

MCB

SHANNON & CO.—ALBANENE

MME FORM 60
SEPT. 1959

RECEIVED
AUG 2 1967
O. M. E. COPY

OFFICIAL FILE COPY
RECEIVED
SEP 15 1967
INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. 6379
Contract No. 2201
14-23-090-
Contract Amount $ 28,200.00
Gov't. Participation % 75 $ 21,150
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of July 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	1520	24,440	25,960			
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 Assay	17.00	68.00	85.00	8.00		
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	1537	24,508	26,045.00	1528.00		

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

Date Aug. 25, 1967 Payee Mascot Silver-Lead Mines, Inc.

Per Ben 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:

$ 1,146.00 14X0804

Signature John
(Authorized Certifying Officer)

Date SEP 12 1967 Vou. No. 82125

(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 D.D. MacRae Title Field Officer, Region I Date AUG 28 1967

Approved by OME Executive Officer or Alternate:

Signature D.D. MacRae Title Field Officer, Region I Date AUG 28 1967

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
AUG 25 1967

AHL 9/6/67

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT — For Month of July 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	38	649	25,960	38	649	$ 25,960.00
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				85.00			[1] $ 76.00
TOTAL TO DATE (per MME Form 60)				26,045.00			$ 26,036.00

REMARKS

(Continue on back)

REMARKS
[1] 2 assays deemed the month acceptable @ $4.00 ea. See note [1] May MRE 61
Acceptable here $ 8.00
" prior $ 68.00
$ 76.00

(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 Aug. 25, 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 [illegible]

Title Field Officer, Region I
Government Representative

Date AUG 28 1967

(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 cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

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

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.
410 Symons Building
Spokane, Washington 99204

Amount Claimed:	Differences (Explained Below)	Amount Approved
$1,537.00	$9.00	$1,528.00 $1,146.00 Government Participation
Bu. Voucher No.	Payee's Invoice No.	Period
	Docket # 6979 Contract # 2201	July 1967

EXPLANATION

Analytical Work claimed	17.00	
Allowed 2 assays @ $4.00 ea. per field officer	8.00	
Disallowed		$9.00

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

J. D. McAlister
Branch of Budget and Finance

LE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

August 25, 1967

MONTHLY REPORT FOR

Docket No. OME-6379 (Silver)
Contract No. 14-23-090-2201
Meadow Mine
Jefferson County, Montana

At the time of our visit on August 17, 1967 the 200 foot level had been advanced an additional 38 feet along the Meadow vein. The last 38 feet showed practically the same mineralization as previously reported on June 12, 1967. The only significant change was a little more carbonate in broken lenses and stringers.

Assays #5499 and #5500 were taken along the vein and are shown on the enclosed map.

Ben Smick

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

RECEIVED
AUG 25 1967
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, June 20, 1967

ASSAYED FOR

Mascott Mines

HAND SAMPLE

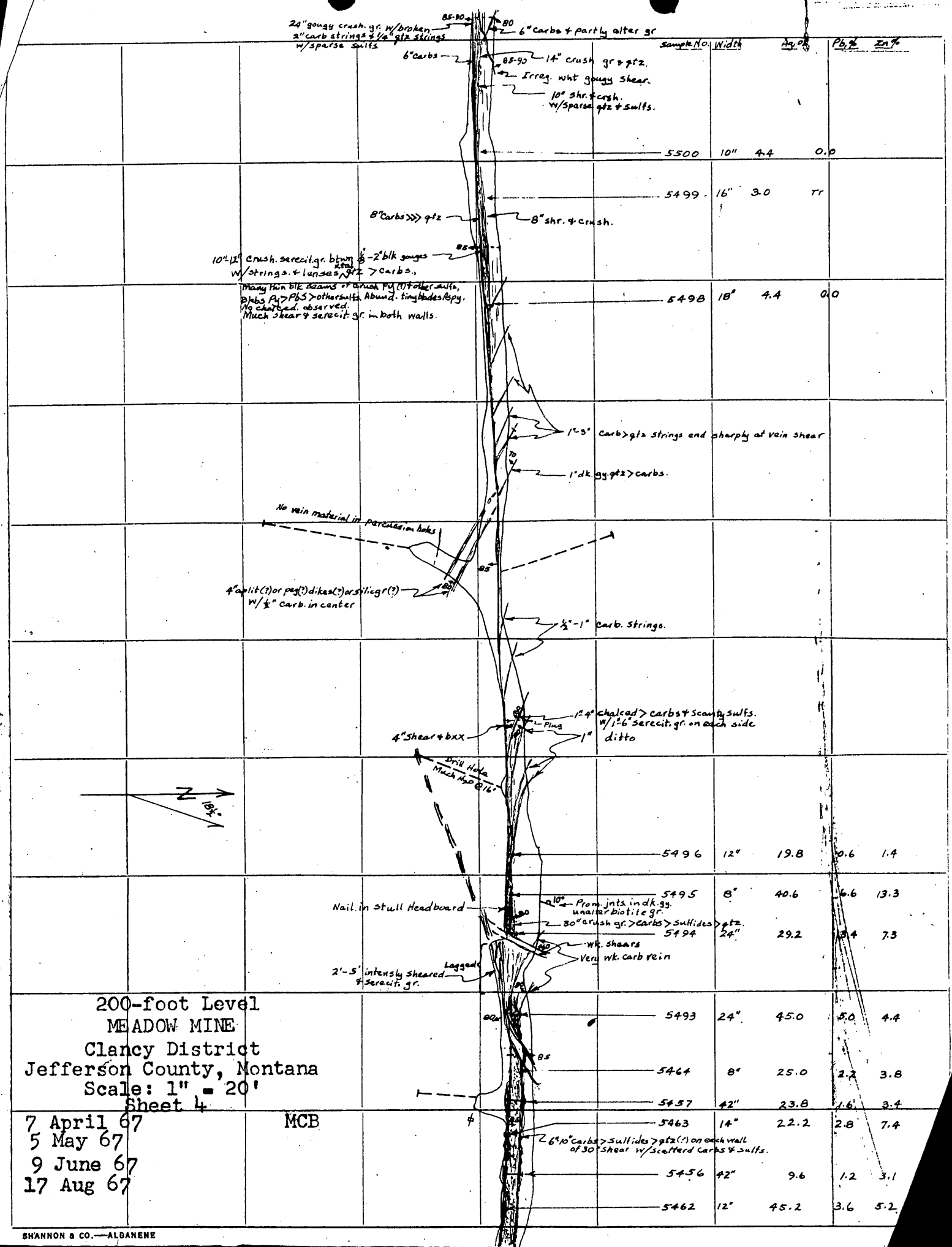
DESCRIPTION	GOLD Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	INSOL. Per Cent	Per Cent	Per Cent	
5499		3.0*	Trace		repeating				
5500		4.4*	None		0.8				

*Gold not deducted

Charges $ 17.00

GOODALL BROS.

By Horace Hand



200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'
Sheet 4

7 April 67
5 May 67
9 June 67
17 Aug 67

MCB

SHANNON & CO.—ALBANENE

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
July 21, 1967

JUL 24 1967
INITIALS DATE

Mr. Ben Smick, President
Mascot Silver-Lead Mines, Inc.
Symons Building
So. 7 Howard Street
Spokane, Washington 99204

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

Dear Mr. Smick:

Enclosed are the original and three copies of proposed Amendment No. 3 (two pages) to the subject contract, signed for the Government by the Chief, Office of Minerals Exploration.

If the proposed amendment is satisfactory to you, please sign all four copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls

cc: OME

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/13/67	Kirkemo	120
7/14/67	Moser	110
7/18	Mayer	
7/18		220
		120 m

AIRMAIL

JUL 18 1967

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 original and three copies of proposed Amendment No. 3 (two pages) to the subject contract, signed for the Government. An extra copy of the amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc:
Director's Reading
Division file
Econ. Geol. Reading
OME Docket
OME Reading
Mr. Kirkemo
Chron.
130

HKirkemo:mch 7-13-67

23263

MME FORM 6
REV. 9

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Assoc. Sol. - MR, Rm. 6554 ~~Thru Sol. - MR, Rm. 6042~~		
2. Mr. Kirkemo, Rm. 4459 MGS		
3.		
4.		
5.		
FROM: Chief, OME		

FOR: Check items for action desired

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

RECEIVED
JUL 7 1967
Division of Mineral Resources
and Genenral Legal Services

REMARKS:

INTERIOR DEPT.
JUL 6 1967
SOLICITOR

3192

E-65-2023.11

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

M56300-67

120 HK

~~110~~

120M

DRAFT 7/5/67
HKirkemo/gla

EXPLORATION CONTRACT
MASCOT SILVER-LEAD MINES, INC.
OME-6379

AMENDMENT NO. 3

It is agreed this _____ day of _____, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government," and Mascot Silver-Lead Mines, Inc., hereinafter referred to as the "Operator," that Exploration Contract No. 2201 (OME-6379), dated May 13, 1965, as amended, is further amended effective June 1, 1967, as follows:

In Exhibit A:

1. The first paragraph, the second paragraph, as revised by Amendment No. 2, and the third and fourth paragraphs are revised to read as follows:

"The purpose of this project is to explore for silver-bearing ore bodies by drifting along the strike of the Meadow vein on the 200-foot level and by crosscutting to reserve faulted segments of the vein.

"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 695 feet of drifting and crosscutting on the 200-foot level.

"The drifts and crosscuts shall be not less than 5 ft. by 7 ft. in cross section in the clear, supported by timber as necessary.

"All significantly mineralized areas exposed in the drifts and crosscuts shall be sampled by cutting channels normal to the vein at intervals of five feet. Each sample shall be split and one split assayed for silver, lead, and zinc. The other split shall be stored in a suitable container properly labeled and available for Government inspection and possible use. Such stored samples may be disposed of upon prior Government approval."

2. Under the heading Description of the Work, the second paragraph, as amended by Amendment No. 2, is revised 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."

3. Revise Estimated Cost of Project to read as follows:

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

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

MASCOT SILVER-LEAD MINES, INC.

By_____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
June 15, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 19 1967
INITIALS | CODE
glu | 120
HLL | 120

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

Enclosed are two copies of a self-explanatory letter dated June 11, 1967, from Malcolm C. Brown, consultant for the Operator.

From a point about 100 feet back from the face of the west drift a fairly continuous structure extends about 80-90 feet easterly. The calculated average grade of this zone is 27.8 ounces silver per ton plus lead and zinc values of 1 to 3 percent (estimated), over an average width of 17 inches. From the west end of the ore zone to 25 or 30 feet from the drift face the drift follows a narrow clay-filled fissure with little evidence of metallic minerals.

The west drift was inspected May 28, since when it has been advanced about 30 feet. At that time two samples were taken. One of clay gouge with a few specks of pyrite(?) assayed 0.5 ounce silver per ton, nil lead, and nil zinc; the other taken across 4 inches of silicified banding in the granite assayed 2.0 ounces silver per ton, nil lead, and nil zinc. About 9 feet from the present drift face a sample taken by the Operator assayed 4.4 ounces silver per ton, nil lead--the sample is being rerun for zinc.

As of June 9, there remained 25 feet of drift available from the east end of the level and 14 feet of the 450 feet authorized by the contract for the west drift.

In the contract the maximum allowed for raising is $1,800.00, and the unit price for drifting is $40.00 per foot. Conversion of the $1,800.00 for raising to drifting at $40.00 per foot would make available an additional 45 feet of drifting. Thus, by approving the applicant's request to convert raising funds to drifting and to transfer the unused 25 feet from the east to the west drift, the west drift could be driven a total of 520 feet and with the 14 feet remaining to be driven as of June 9, would make available up to 84 feet to explore the more favorable ore-forming environment described by Brown.

Had the vein not been offset by a fault requiring the use of about 60 feet of the drifting westerly originally provided by the contract, the additional footage would not have been necessary. In view of this and the more favorable mineral assemblage just now being encountered, it is recommended that the applicant's request be approved and the contract amended accordingly.

D. R. MacLaren

D. R. MacLaren

Enclosures

MINE OFFICE:
LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

MASCOT MINES, INC.
BOX 989
KELLOGG, IDAHO

11 Ju

Mr. D. R. MacLaren, Field Offic
Office of Minerals Exploration
S. 157 Howard Street
Sp

(Silver)
Silver-Lead Mines, Inc.
e
County, Montana
2201

Dea

yesterday, the
movement in the

e, presumably
overant;

, both in the

crystalline;

ona and arsepo-
e sample contain-
ts that some
nedrite;

to veinlets in the
er than the
last month.

I be approaching in
shoot mineralogica ore similar quartz veins
the main period of ore deposition (Prof. Paper 428, pp. 38-40).

I recommend that, if possible, the footage from the east
drift and from the raise be converted to extend the west drift
as far as possible.

RECEIVED
JUL 9 1967
U.M.E.

Yours very truly,

Malcolm C. Brown
Consulting Engineer

cc: Len Lick

MME FORM 6 REFERENCE SLIP
REV. 9 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME

	DATE	INITIALS
1.	6/13/67	
2.		
3.		
4.		
5.		

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

D. R. MacLaren

FROM: Field Officer, Reg. 1

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 15 1967
INITIALS/CODE

FOR: Check items for action desired

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

REMARKS: Transmittal of Operator's Monthly Voucher, Progress Report, Narrative, Sketch and Assay Certificate for May 1967.

Fwd. 6/16

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

FORM 60
T. 1959

RECEIVED
JUN 12 1967
S.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY

Docket No. 6379
Contract No.
14-23-090- 2201
Contract Amount $ 28,200.00
Gov't. Participation % 75 $ 21,150
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of May 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	3160	21,280	24,440			
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 Assay	8.50	64.00	72.50	4.00		68.00
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	3168.50	21,344.00	24,512.50	3164.00		24508.00

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

Date June 12, 1967 Payee Mascot Silver-Lead Mines, Inc.

Per Ben 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:

$2,373.00 14X0804

Signature Edm
(Authorized Certifying Officer)

Date JUN 22 1967 Vou. No. 9959

(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 [illegible] Title Field Officer, Region I Date JUN 13 1967

Approved by OME Executive Officer or Alternate:

Signature [illegible] Title Field Officer, Region I Date JUN 13 1967

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.

E FORM 61
EPT. 1959

RECEIVED
JUN 12 1967
O. M. E.
WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of May 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	79	611	24,440	79	611	24,440.00
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			72.50			68.00
TOTAL TO DATE (per MME Form 60)				24,512.50			24,508.00

REMARKS

(Continue on back)

REMARKS
L1 Assayers certificate indicates 1 assay acceptable, See notes L1 + L2 April MME-61
Approved for May 1 x 4.00 = 4.00
through April 16 x 4.00 = 64.00
Total approved to date 68.00

(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 June 12, 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. D. Mackeven

Title Field Officer, Region I
Government Representative

Date JUN 13 1967

(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 cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

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

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: Mascot Silver-Lead Mines, Inc.
411 Symons Building
Spokane, Washington 99201

Amount Claimed:	Differences (Explained Below)	Amount Approved
$3,168.50	$4.50	$3,164.00 $2,373.00 Government Participation
Voucher No.	Payee's Invoice No.	Period
	Docket # 6379 Contract # 2201	May 1967

EXPLANATION

Disallowed 1 sample assay (zinc) = $4.50

Contract does not specify, per Field Officer.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

J. D. McAllister
Branch of Budget and Finance

DALL BROTHERS

ESTABLISHED 1909

ASSAYERS

ND, OWNER MANAGER
406/442-0080

PHONE 406/442-3770
46 SOUTH MAIN ST.
P. O. BOX 537
HELENA, MONTANA
59601

Helena, Montana, June 9, 1967

YED FOR

scot Mines

HAND SAMPLE

DESCRIPTION	GOLD Ozs. Per Ton	SILVER Ozs. Per Ton	LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	INSOL. Per Cent	Per Cent	Per Cent
5498		4.4*	None		repeating			

*Gold not deducted

Charges $8.50

GOODALL BROS.

By Horace Hand

MINE

HO

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER-LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

June 12, 1967

MONTHLY REPORT FOR

Docket No. OME-6379 (Silver)
Contract No. 14-23-090-2201
Meadow Mine
Jefferson County, Montana

During the month of May, the West drift of the Meadow mine was advanced 79 feet along the vein. The last 25 feet showed much improvement; stronger and wider shear zone; increasing sericitization of the granite, both in the shear zone and in the walls. There was an increased showing of quartz, some of it coarsely crystalline, and a marked decrease or complete absence of chalcedony.

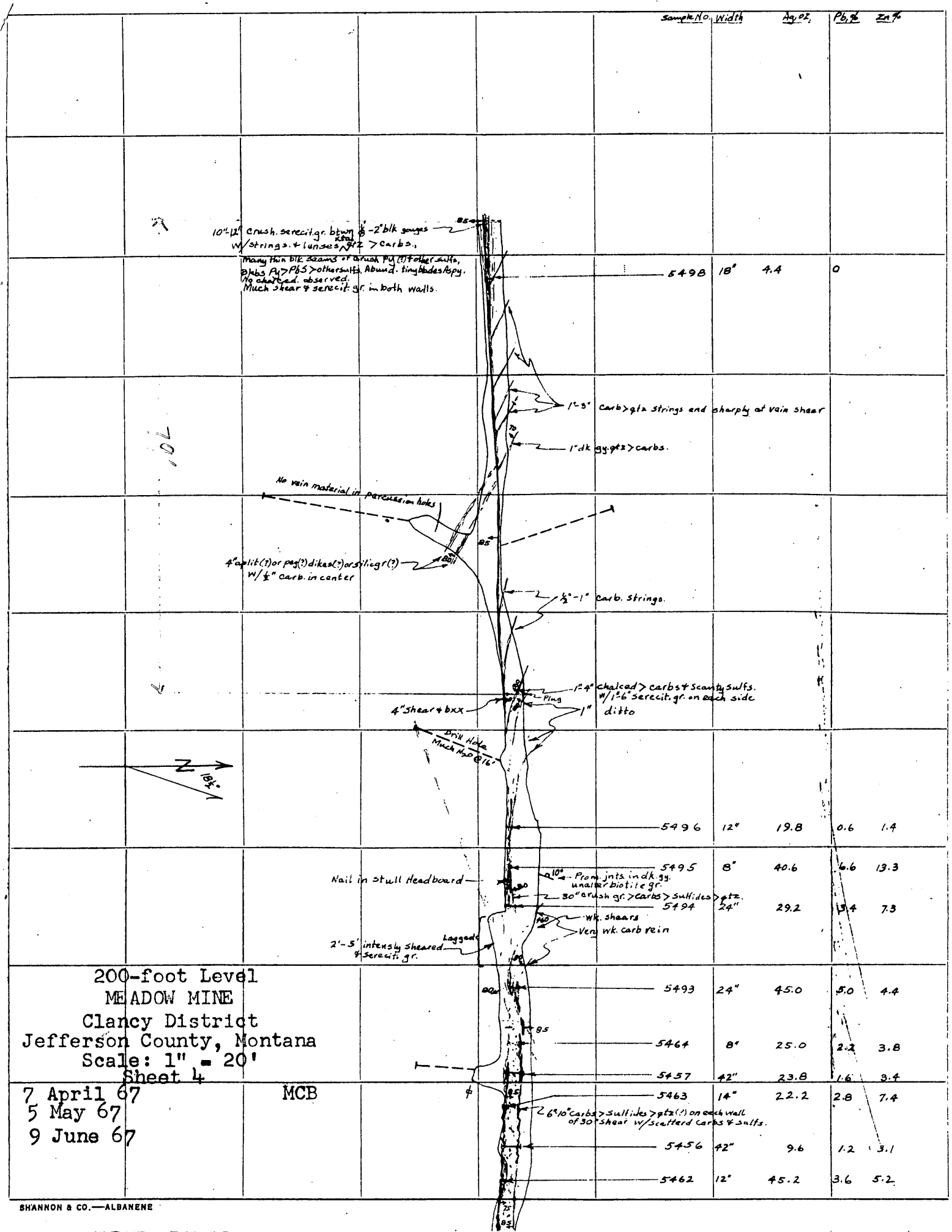
One assay of 18" of the face showed 4.4 oz. of silver with no lead or zinc showing in the assay.

Our consulting engineer believes these indications show that we may be approaching a new oreshoot and has recommended to O. M. E. Field Officer, Mr. D. R. MacLaren, that further exploration of the West drift should be continued.

Ben Smick

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

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



SHANNON & CO.—ALBANENE

FORM 60
1959

RECEIVED
MAY 8 1967
O.M.E.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of April 1967

Docket No. 6379
Contract No. 14-23-090-2201
Contract Amount $ 28,200.00
Gov't. Participation % 75 $ 21,150
Mineral(s) Silver

Operator's Name Mascot Silver-Lead Mines, Inc.
Address 416 Hutton 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	2200	19,080	21280.00			
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	76.50	00.00	76.50	36.00		
Payroll Taxes **Assays	36.00	00.00	36.00	28.00		
Employee's Liability Ins.						
TOTALS	2312.50	19,080.00	21392.50	2264.00		

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

Date 5-8-67 *Payee Mascot Silver-Lead Mines, Inc.

Per Ben 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:

$ 1,698.00 14X0804

Signature [illegible]
(Authorized Certifying Officer)

Date MAY 29 1967 Vou. No. 9325

(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 D.R. MacPherson Title ~~Field Officer, Region I~~ Date MAY 15 1967

Approved by OME Executive Officer or Alternate:

Signature D.R. MacPherson Title Field Officer, Region I Date MAY 15 1967

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.

FORM 61
r. 1959

RECEIVED
MAY 8 1967

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of April 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	55	532	21280.00	55	532	21,280.00
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 **Assays				36.00			28.00
Analytical Work Assays				76.50			36.00
TOTAL TO DATE (per MME Form 60)				21392.50			21,344.00

REMARKS

**Includes $36.00 for Assaying omitted from MME Form 60 for February 1967 and March 1967.

(Continue on back)

REMARKS

1. Feb MME-61: Field officer's acceptance of 9 sample assays erroneously included 2 car sample assays not provided for in contract. Also operator did not claim ~~the~~ any new assays for the months of Feb or March on MME-60 These 6 are now claimed on MME-60

(Continue on back) (over)

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 5-8-67 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. Wickersham

Title Field Officer, Region 1
Government Representative

Date MAY 15 1967

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

12

A sample assays claimed in July '66 MME-61 and 13 claimed in Jan '67 have been and still are not acceptable. Accepted for April 9 assays @ $4.00 ea

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 cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

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

MAY 24 1967
5648 4 c

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: Mascot Silver-Lead Mines, Inc.
416 Hutton Building
Spokane, Washington 99204

Amount Claimed:	Differences (Explained Below)	Amount Approved
$2,312.50	$48.50	$2,264.00 $1,698.00 Govt. Participation
Sec. Voucher No.	Payee's Invoice No.	Period
	Docket # 6379 Contract # 2201	April 1967

EXPLANATION

Disallowed 2 car assay samples at $4.00 =		$ 8.00
Claimed 9 assay samples (Invoice dtd. May 2, 67)	$76.50	
Allowed 9 assay samples per Field Officer at $4.00 =	$36.00	
Disallowed	$40.50	$40.50
Total Disallowed		$48.50

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

J. D. McAlister
Branch of Budget and Finance

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, MAY 2 - 1967

ASSAYED FOR

Mascott 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
5458		2.2*	0.2		0.2			
5459		46.0*	4.0		9.2			
5462		45.2*	3.6		5.2			
5463		22.2*	2.8		7.4			
5464		25.0*	2.2		3.8			
5493		45.0*	5.0		4.4			
5494		29.2*	3.4		7.3			
5495		40.6*	6.6		13.3			
5496		19.8*	0.6		1.4			

*Gold not deducted

Charges $ 76.50

GOODALL BROS.

By Horace Hand

LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

May 8, 1967

MONTHLY REPORT FOR

Docket No. OME-6379 (Silver)
Contract No. 14-23-090-2201
Meadow Mine
Jefferson County, Montana

During the past month the West drift of the Meadow mine was advanced 55 feet along the vein. After crossing a zone of very strong east-northeast shearing that was similar to the east end of sheet 3, the "horsetailing" of the vein suggests that we must swing to the left to pick up the next segment of the main vein.

The contractor drilled a long hole to the left for 16 feet near the end of the drift. By panning parts of the three samples, sample #1 and #2 show some mineralization. The results of the assays of the sample of #1 and #2 of the long hole had not returned from the assayer at the time of the examination. Details of the past workings are shown on the enclosed map.

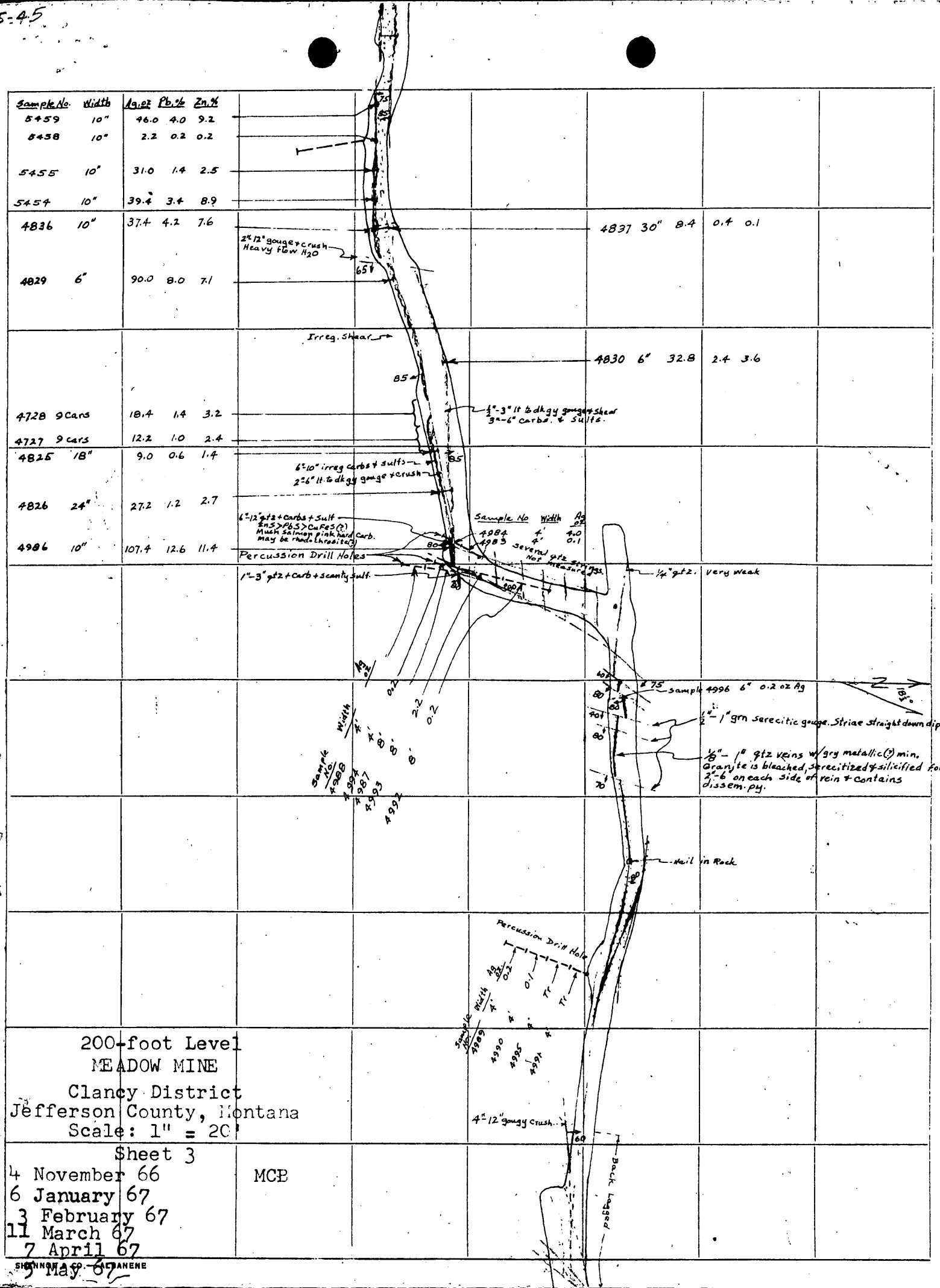
We are enclosing 9 assays for a total of $76.50. These assays were not available at our previous monthly report, but are shown on the additional enclosed maps of the previous month.

Ben Smick

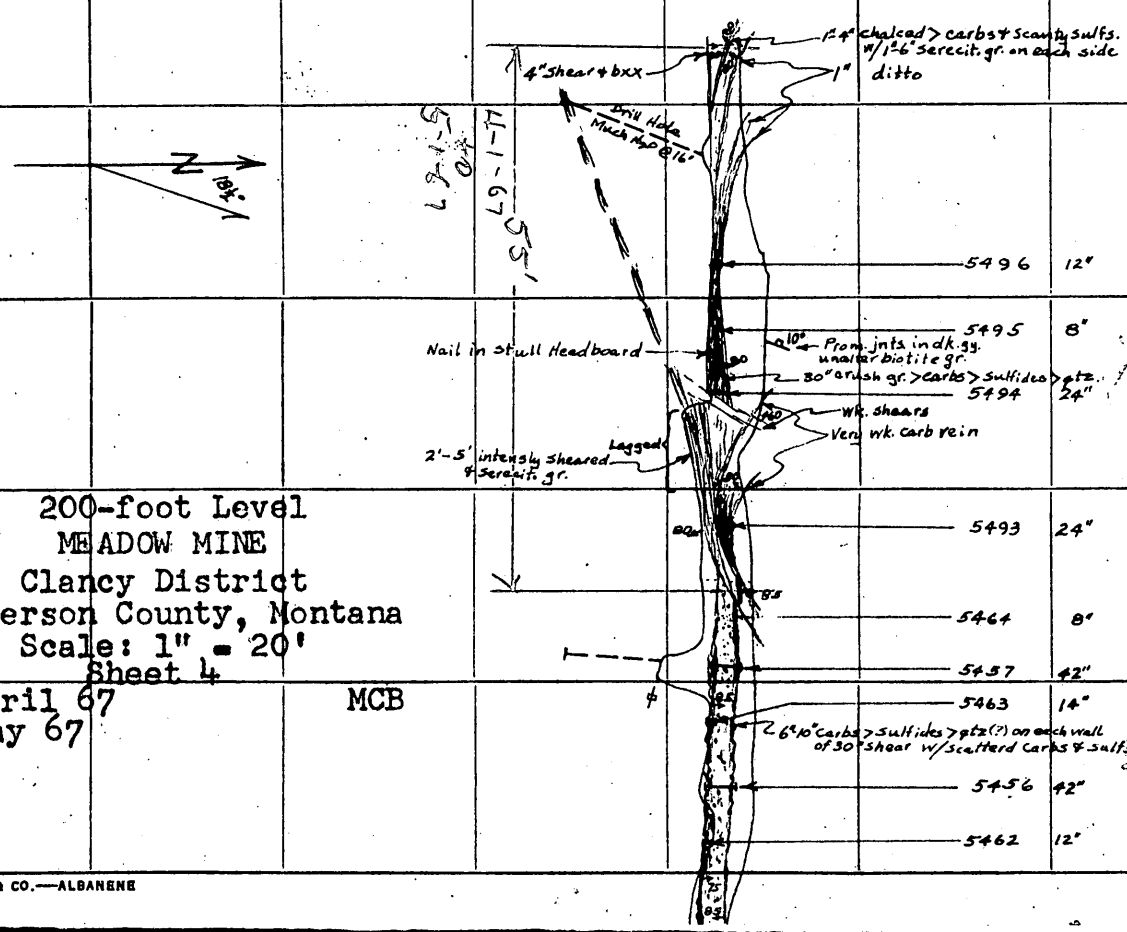
BEN SMICK, President
Mascot Silver-Lead Mines, Inc.

RECEIVED
MAY 8 1967
O. M. E.
SPOKANE, WASH.

5-45


Sample No. Width Ag.oz Pb.% Zn.%
5459 10" 46.0 4.0 9.2
5458 10" 2.2 0.2 0.2
5455 10" 31.0 1.4 2.5
5454 10" 39.4 3.4 8.9
4836 10" 37.4 4.2 7.6
4829 6" 90.0 8.0 7.1
2"-12" gouge + crush
Heavy flow H2O
65
4837 30" 8.4 0.4 0.1
Irreg. Shear
4830 6" 32.8 2.4 3.6
85
4728 9 cars 18.4 1.4 3.2
4727 9 cars 12.2 1.0 2.4
1/2"-3" lt to dk gy gouge + shear
3"-6" carbs. + sulfs.
4825 18" 9.0 0.6 1.4
6"-10" irreg carbs + sulfs
2"-6" lt to dk gy gouge + crush
4826 24" 27.2 1.2 2.7
6"-12" qtz + carbs + sulf
ZnS>PbS>CuFeS2(?)
Much salmon pink hard carb.
May be rhodochrosite(?)
4986 10" 107.4 12.6 11.4
Percussion Drill Holes
1"-3" qtz + carb + scanty sulf.
Sample No. Width Ag oz
4984 4' 4.0
4983 4' 0.1
Several not measured
1/4" qtz. very weak
Ag oz
0.2
2.2
0.2
Width
4'
4'
8'
8'
8'
Sample No.
4988
4994
4987
4993
4992
#75
sample 4996 6" 0.2 oz Ag
N
19½°
1/2"-1" grn serecitic gouge. Striae straight down dip.
1/8"-1" qtz veins w/ gry metallic(?) min.
Granite is bleached, serecitized & silicified for 2"-6" on each side of vein + contains dissem. py.
Nail in Rock
Percussion Drill Hole
Ag oz
0.2
0.1
Tr
Tr
Width
4'
4'
4'
4'
Sample No.
4989
4990
4995
4991
4"-12" gouge crush
60
Back Lagged
200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'
Sheet 3
4 November 66
6 January 67
3 February 67
11 March 67
7 April 67
5 May 67
MCB
SHANNON & CO. BLUEPRINTS

5-45



5496	12"	19.8	0.6	1.4
5495	8"	40.6	6.6	13.3
5494	24"	29.2	3.4	7.3
5493	24"	45.0	4.0	4.4
5464	8"	25.0	2.2	3.8
5457	42"	23.8	1.6	8.4
5463	14"	22.2	2.8	7.4
5456	42"	9.6	1.2	3.1
5462	12"	45.2	3.6	5.2

200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'
Sheet 4

7 April 67 MCB
5 May 67

SHANNON & CO.—ALBANENE

FORM 60
T. 1959

RECEIVED
APR 1 2 1967
O.M.E.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. 6379
Contract No. 14-23-090-2201
Contract Amount $ 28,200.00
Gov't. Participation 75 % $ 21,150
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of March 1967

Operator's Name Mascot Silver-Lead Mines, Inc.
Address 416 Hutton 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						
Drifting	2120	16,960	19,080			
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	0	76.50	76.50			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	2120	17,036.50	19,156.50			

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

Date April 11, 1967 Payee Mascot Silver-Lead Mines, Inc.

Per [signature] 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:

$ 1,590.00 14X0804

Signature [signature]
(Authorized Certifying Officer)

Date APR 25 1967 Vou. No. 8290

(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 D.R. MacKaren Title Field Officer, Region I Date APR 13 1967

Approved by OME Executive Officer or Alternate:

Signature D.R. MacKaren Title Field Officer, Region I Date APR 13 1967

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.

E FORM 61
PT. 1959

RECEIVED
APR 12 1967
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of March 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	53	477	19,080	53	477	$ 19,080.00
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				76.50			36.00 [1]
TOTAL TO DATE (per MME Form 60)				19,156.50			$ 19,116.00

REMARKS

(Continue on back)

REMARKS
[1] See note [2] MME 61, Feb. 1967

(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 April 11, 1967 Operator Mascot Silver-Lead Mines, Inc.

Per [signature] 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 [signature]

Title Field Officer, Region I
Government Representative

Date APR 13 1967

(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 cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

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

MINE
HO

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

April 12, 1967

MONTHLY REPORT FOR

Docket No. OME-6379 (Silver)
Contract No. 14-23-090-2201
Meadow Mine
Jefferson County, Montana

During the month of March the 200 West drift was advanced 53 feet along the vein, a 30-inch shear zone with 6" to 10" of carbonates and sulfides on both walls. A reversal of dip from steeply south to steeply north caused the strike to swing slightly to the right, but there is some indication at the face that this condition may be changing back to the normal attitude.

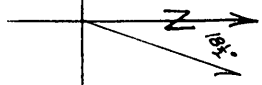
Two percussion drill holes to the south did not penetrate any vein material. Further details are shown on the enclosed geologic sketch maps.

In general the vein appears strong and we can only hope that in extending the drift further mineralization on both walls will come together and make commercial ore.

Ben Smick

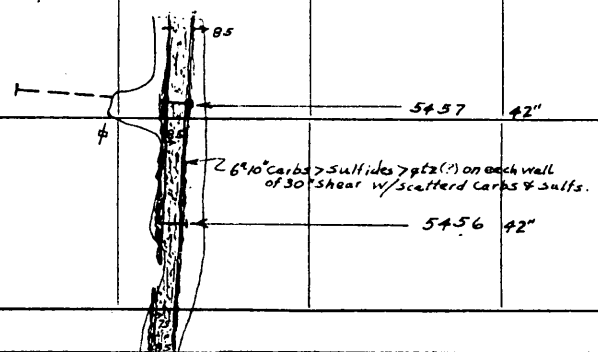
BEN SMICK, President
Mascot Silver-Lead Mines, Inc.

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

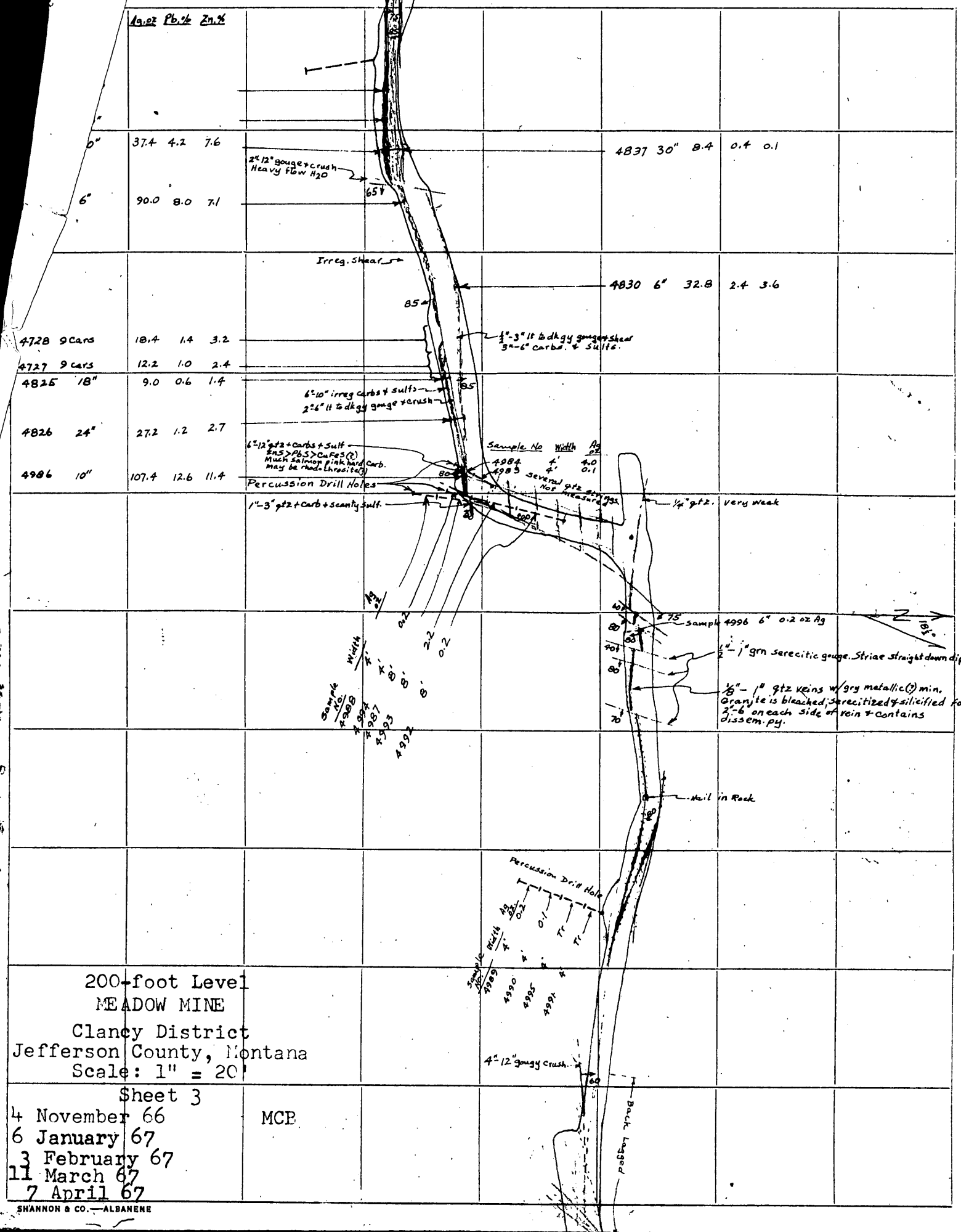


200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'

7 April 67 MCB



SHANNON & CO.—ALBANENE


Ag oz Pb % Zn %
0" 37.4 4.2 7.6
6" 90.0 8.0 7.1
2"-12" gouge + crush
Heavy flow H2O
65
4837 30" 8.4 0.4 0.1
Irreg. Shear
85
4830 6" 32.8 2.4 3.6
4728 9 Cars 18.4 1.4 3.2
4727 9 cars 12.2 1.0 2.4
1/2"-3" lt to dk gy gouge + shear
3"-6" carbs. + sulfs.
4825 18" 9.0 0.6 1.4
6"-10" irreg carbs + sulfs
2"-6" lt to dk gy gouge + crush
4826 24" 27.2 1.2 2.7
6"-12" qtz + carbs + sulf
ZnS > PbS > CuFeS2 (?)
Much salmon pink hard carb.
may be rhodochrosite(?)
4986 10" 107.4 12.6 11.4
Percussion Drill Holes
Sample No Width Ag oz
4984 4' 4.0
4983 4' 0.1
Several qtz stringers
Not measured
1"-3" qtz + carb + scanty sulf.
1/4" qtz. very weak
Ag oz
0.2
2.2
0.2
Width
4' 4' 8' 8' 8'
Sample No.
4988 4984 4987 4993 4992
75
sample 4996 6" 0.2 oz Ag
1/2"-1" grn serecitic gouge. Striae straight down dip.
1/8"-1" qtz veins w/ gry metallic(?) min.
Granite is bleached, serecitized & silicified for
2"-6" on each side of vein + contains
dissem. py.
Nail in Rock
Percussion Drill Hole
Ag oz
0.2
0.1
Tr
Tr
Width
4' 4' 8' 4'
Sample No.
4989 4990 4995 4991
4"-12" gougy crush
60
Back Lagged
200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'
Sheet 3
4 November 66
6 January 67
3 February 67
11 March 67
7 April 67
MCB
SHANNON & CO.—ALBANENE

MME FORM 60
SEPT. 1959

RECEIVED
MAR 20 1967
SPOKANE, WASH.

OFFICIAL COPY
O. M. E.
REC'D APR 1 1967
INITIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of February 1967

Docket No. 6379
Contract No. 14-23-090-2201
Contract Amount $ 28,200.00
Gov't. Participation % 75 $ 21,150
Mineral(s) Silver

Operator's Name Mascot Silver-Lead Mines, Inc.
Address 416 Hutton Building, Spokane, Washington 99204

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting	3440	13,520	16,960.00			
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			76.50			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	3440	13,520	17,036.50			

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

Date 3-20-67 *Payee Mascot Silver-Lead Mines, Inc.

Per Dew 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:

$ 2,580.00 14X0804

Signature Jdm
(Authorized Certifying Officer)

Date APR 12 1967 Vou. No. 7978

(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 D.R. MacKaren Title Field Officer, Region I Date MAR 24 1967

Approved by OME Executive Officer or Alternate:

Signature D.R. MacKaren Title Field Officer, Region I Date MAR 24 1967

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
MAR 20 1967
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of February 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	*86	424	16,960.00	86 L1	424	16,960.00
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							L2
Analytical Work Assays				76.50			36.00
TOTAL TO DATE (per MME Form 60)				17,036.50			16,996.00

REMARKS

*Claiming 29 feet as outlined on Administrative Suspension Statement #7107 attached.

(Continue on back)

REMARKS

L1 Includes reinstatement of 29 feet suspended in January 1967

L2 9 assays acceptable. Previously disallowed 4 in July + 13 in January

(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 3-20-67 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 [illegible]

Title Field Officer, Region I
Government Representative

Date MAR 24 1967

(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 cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

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

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: Mascot Silver-Lead Mines, Inc.
416 Hutton Building
Spokane, Washington 99204

Amount Claimed:	Differences (Explained Below)	Amount Approved
$1,840.00	$1,160.00	$680.00 $510.00 Govt. Participation
Bu. Voucher No.	Payee's Invoice No.	Period
	Docket #6379 Contract #2201	January 1967

EXPLANATION

$1,160.00 - 29 ft of 46 ft claimed is a crosscut and is disallowed pending execution of an amendment.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

J. D. McAlister
Branch of Budget and Finance

ITTSBURG MINE
CREEK
LOGG, IDAHO

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

March 20, 1967

MONTHLY REPORT FOR

Docket No. OME-6379 (Silver)
Contract No. 14-23-090-2201
Meadow Mine
Jefferson County, Montana

During the month of February the west drift was extended for a total of 57 feet. The vein continued strong with the ore averaging from 6 to 12 inches, and remaining constant during the entire 57 feet.

Assays taken at various times while drifting on the vein showed mineralization from a low of 9.0 oz. silver, 0.6% lead and 1.4% zinc to a high of 90.0 oz. silver, 8.0% lead and 7.1% zinc. As the drift is being extended, it appears mineralization is getting more uniform across the face of the drift.

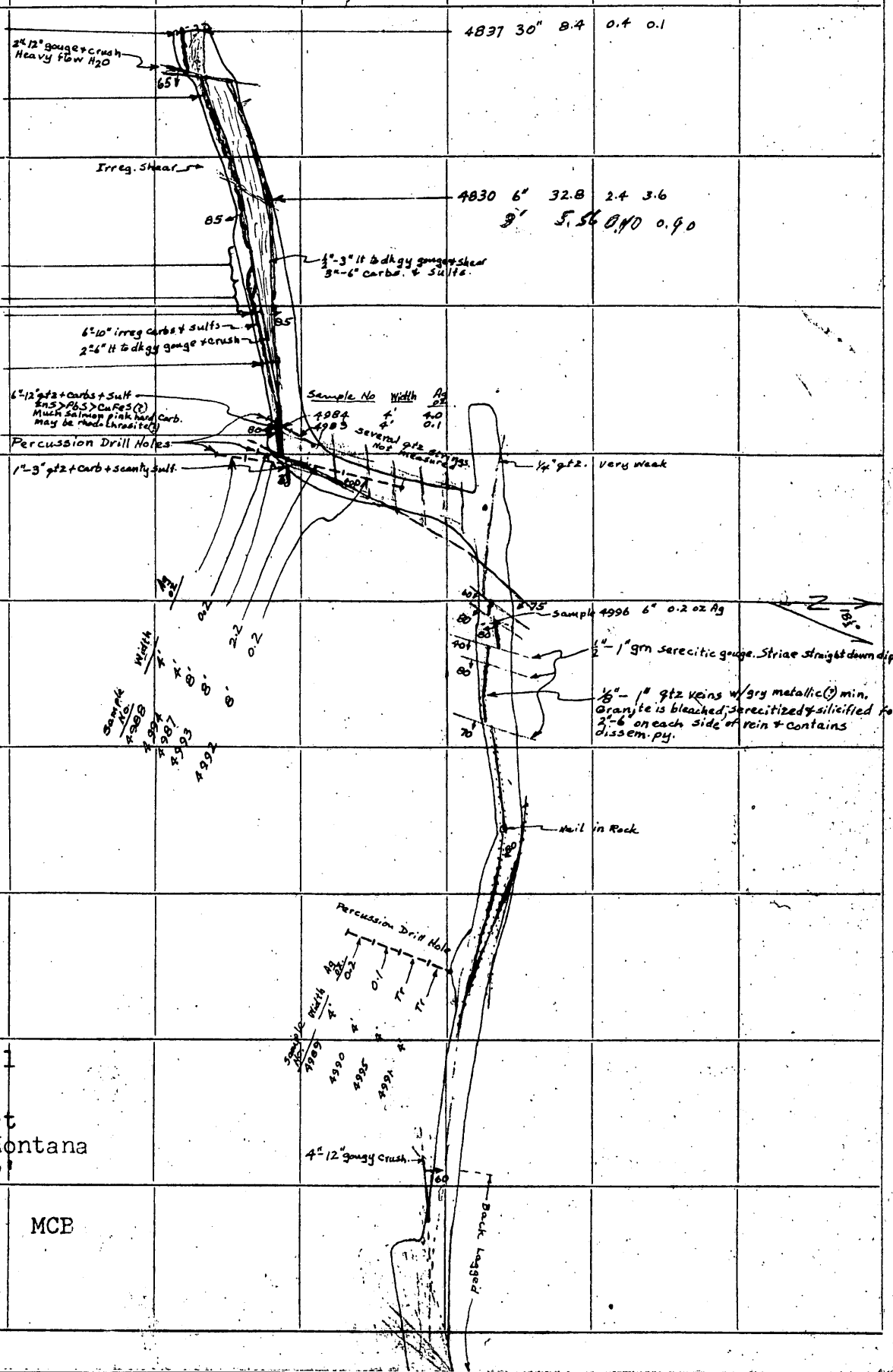
Please find attached the original copy of the Administrative Suspension Statement #7107 which shows 29 feet of the 46 feet claimed in January was disallowed pending execution of an amendment. The amendment has been executed and delivered to the Office of Minerals Exploration. We are, therefore, claiming the 29 feet previously disallowed, in addition to the 57 feet mentioned above, for a total of 86 feet for the month of February.

Ben Smick

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

RECEIVED
MAR 20 1967
SPOKANE, WASH.

No.	Width	Ag oz	Pb %	Zn %
4836	10"	37.4	4.2	7.6
4829	6"	90.0	8.0	7.1
4728	9 cars	18.4	1.4	3.2
4727	9 cars	12.2	1.0	2.4
4825	18"	9.0	0.6	1.4
4826	24"	27.2	1.2	2.7
4986	10"	107.4	12.6	11.4



200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'

Sheet 3

4 November 66
6 January 67
3 February 67
11 March 67

MCB

SHANNON & CO.—ALBANENE

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, FEB 6 - 1967

ASSAYED FOR

Inar Morgaard

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	
4986		107.4*	12.6		11.4				

*Gold not deducted

Charges $ 8.50

GOODALL BROS.

By Horace Hand

GOODALL BROTHERS

HORACE HAND, OWNER MANAGER
RES. PHONE 406/442-0696

ESTABLISHED 1909

ASSAYERS

PHONE 406/442-3770
46 SOUTH MAIN ST.
P. O. BOX 537
HELENA, MONTANA
59601

Helena, Montana, FEB 25 1967

ASSAYED FOR

Mascott 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
4825 18"	T	9.0	0.6		1.4			
4826 24"		27.2	1.2		2.7			
9 car 4827		12.2	1.0		2.4			
9 car 4828		18.4	1.4		3.2			

Gold not deducted

Charges $

GOODALL BROS.

By Horace Hand

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, MAR 13 1967

ASSAYED FOR

Mascott 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	
4829		90.0	8.0		7.1				
4830		32.8	2.4		3.6				

*Gold not deducted

Charges $ 17.00

GOODALL BROS.

By Horace Hand

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, MAR 1 4 1967

ASSAYED FOR
Mascott 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	
4836		37.4*	4.2		7.6				
4837		8.4 *	0.4		0.1				

*Gold not deducted

Charges $ 17.00

GOODALL BROS.

By Horace Hand

MME FORM 6 REFERENCE SLIP

REV. 2 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME

	DATE	INITIALS
1.	3/17/67	
2.		
3.		
4.		
5.		

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

D. R. MacLaren

FROM: Fld. Officer, Reg. I

OFFICE OF MINERALS EXPLORATION
RECEIVED
MAR 20 1967
INITIALS/SIGNATURE

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:

Transmittal of letter 3/15/67 and two maps showing proposed construction of right of way on Operator's property of a controlled access highway From the Montana Highway Commission.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
March 20, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 22 1967
INITIALS | CODE
120 M
110
130
120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

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

The property was visited March 8, 1967, and the advance was checked in the company of Inar Norgaard, Contract Miner. About 1½ hours were spent at the mine. The last inspection was made November 9, 1967.

The east drift has been driven a total of 186 feet, 11 feet farther than the 175 feet which was authorized by a Work Authorization dated October 24, 1966. This is an OME advance of 17 feet since the last inspection. The only structures in this part of the drift are narrow clay-filled seams with no visible sulfides. No further work to the east will be authorized unless the Operator decides to drill long holes into the walls and discovers a well-mineralized structure. He is not presently intending to do so.

The west drift was extended to 179 feet from the starting point, an advance of 118 feet since the last inspection. The drift picked up a weak quartz-clay stringer west of the fault which was in the last 10 feet of drift seen in November. The stringer was never more than 8 to 10 inches wide and seldom more than 6 inches wide. In a few places small pyrite cubes were observed in the quartz, but more often it was devoid of identifiable metallic minerals. Several cross faults offset the structure, but only slightly.

Near the end of the drift west the structure became very weak and turned slightly passing into the north wall.

All concerned were pretty much discouraged with the results, but before requesting termination of the contract, the Operator drilled several long holes into the south wall at his own expense. These cut a strongly mineralized zone about 30 feet south of the drift. At the risk of doing the work at his sole expense the Operator drove a crosscut 29 feet southerly along one of the drill holes and encountered a vein that assayed 107.4 ounces silver per ton, 12.6 percent lead and 11.4 percent zinc over a width of about a foot.

By the time of the inspection the Operator had followed the mineralized structure about 51 feet to the west. In this distance there are several lenses of sulfide-bearing quartz, discontinuous and apparently slightly en echelon within the general structural trend. The vein dips steeply to the south. Ore shoots along the hanging wall are fairly well frozen; the footwall side of the vein is more definitely a zone of shearing up to 3 feet wide with clay seams of an inch or more in width.

At the face a sample of hard silicified vein material chipped across a width of 6 inches assayed trace gold and 30.9 ounces silver per ton, 1.8 percent lead and 3.8 percent zinc. Another sample from the face across 6 inches of sheared, less silicified material assayed trace gold and 6.8 ounces silver per ton, 0.6 percent lead and 2.5 percent zinc.

D. R. MacLaren

Distribution:
OME
Docket

MONTANA HIGHWAY COMMISSION

COMMISSION

ALEX BLEWETT, CHAIRMAN
GREAT FALLS

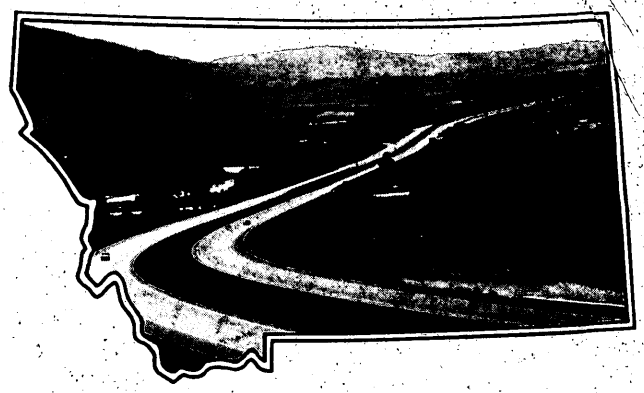
S. N. HALVORSON, VICE CHAIRMAN
KALISPELL

JOSEPH M. NASS, MEMBER
POPLAR

ARNOLD M. SWANSON, MEMBER
BOZEMAN

DALLAS W. VAN DELINDER, MEMBER
BILLINGS

JOHN D. WHEELER, SECRETARY
HELENA



TIM BABCOCK
GOVERNOR

LEWIS M. CHITTIM
ACTING STATE HIGHWAY ENGINEER

[redacted]

HELENA, MONTANA
March 15, 1967

I IG 15-3(6) IN REPLY REFER TO:
Lessee's Interest in 36.92 acres of land in U.S. Gov't. Lot 3, T8N, R3W; and U.S. Gov't Lots 2 & 3, NE¼SW¼, NW¼SE¼, SW¼NE¼, Sec. 34, T9N, R3W, Jefferson Co.

Mascot Silver & Lead Mines, Inc.
416 Hutton Blvd.
Spokane, Washington

Gentlemen:

It has been reported to us that our field representatives have been unable to reach a mutuallly satisfactory agreement with you as to the right of way above mentioned which is colored on the enclosed map. The right of way required in this case is for the construction of a controlled access highway as authorized by Sections 32-2004-5-6, Revised Codes of Montana, 1957 Supplement.

The responsible officials of the State of Montana have no desire to invoke the State's right of eminent domain and condemn the land for public use, but since the land must be secured, no other course of action will be open to them if you are unwilling to accept the following offer for the required right of way, which offer is deemed reasonable for the damage you will sustain.

DAMAGE (Lessee's interest) - - - - - -$9,300.00

Enclosed you will find a form letter upon which you may indicate an acceptance or rejection of the above offer. If the "Acceptance" letter, signed by you, and witnessed, is not received back by us on or before March 25, 1967, we shall soon after that date request the Attorney General of Montana to institute condemnation proceedings. Upon receipt of your acceptance, we shall prepare and send you the necessary instruments for completion.

3/20/67 Discussed with land agent and Attorney General

RECEIVED
Registered
MAR 17 1967
R.R.L.
C.M.F.
SPOKANE, WASH.

In the event that you do not care to accept the offer which we have made you herein, please sign that part of the enclosed letter captioned "Rejection of Offer," and return it to us in the enclosed envelope. Also enclosed is the procedure to be followed in the event you do not wish to accept our offer.

This offer is not an attempt to force a settlement upon you but is part of the proper legal procedure in such cases, and presents to you an opportunity to settle without incurring the considerable expense of defending a condemnation action.

Thank you for your cooperation in this matter.

LEWIS M. CHITTIM, P.E.
Acting State Highway Engineer

By Robert E. Champion
Robert E. Champion, P.E.
Chief Right of Way Agent

REC:RM:oh
Enclosures 4

cc: W/map: Department of the Interior
Bureau of Land Management
Attn: Garry V. Fisher, Attorney
3310 Fourth Avenue North
Billings, Montana
and
Office of Mineral Exploration
U.S. Geological Survey
Attn: Donald MacLaren, Field Officer
South 157 Howard Street
Spokane, Washington

Harry C. Alley, Chief R/W Attorney
District Engineer, Butte

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME

1. Re: OME-6379 (Silver)

2. Mascot Silver-Lead Mines, Inc.
Meadow Mine

3. Jefferson County, Montana
Contract 2201

4.

5. D. R. MacLaren

FROM: Field Officer, Reg. I

DATE 2/20/67

INITIALS

COPY

RECEIVED

FEB 21 1967

FILE

HK 120K

FOR: Check items for action desired

X Action ___ Reply for signature of ___ Surname

___ Approval ___ Investigate ___ Signature

___ Comment ___ Recommendations ___ File

___ Conference ___ Rewrite

___ Instructions ___ Your information

REMARKS: Transmittal of Operator's Monthly Voucher, and Progress Report, together with Narrative Assay Certificates and Sketch for the month of January 1967.

Do B+ A.

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

RECEIVED
FEB 20 1967
O. M. E.

O. M. E. RECEIVED MAR 15 1967

INITIAL CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of January 1967

Docket No. 6379
Contract No. 2201
14-23-090- ~~28,200.00~~
Contract Amount $ 75 21,150
Gov't. Participation % ~~Silver~~
Mineral(s)

Operator's Name Mascot Silver-Lead Mines, Inc.
Address ~~416 Hutton 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	1840	12,840	14,680			
Drifting				680.00		
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			45.50			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	1840	12,840	14,725.50	680.00		

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

Date 2-17-67 *Payee Mascot Silver-Lead Mines, Inc.

Per Ben 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:

$ 510.00 14X0804

Signature [illegible]
(Authorized Certifying Officer)

Date MAR 15 1967 Vou. No. 7107

(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 D R Macharen Title Field Officer, Region I Date FEB 20 1967

Approved by OME Executive Officer or Alternate:

Signature D R Macharen Title Field Officer, Region I Date FEB 20 1967

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.

RECEIVED
FEB 20 1967
O.M.E.
SPOKANE, WASH.

HM 3/2/67

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of January 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	46	367	14,680	17 [1]	338	13,520.00
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			45.50			— [2]
TOTAL TO DATE (per MME Form 60)				14,725.50			13,520.00

REMARKS

(Continue on back)

REMARKS
[1] 29' of 46' claimed as a crosscut and is disallowed pending operation of an amendment. May be reinstated later
[2] No assays claimed to date have been run for silver, lead and zinc as specified in contract

(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 2-17-67 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 MacKeen

Title Field Officer, Region 1
Government Representative

Date FEB 20 1967

(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 cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

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

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: Rascot Silver-Lead Mines, Inc.
416 Hutton Building
Spokane, Washington 99204

Amount Claimed:	Differences (Explained Below)	Amount Approved
$1,840.00	$1,160.00	$680.00 $510.00 Govt. Participation
Bu. Voucher No.	Payee's Invoice No.	Period
	Docket #6379 Contract #2201	January 1967

EXPLANATION

$1,160.00 - 29 ft of 46 ft claimed is a crosscut and is disallowed pending execution of an amendment.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

J. D. McAlister
Branch of Budget and Finance

GOODALL BROTHERS

ESTABLISHED 1909

ASSAYERS

HORACE HAND OWNER MANAGER
RES PHONE 406 41[illegible]696

PHONE 406 442 3770
46 SOUTH MAIN ST
P O BOX 837
HELENA MONTANA
59601

Helena, Montana, _____

ASSAYED FOR

Inar Norgaard

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
	EXT	[illegible]*						

*Gold not deducted

Charges $ 14.00

GOODALL BROS.

By

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, _____ 1971

ASSAYED FOR

Inar Morgaard

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	
4992 #		0.2*							
4993 #		XXXX 2.2*							
4994 #		1.2*							

*Gold not deducted

Charges $ 10.50

GOODALL BROS.

By

GOODALL BROTHERS

ESTABLISHED 1909

ASSAYERS

H. HALE HAND, OWNER MANAGER
RES. PHONE 406/442 0696

PHONE 406/442-1770
46 SOUTH MAIN ST.
P. O. BOX 537
HELENA, MONTANA
59601

Helena, Montana, _____

ASSAYED FOR

Inar Norya ru

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	
[illegible]		0.1							
[illegible]		[illegible]							
		[illegible]							
[illegible]		[illegible]							
[illegible]		[illegible]							

*Gold not deducted

Charges $ 17.50

GOODALL BROS.

By

TTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER*LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

February 10, 1967

MONTHLY REPORT FOR

Docket No. OME-6379 (Silver)
Contract No. 14-23-090-2201
Meadow Mine
Jefferson County, Montana

After the vein we were following in the west drift pinched out, a series of percussion drill holes picked up a strongly mineralized vein 30 feet to the south on the west side of a NNW striking fault. Where cut by the cross-cut, the vein is weak, but definite on the east side of the fault. West of the fault, it looks very strong with prominent blebs and lenses of sulfides of zinc, lead, silver and a little copper. The gaugue is quartz and carbonates, the most prominent of which, a fairly hard salmon-pink carbonate, is probably rhodochrosite. The best assay so far was from a 4-foot section of drill hole just west of the present face which contained 4 oz. silver per ton. However, more recent assays taken from the face of the ore that was cut assay 107.4 silver, 12.6 lead and 11.4 zinc.

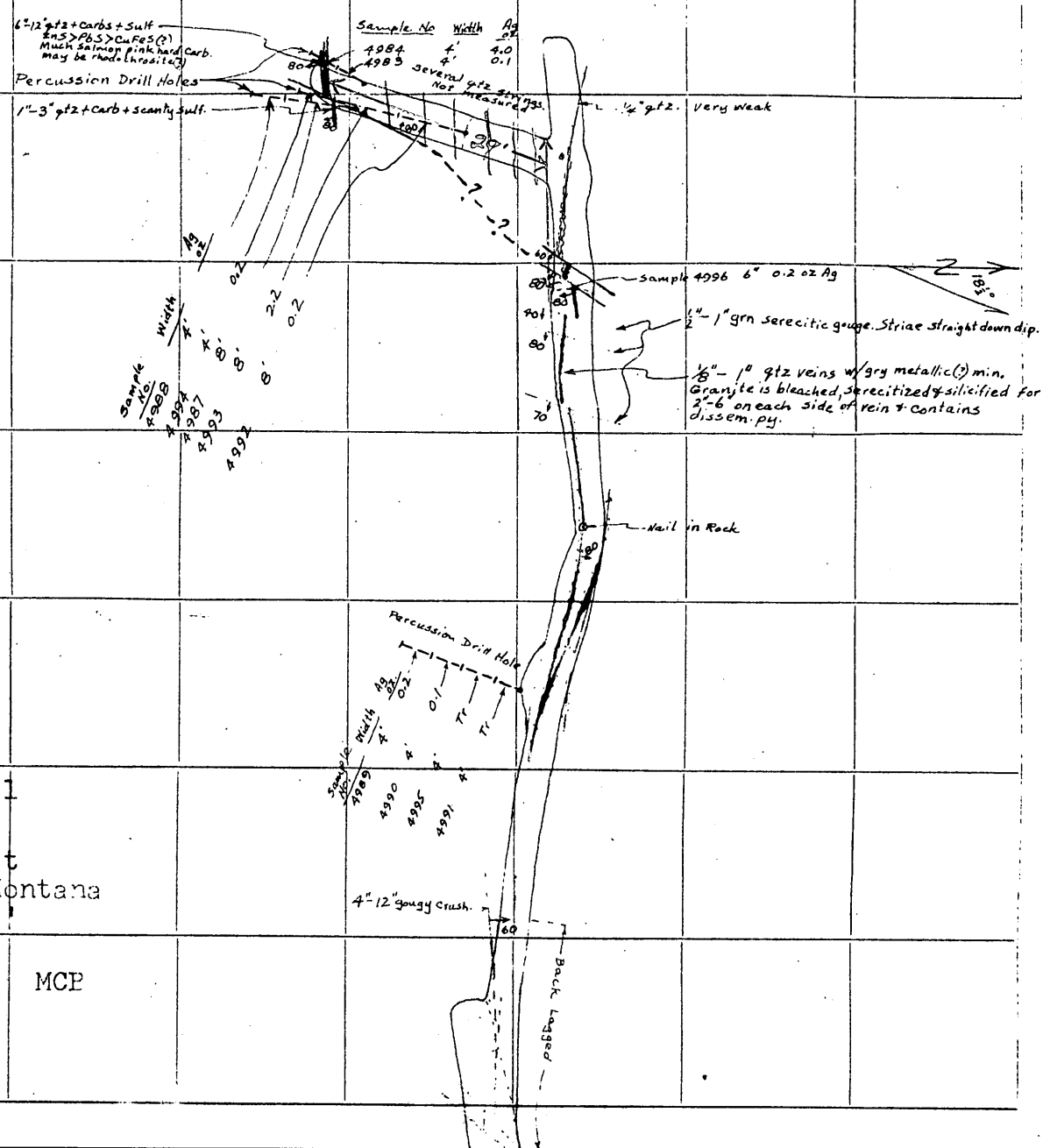
This is the strongest looking vein we have seen for several months. The horsetailing for the last 150 feet suggests that the fracturing stresses were dissipated over a wide zone, resulting in many thin quartz veinlets but now will be concentrated at one locus, resulting in a single stronger vein en echelon.

The contractor drifted a distance of 17 feet west from the previous measurement and then a distance of 29 feet via cross-cut to the ore which he found in the percussion holes mentioned above, for a total distance for the month of January of 46 feet.

Ben Smick

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

RECEIVED
FEB 10 1967
O.M.E.
SPOKANE, WASH.



200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'
Sheet 3
4 November 66
6 January 67
3 February 67

MCP

SHANNON & CO.—ALBANENE

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

TO: Chief, OME

	DATE	INITIALS
1.	3/13/67	
2.		
3.		
4.		
5.		

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

D. R. MacLaren

FROM: Field Officer, Reg. I

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 15 1967

INITIALS	CODE

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 Gov't. and Budget and Finance's copies of Amendment No. 2 to the above-cited contract.

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

Form 7

OFFICIAL FILE COPY

Date	Surname	Code
3/3	Johnson	
3/6	Kirkemo	
3/7/67	Kirkgaard	
3/7	Kuyn	
3/8	COC	210
		120 M

MAR 3 1967

AIRMAIL

Memorandum

319

INTERIOR DEPT.
MAR 8 1967
SOLICITOR
8-65-2023.11

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 original and three copies of a proposed Amendment No. 2 (2 pages) to the subject contract signed for the Government. An extra copy of the proposed amendment is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading
130

FEJohnson/mm (3/3/67)

23263

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

TO:	DATE	INITIALS
1. ~~SOL - Mr. Long - Room 6546 Int.~~		
2. Mr. F.E.Johnson - Room 4460		
3.		
4.		
5.		
FROM: FRANK E. JOHNSON		

FOR: Check items for action desired

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

REMARKS:

RECEIVED FEB 2 1967 Division of Mine... General Legal Serv...

3192
E-65-2023.11

INTERIOR DEPT.
FEB 28 1967
SOLICITOR

FROM SOLICITOR
MAR 1 1967
FOR SIGNATURE

INT.-DUP. SEC., WASH., D.C. M50943

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading
130

FEJohnson/rm (3/3/67)

To Legal 2/27

EXPLORATION CONTRACT
MASCOT SILVER-LEAD MINES, INC.
OME-6379

AMENDMENT NO. 2

It is agreed this _____ day of _____, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government," and Mascot Silver-Lead Mines, Inc., hereinafter referred to as the "Operator," that Exploration Contract No. 2201 (OME-6379), dated May 13, 1965, as amended ~~is~~ further amended effective January 1, 1967, as follows:

1. In EXHIBIT A, the second paragraph is revised 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 therenn 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.

2. Under the Description of the work, the following is added to the second paragraph:

   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.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

MASCOT SILVER-LEAD MINES, INC.

By _____

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
February 21, 1967

OFFICIAL COPY
FEB 22
120
110

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

The subject contract on page 2 of Exhibit A, Description of the Work, provides for deepening of the shaft, crosscutting to the vein, and drifting westward on the vein for a distance of 50 feet at the Operator's sole expense. From then on, the Government is to contribute 75 percent of the cost of drifting, not to exceed 200 feet eastward along the vein and westward not to exceed 450 feet along the vein.

Near the shaft and along both drifts heavy ground and several cross faults not encountered on the 90-foot level crossed and offset the vein, apparently only slightly.

On the 200-foot level the drift east followed a structure that was well mineralized where it was first cut, but strong mineralization soon became spotty occurring in small lenses irregularly spaced along a tight structure. The Field Officer advised the Operator orally that OME would not contribute to the cost of continuing this drift after it had been driven 175 feet.

The drift west started on a mineralized quartz vein with a fairly high water discharge. Cross faults offset the vein, but the amount of apparent offset was within the limits of the drift. There was a particularly shattered water-soaked zone from about 45 to 60 feet. After getting through this section of ground, the Operator followed a structure that ranged from a thin quartz and clay-filled seam to 6 inches of quartz containing about 0.2 ounce silver per ton. Long holes 1 to the north and 2 to the south (plate 1) drilled at the Operator's expense, gave no indication that he had not been following the Meadow vein.

Near the west end of the drift the structure being followed narrowed to a quarter of an inch and appeared to be becoming progressively weaker. Before requesting a mutual agreement to terminate, the Operator at his own expense drove a 10-foot crosscut southerly and from the face drilled a long hole about 20 feet farther south. This cut a stronger vein and the crosscut was continued to a total distance of 29 feet south of the drift, exposing a vein containing 6" to 12" of quartz with small amounts of lead, zinc, and copper sulfides and less rhodochrosite(?). A sample of long hole cuttings that included this structure contained 4.0 ounces silver per ton over a width of 4 feet. A later chip sample across an unknown width contained 107.4 ounces silver, 12.6 percent lead, and 11.4 percent zinc. This assay was reported to the company's Spokane office by telephone.

There was no reason for the Operator to suspect that he had not been successfully following the Meadow vein through a wide zone of badly crushed and faulted ground. The vein at the end of his crosscut is the most promising structure yet found and is more probably the Meadow vein. It is therefore recommended that the contract be amended somewhat as follows:

1. "On the next to the last line of paragraph 2, Exhibit A, page 1, after the word drifting add 'and/or crosscutting.'

2. "On page 2 of Exhibit A, under Description of the Work, add to the second paragraph the following: 'Should the Meadow vein be offset by faulting, part of the 450 feet of drifting westward may be used for crosscutting to recover the vein. However, this crosscutting shall not be used for any of the work specified in the preceding paragraph or from the east drift'."

D. R. MacLaren

Enclosure

MME FORM 6 REFERENCE SLIP

REV. 2- OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	1/13/67	
Re: OME-6379 (Silver)		
2. Mascot Silver-Lead Mines, Inc		
Meadow Mine		
3. Jefferson County, Montana		
Contract 2201		
4. D R MacLaren		
5. D. R. MacLaren		
FROM: Field Officer, Reg. I		

OFFICIAL COPY

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 Operator's Monthly Voucher and Progress Report, together with Narrative and Sketches for Nov. and Dec. 1966.

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

MME FORM 60
SEPT. 1959

RECEIVED
JAN 11 1967
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. 6379
Contract No. 14-23-090-2201
Contract Amount $ 28,200.00
Gov't. Participation % 75 $21,150
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of Nov & Dec 1966

Operator's Name Mascot Silver-Lead Mines, Inc.
Address 416 Hutton Bldg., Spokane, Wash. 99204

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	4080	8760	12,840			
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						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	4080	8760	12,840			

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

Date 1-11-67 *Payee Mascot Silver-Lead Mines, Inc.

Per Ben 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:

$ 3,060.00

Signature [illegible] (Authorized Certifying Officer)

14X0804

Date JAN 24 1967 Vou. No. 5660

(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 D.W. Lachaven Title Field Officer, Region I Date JAN 13 1967

Approved by OME Executive Officer or Alternate:

Signature D.W. Lachaven Title Field Officer, Region I Date JAN 13 1967

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 11 1967
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of Nov & Dec 1966 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	R	102	321	12,840	102	321	$ 12,840.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				12,840			$ 12,840.00

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date 1-11-67 Operator Mascot Silver-Lead Mines, Inc.

Per _____ 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 _____

Title Field Officer, Region I
Government Representative

Date JAN 13 1967

(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 cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

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

E PITTSBURG MINE
INE CREEK
ELLOGG, IDAHO

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

January 11, 1967

MONTHLY REPORT FOR

Docket No. OME-6379 (Silver)
Contract No. 14-23-090-2201
Meadow Mine
Jefferson County, Montana

The Meadow mine was visited and examined on January 6, 1967 by geologist M. C. Brown of Kellogg, Idaho. He found that the drift to the east had been advanced for a total of 186 feet. The east face showed two tan clay seams in 12" zones of gougy crushed granite about 2 feet apart. The gougy clay seams seemed to have about the right strike for the Meadow vein, but no metallic mineralization was observed.

The Field Officer of Office of Minerals Exploration, Mr. Donald R. MacLaren, had authorized Mascot Silver-Lead Mines, Inc. to drift a total of 175 feet to the east. The contractor actually carried the drift for a distance of 186 feet. Since there was no change in the structure and mineralization, it was decided to not continue any further on the east drift. Since Mascot Silver-Lead Mines, Inc. had been paid for 158 feet, and 175 feet had been allowed, Mascot Silver Lead-Mines, Inc. is claiming payment of 17 feet for the months of November and December 1966.

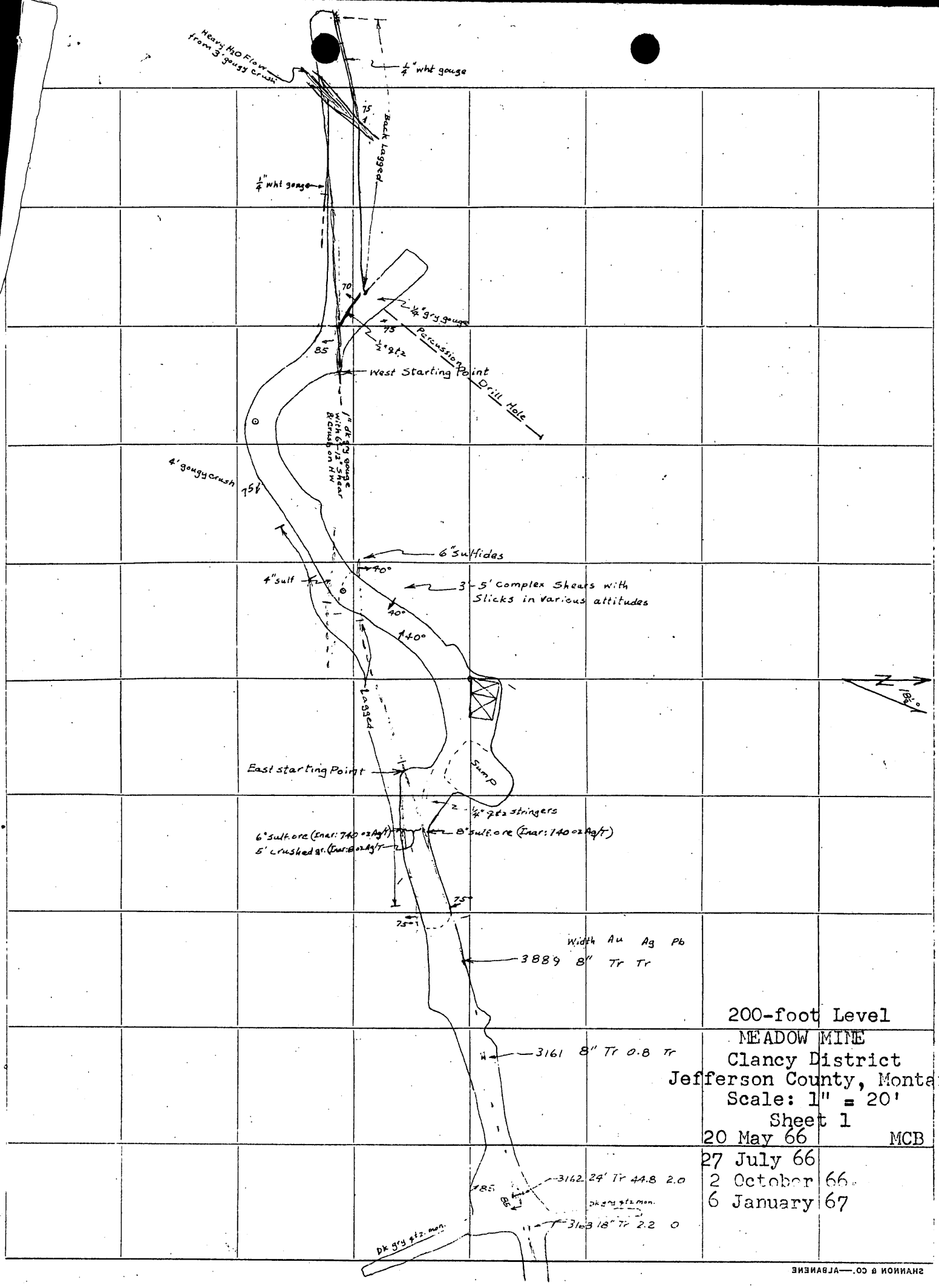
The west face had been carried for a distance of 146 feet from the west starting point. For the last 85 feet it has followed a system of narrow quartz veins of increasing strength with sparse sulfide mineralization. As this project was set up to test the theory that a quartz-Chalcedony vein may change to a quartz vein in depth, it is perhaps significant that no Chalcedony was observed. To test the possibility that these veins are minor fractures in the footwall of a better vein, the contractor is to drill a test hole in the south wall of the drift. Since 61 feet had been approved previously for the west drift, we are claiming a distance of 85 feet for November and December 1966 for footage on the west drift.

I might also mention that there was a power outage on November 13, 1966, which was on a Sunday, and caused the entire mine workings to be flooded. The Montana Power Company did not bother to notify the contractor which resulted in immense damage and a delay of approximately 10 days before the mine was pumped out and put back in a working condition.

Ben Smick

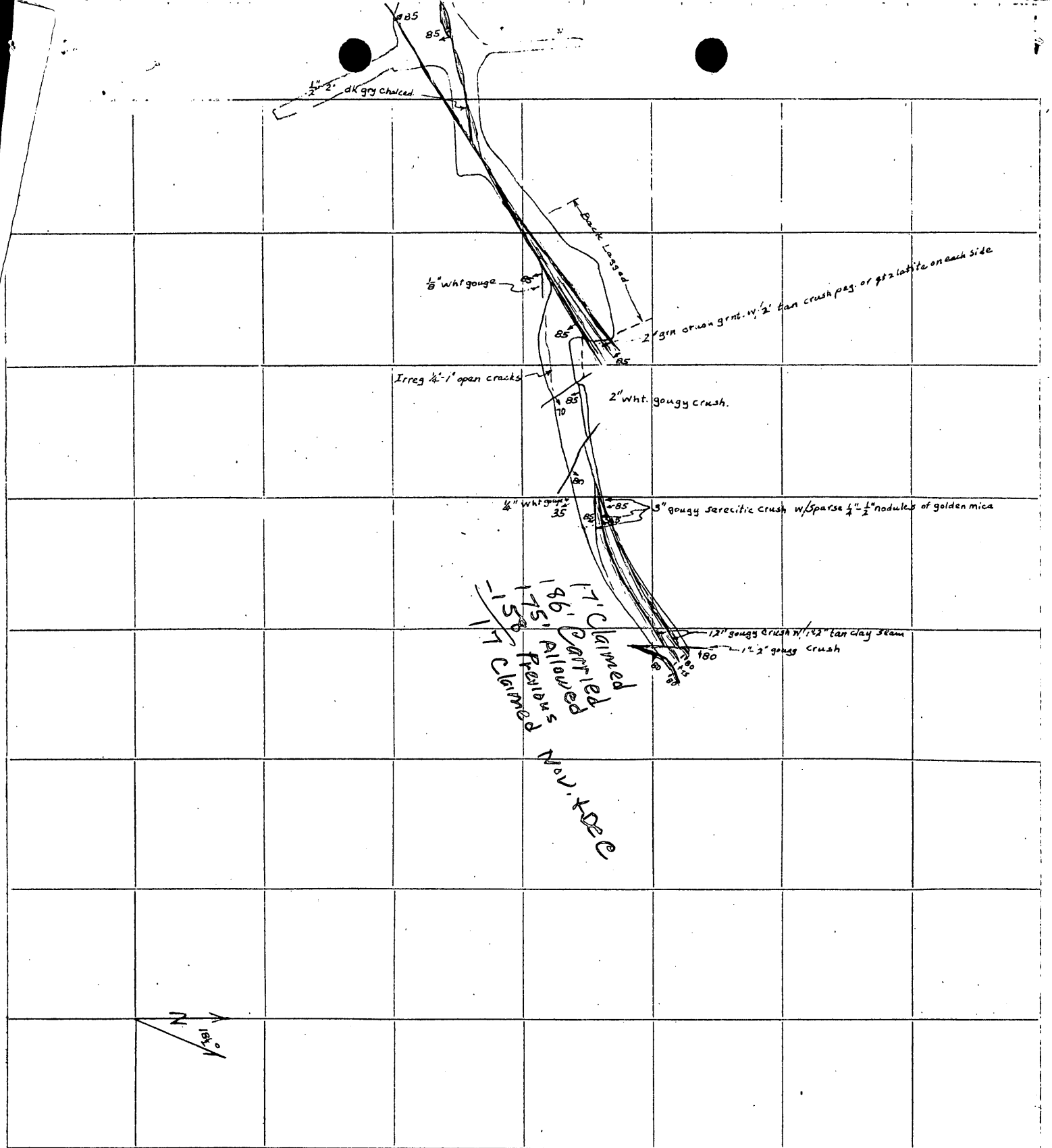
BEN SMICK, President
Mascot Silver-Lead Mines, Inc.

RECEIVED
JAN 11 1967
O. M. E.
SPOKANE, WASH.



200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'
Sheet 1
20 May 66 MCB
27 July 66
2 October 66
6 January 67

SHANNON & CO.—ALBANENE

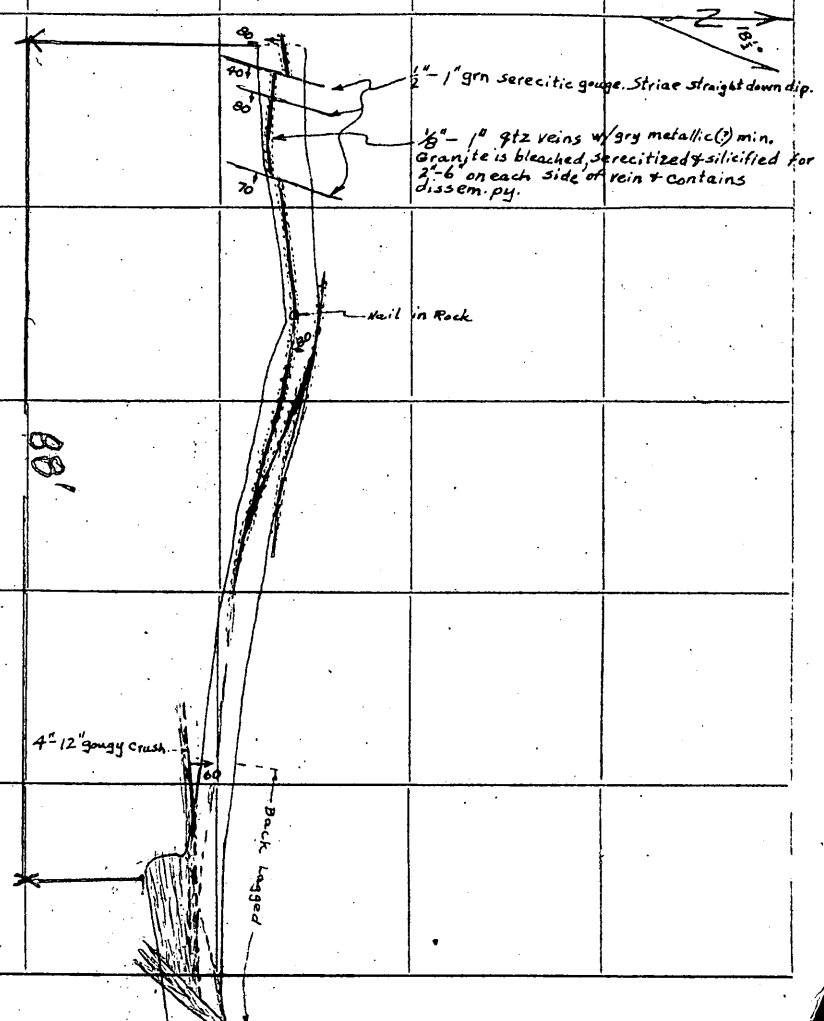


200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'
Sheet 2

2 October 66 MCB
4 November 66
6 January 67

SHANNON & CO.—ALBANENE

5-47



200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'
Sheet 3
4 November 66 MCB
6 January 67

SHANNON & CO.—ALBANENE

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME	11/23/66	
2. Re: OME-6379 (Silver) Mascot Silver-Lead Mines, Inc.		
3. Meadow Mine Jefferson County, Montana Contract 2201		
4.		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I		

OFFICIAL COPY O. M. E. RECEIVED NOV 25 1966 INITIALS

FOR: Check items for action desired

X Action ____ Reply for signature of ____ Surname

____ Approval ____ Investigate ____ Signature

____ Comment ____ Recommendations ____ File

____ Conference ____ Rewrite

____ Instructions ____ Your information

REMARKS: Transmittal of Operator's Monthly Voucher and Progress Report, together with Narrative and Sketch for Sept. & Oct. 1966.

MME FORM 60
SEPT. 1959

RECEIVED NOV 22, 1966

OFFICIAL COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of Sept. & Oct '66

Docket No. 6379
Contract No. 14-23-090-2201
Contract Amount $ 28,200.00
Gov't. Participation % 75 $ 21,150
Mineral(s) Silver

Operator's Name Mascot Silver-Lead Mines, Inc.
Address 416 Hutton Bldg., 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						
Drifting	2040.00	7480.00	9520.00			
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						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	2040.00	7480.00	9520.00			

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

Date 11-21-66 * Payee Mascot Silver-Lead Mines, Inc.

Per Ben 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:

$ 1,140.00

Signature
(Authorized Certifying Officer)

Date DEC 12 1966 Vou. No. 4647

(SEE OTHER SIDE)

14X0804

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 D R Macharen Title ~~Field Officer, Region 1~~ Date NOV 23 1966

Approved by OME Executive Officer or Alternate:

Signature D R Macharen Title Field Officer, Region 1 Date NOV 23 1966

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
NOV 27, 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT — For Month of **Sept. & Oct 1966** — 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	68	255	9520.00	38 ll	219 ll	$ 8,760.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				9520.00			

REMARKS

(Continue on back)

REMARKS
ll Map indicates Operator's measurement made Nov 4 includes 26' claimed in Aug. MME-61
F.O. measurement made Nov 9 was:
Drift E = 158 ft
Drift W = 61 ft
Total 219 ft

(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 **11-21-66** 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.P. Mackaron

Title Field Officer, Region I
Government Representative

Date NOV 23 1966

(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 cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

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

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: Mascot Silver-Lead Mines, Inc.
416 Hutton Bldg.
Spokane, Washington 99204

Amount Claimed:	Differences (Explained Below)	Amount Approved
$2,040.00	$520.00	$1,520.00 $1,140.00 Govt. Participati
Bu. Voucher No.	Payee's Invoice No. OME# 6379 Contract # 2201	Period Sept. & Oct '66

EXPLANATION

13 ft drifting dissallowed per field officer's report $520.00

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

B. E. McFarlane

Branch of Budget and Finance

ITTSBURG MINE
CREEK
LOGG, IDAHO

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER-LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

November 22, 1966

MONTHLY REPORT FOR

Docket No. OME-6379 (Silver)
Contract No. 14-23-090-2201
Meadow Mine
Jefferson County, Montana

The work on the Meadow Mine for the past two months of September and October has progressed very slowly. This is due partly to the enormous volume of water that was encountered after making one round in the West end of the drift. The water came in such volume that the operator had to shut down for three days to allow the water to be pumped out. The immense volume of water and the force of the water deposited a large amount of debris which took approximately five days to muck and clean up.

The mine contractor then decided to concentrate his work to the drift East of the shaft. The accompanying map will show that he also again ran into some heavy faulted ground which required timbering and legging.

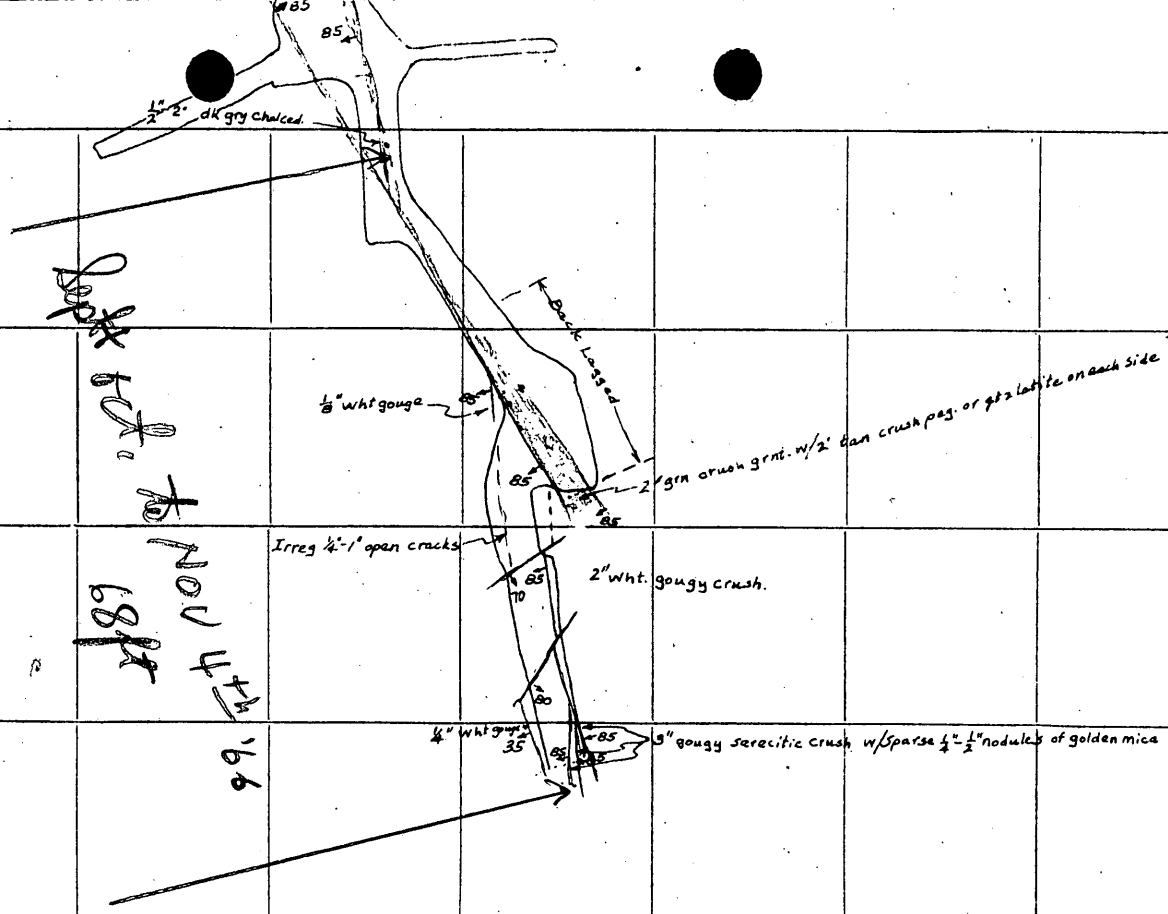
In addition to these difficulties, the contractor, Mr. Norgaard, smashed two fingers which necessitated the shutting down of the mine entirely for seven days.

In spite of all of these difficulties, the mining contractor was able to drift a distance of 68 feet to the East. There is slight mineralization in the face of the drift which the contractor thought was not worthwhile to assay. Drifting to the East will be continued until a distance of 175 feet from the starting point is accomplished. When this distance has been reached, it is suggested that a re-evaluation be made with the Office of Minerals Exploration Field Officer, Mr. Donald R. MacLaren, whether or not to continue drifting to the East.

Ben Smick

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

RECEIVED
NOV 22, 1966



Left at Nov 4th '66
68ft

N
184°

200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'
Sheet 2

2 October 66
4 November 66

MCB

SHANNON & CO.—ALBANENE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
November 17, 1966

OFFICIAL
COPY
O. M. E.
RECEIVED
NOV 21 1966
MINERALS CODE
120 M
110
120 L

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

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

The property was visited November 9, 1966, the advance was measured, and the work was discussed with Mr. Inar Norgaard, Contract Miner. About 1½ hours was spent at the mine. The last inspection was made on August 17, 1966.

The drift east had been driven a total distance of 158 feet along the vein for an advance of 36 feet. After the last inspection a long hole was drilled into the wall from a station about 85 feet east of the shaft. A sample of sludge from about 25 feet assayed 0.4 ounce gold per ton. The long hole was followed by a crosscut for more than 50 feet, but the source of the gold in the sludge could not be found. ?

In view of a letter dated October 3, 1966, from the Operator's Consulting Engineer, authorization was given to continue the drift easterly. It follows a clay-filled fissure that apparently represents a slightly offset continuation of the vein originally followed; however, heavy timber and lagging obscured the relationship between the fault and the vein. A sample cut across 2 inches of clay at the east face assayed Trace gold and 0.15 ounce silver per ton. If the remaining 17 feet of drifting now authorized to the east does not show considerably more promise, no further work will be authorized in this heading.

The west drift measured 61 feet, an advance of 24 feet since the last inspection. At about 50 feet a cross fault was cut. This produced a considerable water flow causing work in this heading to be shut down for 5 days. The next 10 feet was in badly shattered and water-filled ground that required spiling and careful timbering. The drift is being swung slightly to the north to get into better ground and will be continued keeping the vein on the south wall.

As nearly as I can find out, the veins in this district are characteristically more or less barren for some distance between rather rich ore shoots. It is therefore believed that the west drift should be continued at least another 100 to 150 feet.

D. R. MacLaren

Distribution:
OME(Orig.&1)
Docket
MacLaren

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
November 17, 1966

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

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

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MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1. OME-6379 (Silver)	10/10/66	
Re: MASCOT SILVER-LEAD MINES, INC.		
2. Meadow Mine		
Jefferson County, Montana		
3. Contract 2201		
4.		
M. L. Smelser for		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: Called Mr. Ben Smick, president of the company this a.m., and he said that Mr. Brown merely sent in the attached letter for the Fld. Officer's information as there was some question as to "swinging the drift to the right onto this easterly trend." Said nothing much could be accomplished due to heavy run of water as to which he was informed by Mr. Norgaard last evening.

for Sherrill Davis

INT.-DUP. SEC., WASH., D.C. 156300-62

As nearly as I can find out, the veins in this district are characteristically more or less barren for some distance between rather rich ore shoots. It is therefore believed that the west drift should be continued at least another 100 to 150 feet.

D. R. MacLaren

Distribution:
OME(Orig.&1)
Docket
MacLaren

(3)

Omie

MINE OFFICE:
LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

SILVER-LEAD
MASCOT/MINES, INC.
[redacted]
416 Hutton Building
Spokane, Washington
3 October 1966

SPECIAL DEPT.

Mr. Donald MacLaren, Field Officer
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-
Meadow Mine
Jefferson County, Montana

Dear Mr. MacLaren:

When I visited the Meadow Mine yeterday I found that the barren zone in the east drift was caused by the vein joining another of the northeasterly faults that have been plaguing us. A small gouge breaks away to the east on the south side of the fault 15 feet from the face. There is also some indication that the hanging-wall gouge in the face, which is obscured by spiling, is also swinging to the right.

Mr. Norgaard has been instructed to swing the drift to the right onto this easterly trend, which we believe should be pursued further. We hope that you approve.

Sincerely,

M. C. Brown

M. C. Brown
Consulting Engineer

MCB:he
cc: Ben Smick
Ivar Norgaard

One (2)

LITTLE PYGMY MINE
PINE CREEK
KELLOGG, IDAHO

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER-LEAD MINES, INC
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99201

OFFICIAL COPY
O. M. E.
RECEIVED

September 7, 1966

RE. Docket No. OME-6379 (Silver)
Contract No. 14-23-090-2201
Meadow Mine
Jefferson County, Montana

Mr. D. R. MacLaren
Acting Field Officer, OME
Region I
United States Dept. of Interior
S. 157 Howard Street
Spokane, Washington 99204

Dear Mr. MacLaren:

Enclosed are 4 copies of the Operator's Progress Report and 4 copies of the Operator's Monthly Voucher.

To each copy there is also attached a map and narrative report.

Very truly yours,

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

BS:ec

Enc.

RECEIVED
SEP 8 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY
SEP 1 6 1966
RECEIVED

Docket No. 6379
Contract No. 14-23-090-2201
Contract Amount $ 28,200.00
Gov't. Participation % 75 $21,150.00
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of August 1966

Operator's Name Mascot Silver-Lead Mines, Inc.
Address 416 Hutton 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						
Drifting	3,080.	4,400.00	7,480.00			
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						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	3,080.	4,400.00	$7,480.00			

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

Date 9-7-66 * Payee Mascot Silver-Lead Mines, Inc.

Per Ben 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:

$ 2130.00

Signature RB 14X0804
(Authorized Certifying Officer)

Date 2226 Vou. No. SEP 14 1966

(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 D.R. MacKaren Title ~~Field Officer, Region I~~ Date SEP 8 1966

Approved by OME Executive Officer or Alternate:

Signature D.R. MacKaren Title Field Officer, Region I Date SEP 8 1966

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.

0 7 1 7 3 6

MME FORM 61
SEPT. 1959

RECEIVED
SEP 8 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of August 1 to 8-31-66 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	77 ft	187 ft.	$7,480.00	71 L	181 L	7,240.00 L
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				$7,480.00			7,240.00

REMARKS

(Continue on back)

REMARKS

L During Aug 17, inspection drift E was stopped @ 122 ft. of which 100 ft was claimed in July. 1's acceptable advance for August 1s: Drift E 22 ft
Drift W 49 ft
Total 71 ft

(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 9-7-66 Operator Mascot Silver-Lead Mines, Inc.

Per [signature] 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 [signature]

Title Field Officer, Region I
Government Representative

Date SEP 8 1966

(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 cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

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

Mascot Silver-Lead Mines, Inc.
416 Hutton Bldg.
Spokane, Washington

$3,080.00	$240.00	$2,840.00 $2,130.00 Govt. Share
	OMI # 6379 Contract # 2201	August, 1966

6 ft drifting dissallowed per field officer's report 240.00

E. Gibson

LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER-LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

September 7, 1966

MONTHLY REPORT FOR

Docket No. OME-6379 (Silver)
Contract No. 14-23-090-2201
Meadow Mine
Jefferson County, Montana

The drifting to the east on the vein of the Meadow Mine was carried on for an additional distance of 29 feet as stated in my report dated 8-10-66. Because of practically no mineralization, the drifting was shut down after the 29 feet mentioned above. The mining contractor drilled a long-hole to the south at approximately 85 feet from the shaft in the east drift. After drilling approximately 23 feet in the long-hole, he encountered some mineralization that assayed .40 ounces of silver. With this showing of silver content, the mining contractor decided to cross-cut at least 25 to 30 feet to the south to verify findings of the long-hole drilling. At the present time the mining contractor is doing this cross-cutting on his own time.

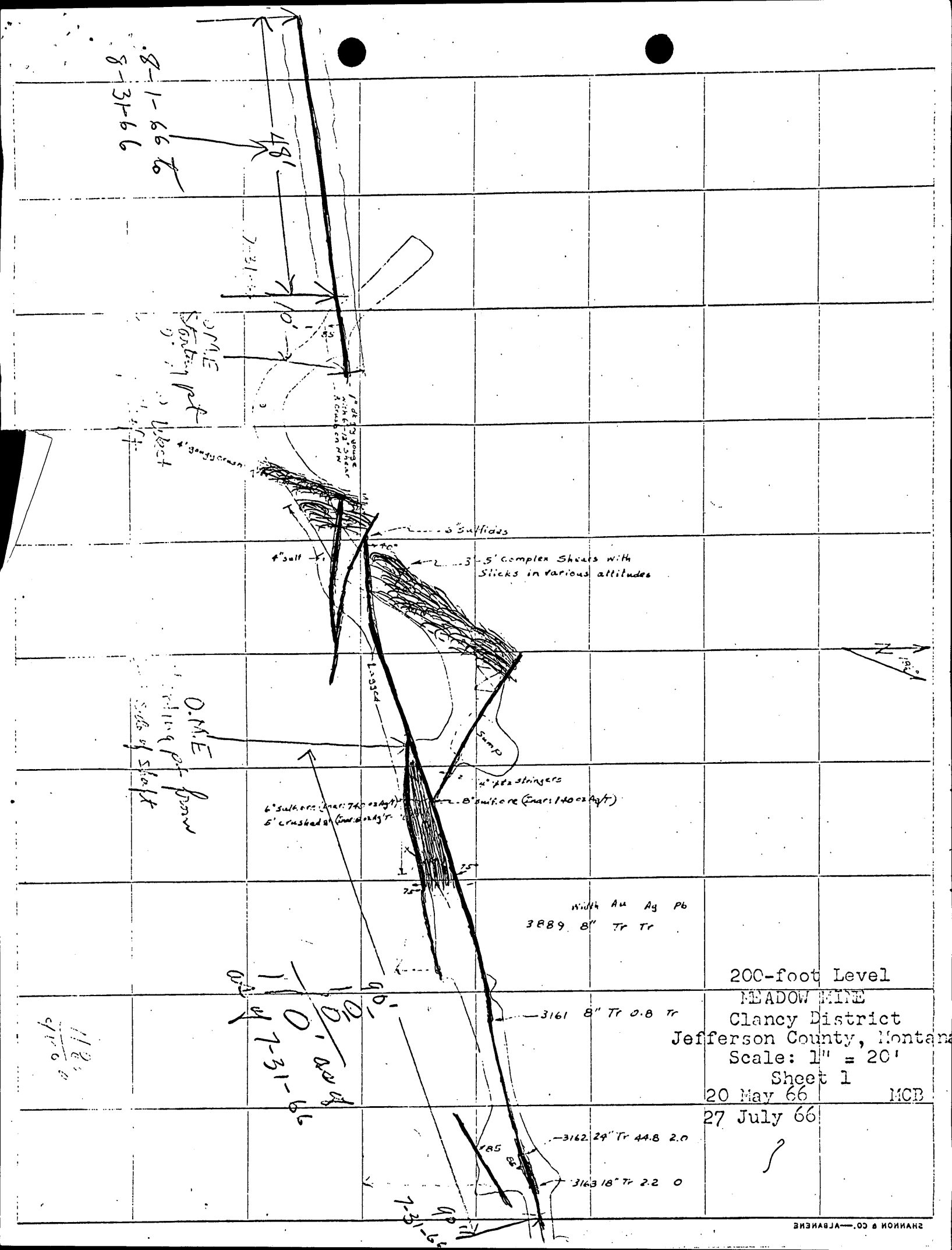
Our drifting on the vein to the west has progressed an additional 49 feet during the month of August. The mining contractor was following what looked like a narrow seam of mineralization during this distance. At a distance of approximately 45 feet, or after shooting the last round, he ran into a cross faulted structure which seemed to open up an immense volume of water and debris. The mining contractor shut down for 5 days to allow the water to be pumped out and to muck out the debris brought in by the last round in the west drift.

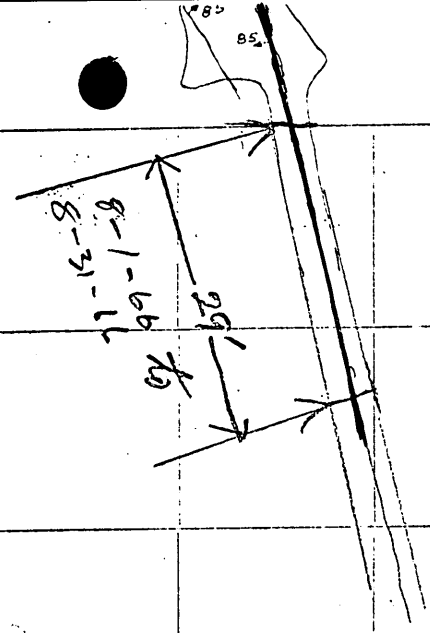
My next report should give the results of the cross-cutting mentioned above, and also further work on the west portion of the vein.

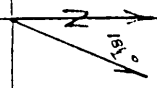
Ben Smick

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

RECEIVED
SEP 8 1966


200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'
Sheet 1
20 May 66
MCB
27 July 66
Width Au Ag Pb
3889 8" Tr Tr
3161 8" Tr 0.8 Tr
3162 24" Tr 44.8 2.0
3163 18" Tr 2.2 0
Sump
3 - 5' complex Shears with Slicks in various attitudes
6" sulf. ore (Inar: 140 oz Ag/t)
5' crushed 8" (Inar: 6 oz Ag/t)
8" sulf. ore (Inar: 140 oz Ag/t)
185
181
110'
90'
8-1-66
8-31-66
7-31-66





200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'
Sheet 2
27 July 66 MCB

SHANNON & CO.—ALBANENE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
August 30, 1966

OFFICIAL COPY
O. M. E.
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SEP 1 1966
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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

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

The property was visited August 17, 1966, and the advance was measured, the geology noted but not mapped in detail, and the work was discussed with Inar Norgaard, Contract Miner. About 2½ hours were spent on the property. The last inspection was made June 23, 1966.

Since the last inspection, the drift east had been advanced 77 feet for a total advance of 122 feet from the starting point (fig. 1). The contractor slabbed the south wall about 15 feet east of the place where the south vein went into the wall but did not pick it up. It is doubtful that he went far enough. He then drilled a long hole south from the slabbed section to a reported depth of 8 feet and says that no vein was found. He continued to follow the north vein which is mostly gouge but contained a mineralized pod about 10 feet long and 2 feet wide, from 72 to 82 feet. He took samples at 75 feet and 80 feet which assayed, respectively, trace gold and 44.8 ounces silver per ton and 2.0 percent lead over a width of 24 inches, and trace gold and 2.2 ounces silver per ton and nil lead over a width of 18 inches. The examiner took a sample at 87 feet which assayed nil gold and 0.4 ounce silver per ton, trace lead and 0.15 percent zinc. The seam being followed split and the clay essentially died out leaving a zone up to 2 or 3 feet wide of porphyritic quartz and chalcedony(?) for the last 22 feet of drift. The contractor was told that OME would not support further drifting in this direction. He said he and his miner partners had decided they would crosscut, at their own expense, for about 25 to 30 feet south from a point approximately 75 feet from the start of the OME work.

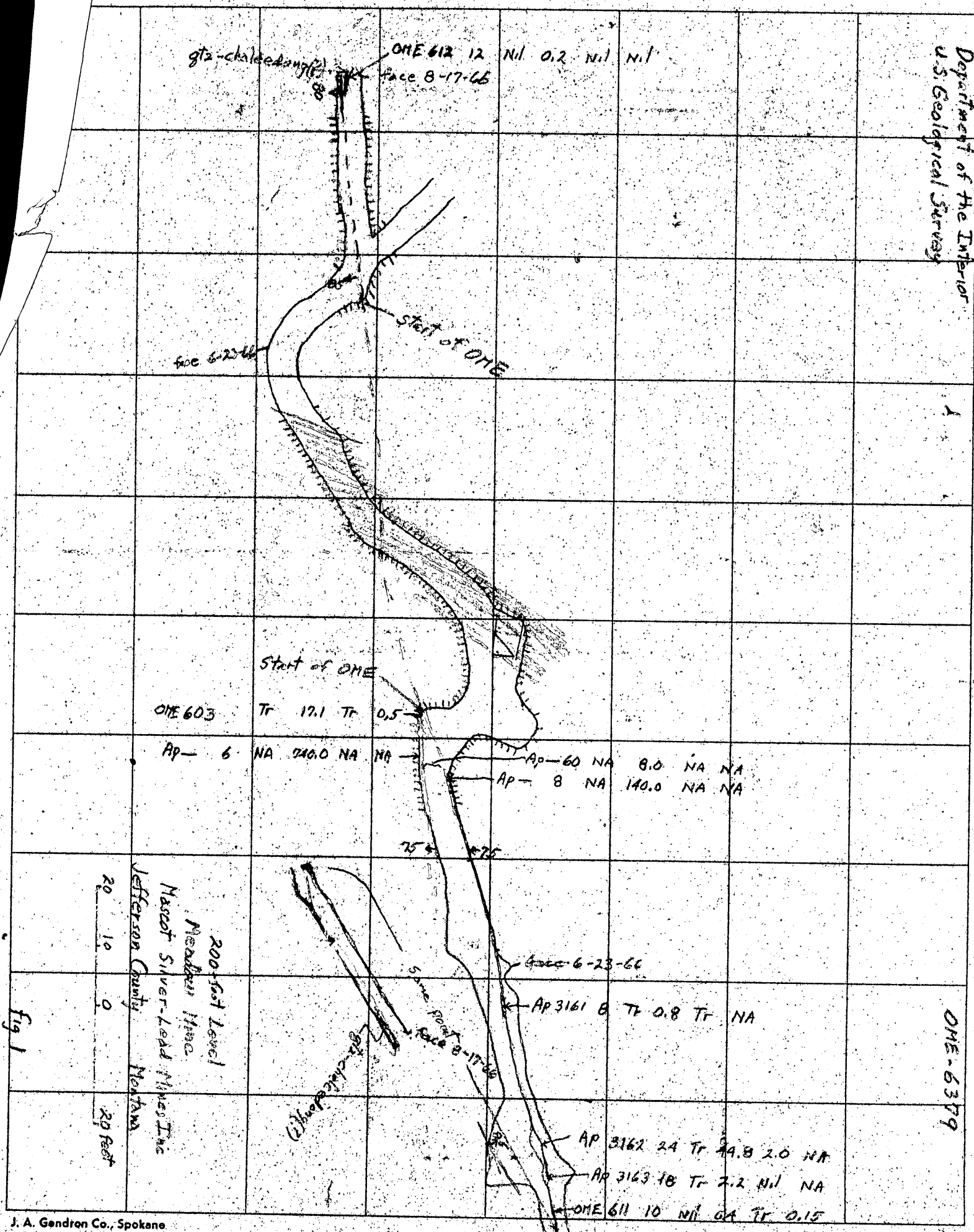
The drift driven southwesterly from the second crosscut southerly from the shaft was turned to a bearing of about N. 45° W. and advanced about 37 feet. At 18 feet a strong shear zone up to 2 feet wide was crossed. The zone which strikes S. 85° W. and dips 85° SW., projects very near the vein mapped by Nugent in the west drift on the 90-foot level and to the south vein which was followed for a short deistance by the 200-foot level drift east. The shear zone has been followed for 37 feet by a drift, the first 30 feet were timbered and

lagged. The drift back in this section was completely hidden by sheets of galvanized iron placed to divert to one side the heavy water flow. At the easterly end the shear is about 2 feet wide. Crushed iron-oxide-stained quartz is overlain by up to 2 inches of heavy clay gouge; only a very thin gouge seam marked the footwall. At the face the hanging-wall clay gouge is about 4 inches wide and the crushed quartz is largely replaced by a porphyritic quartz-chalcedony(?) zone about a foot wide. A sample chipped across 12 inches of the porphyritic zone assayed nil gold and 0.2 ounce silver per ton, nil lead, and nil zinc.

D. R. MacLaren

Enclosure
Distribution:
OME(Orig.&1)
Docket
MacLaren

Department of the Interior
U.S. Geological Survey



OME-6379

fig 1

J. A. Gendron Co., Spokane
K+E ALBANENE 100M

MME FORM 60
SEPT. 1959

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AUG 10 1966
OIL & GAS DIVISION

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AUG 18 1966
MINERALS CO

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. 6379
Contract No. 14-23-090-2201
Contract Amount $28,200.00
Gov't. Participation % 75 $ $21,150.00
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of July 1966

Operator's Name Mascot Silver-Lead Mines, Inc.
Address 416 Hutton 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	$4400.00	none	$4,400.00			
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	19.00	none	19.00			
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$4419.00	none	$4,419.00			

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

Date 8-8-66 * Payee Mascot Silver-Lead Mines, Inc.

Per Ben 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:

$ 330.00

Signature 14X0804
(Authorized Certifying Officer)

Date AUG 18 1966 Vou. No. 1485

(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 D R MacBaren Title Field Officer, Region I Date AUG 11 1966

Approved by OME Executive Officer or Alternate:

Signature D R MacBaren Title ~~Field Officer, Region I~~ Date AUG 11 1966

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

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AUG 10 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OMB

OPERATOR'S ~~PROGRESS~~ REPORT For Month of July 1966 to 8-1-66 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	110 ft	110 ft	$4,400.00	110	110	$4,400.00
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				19.00			—
TOTAL TO DATE (per MME Form 60)				$4,419.00			$4,400.00

REMARKS

(Continue on back)

REMARKS

3 samples assayed for gold, silver and lead; 1 assayed for ~~silver~~ gold and silver only. Contract specifies samples should be assayed for silver, lead, and zinc

(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 8-8-66 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. Wachsler

Title Field Officer, Region I

Government Representative

Date AUG 11 1966

(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 cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

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

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: Mascot Silver - Lead Mines, Inc.
416 Hutton Bldg.
Spokane, Wash.

Amount Claimed	Differences (Explained Below)	Amount Approved
$4,419.00	$19.00	$4,400.00 $3,300.00 Govt. Share
Sub. Voucher No.	Payee's Invoice No. OIL # 6379 Contract # 2201	Period July, 1966

EXPLANATION

Analytical Work. $19.00

Analysis not made in line with contract.

Contract specifies analysis for silver, lead and zinc only. None of these analysis showed zinc.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

E. Gibson
Branch of Budget and Finance

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, JUN 24 1966

ASSAYED FOR

Mascott 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	
3889	Trace	Trace							

*Gold not deducted

Charges $3.50

GOODALL BROS.

By Horace Hand

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, JUL 13 1966

ASSAYED FOR

Pascott 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	
3161	Trace	0.8	Trace						

*Gold not deducted

Charges $ 3.50

GOODALL BROS.

By Horace Hand

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, JUL 18 1966

ASSAYED FOR

Mascott 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	
	~~Tr~~								
3162	Trace	44.8	2.0						
3163	Trace	2.2	None						

*Gold not deducted

Charges $ 12.00

GOODALL BROS.

By Horace Hand

LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

August 10, 1966

MONTHLY REPORT FOR

Docket No. OME-6379 (Silver)
Contract No. 14-23-090-2201
Meadow Mine
Jefferson County, Montana

The sinking of the shaft and cross-cut to the vein of the Meadow Mine was completed on June 10, 1966. When the mining contractor started to cross-cut to the vein from the shaft, he immediately cut into very heavy and crushed rock which necessitated timbering of approximately a distance of 60 feet in a southwesterly direction from the shaft. During this time, because of heavy crushed ground, the mining contractor lost contact of the vein. When he realized this, he turned the cross-cut in a northwesterly direction and again made contact with the vein after going a distance of approximately 65 feet from the shaft. After drifting approximately 10 feet on the vein to the west, the structure is changing and looks very interesting.

On the easterly drift, the mining contractor started cross-cutting from the shaft in a southeasterly direction to again avoid the heavy crushed ground and, after going approximately 25 feet, contacted some good silver-lead ore for approximately 20 feet. This small ore body pinched out after a distance of approximately 20 feet. It appears that the mining contractor was unable to pick up the ore as he drifted easterly. He did, however, find two small pods of ore at approximately 63 feet and 85 feet from the shaft. Our mining engineer has instructed the mining contractor to drill 2 long-holes at approximately 45 feet from the shaft for a distance of approximately 12 feet on the south side of the easterly drift and at 85 feet from the shaft for 20 feet or more also on the south side of the easterly drift. The results of this long-hole drilling will be known on our next report.

Ben Smick

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

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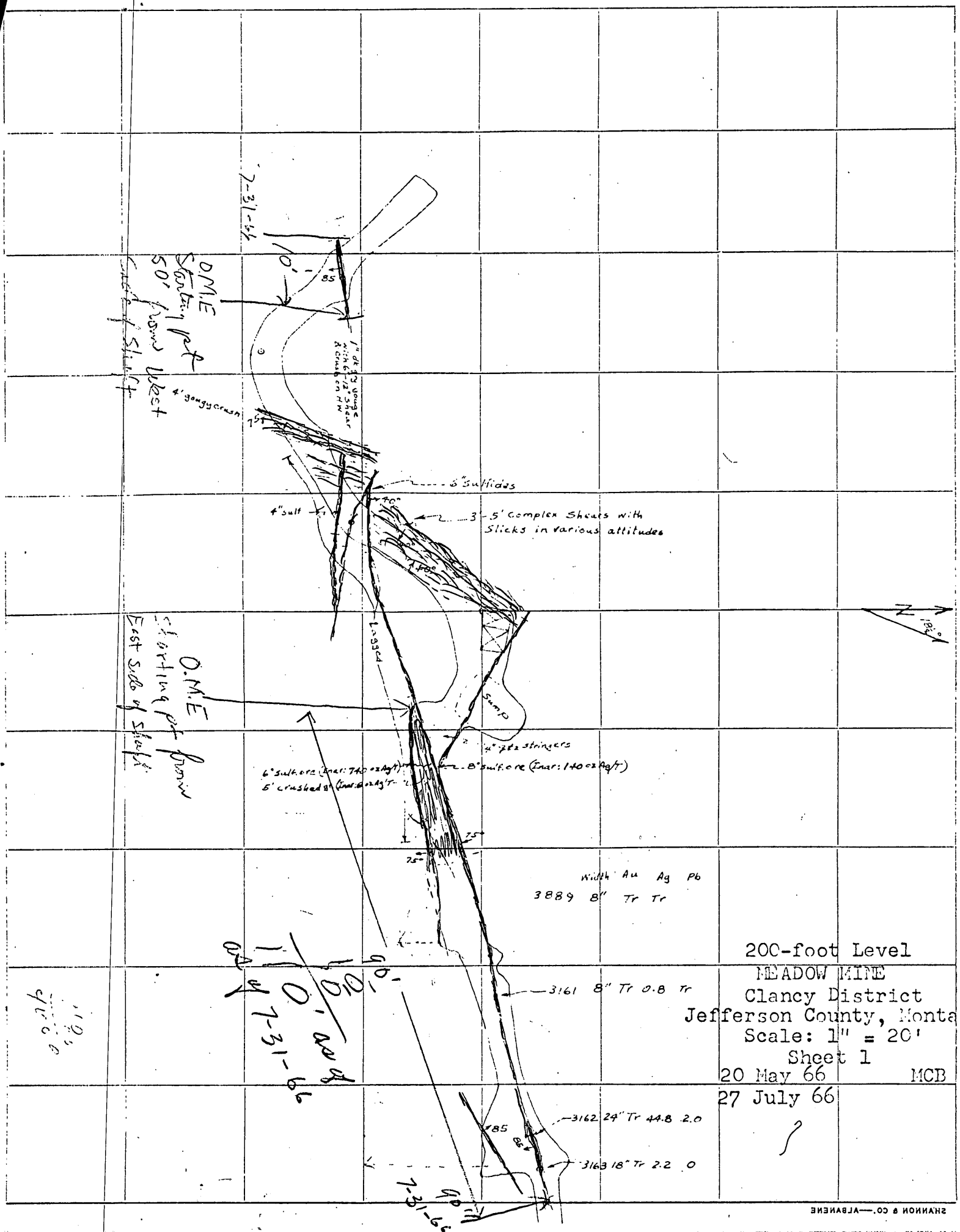
AUG 10 1966
OME



200-foot Level
MEADOW MINE
Clancy District
Jefferson County, Montana
Scale: 1" = 20'
Sheet 1
20 May 66 MCB
27 July 66

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
August 5, 1966

OFFICIAL COPY
O. M. E.
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AUG 8 1966
INITIALS | CODE
120 m
110
120 m

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

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

The property was visited June 23, 1966. Work had been discontinued for the day as Inar Norgaard, contract miner in charge of the work, was about to leave for Butte to pick up a new drill. He willingly delayed his trip to accompany me underground to inspect and measure the work, his brother acting as hoist operator.

The shaft was deepened to the 200-foot level, but for the final 20 or 25 feet progress had been slowed by a fault zone discharging considerable water. The fault zone comprises a strong clay footwall that strikes about N. 20° E. and dips 75° SE., overlain by 25 to 30 feet of badly crushed quartz monzonite with variously striking and dipping minor clay seams.

On the level a crosscut was driven about 24 feet bearing S. 60° E., more or less along one of the minor clay seams (fig. 1). At 18 feet a quartz vein about ½ inch wide was crossed, and at 23 feet a second quartz vein 12 inches wide was crossed. The two structures had respective strikes and dips of N. 70° E., 75° SE. and N. 85° E., 75° SE. A sample of the first vein, taken by Norgaard is said to have assayed 140 ounces silver per ton over a width of 8 inches; another sample by Norgaard across the second vein is said to have assayed 740 ounces silver per ton over a width of 6 inches; and a third sample of moderately crushed material between the two veins is said to have assayed 8 ounces silver per ton over a width of 5 feet. A sample taken by the examiner near the intersection of the two veins assayed Tr. gold and 17.1 ounces silver per ton, Tr. lead and 0.5 percent zinc over a width of 12 inches. A grab sample from a small pile of material from both veins which Norgaard had collected assayed Tr. gold and 669.1 ounces silver per ton, 6.4 percent lead and 7.1 percent zinc.

A drift was started with each vein near a wall, but after about 25 feet the first or hanging-wall vein was followed; the divergent strike in the veins caused the footwall vein to pass into the drift wall. The drift measured 45 feet along the hanging-wall vein. Although it started as a strong but narrow quartz vein between clay selvages, after about 20 feet the quartz pinched out, only a clay-filled seam continuing. The contractor was advised to slab the south wall to pick up the continuation of the footwall vein and, if it should remain strong, to follow it.

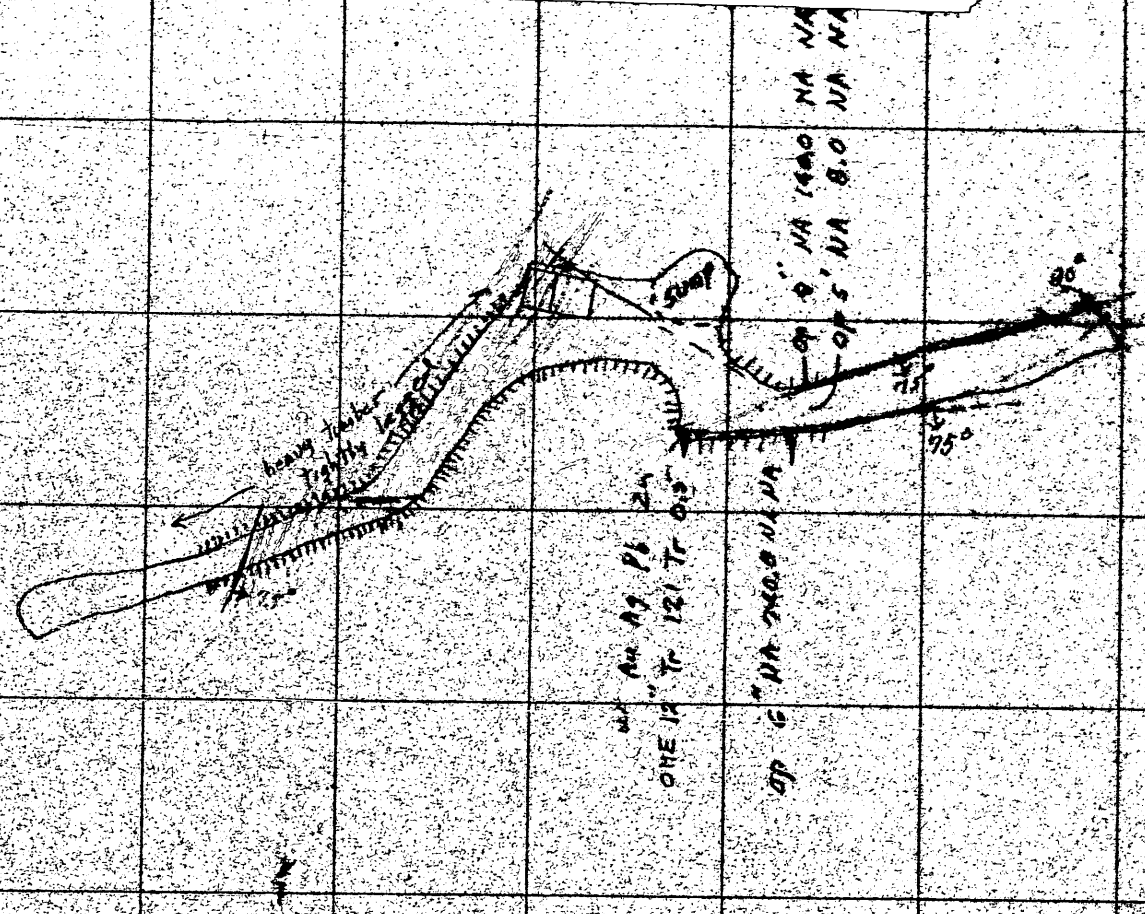
Instead of following the vein westerly the contractor drove a second crosscut from the shaft bearing S. 35° W. for about 28 feet through very heavy crushed ground requiring tight timber and lagging. At about 25 feet a segment of vein was reportedly crossed. A drift was driven about 35 feet bearing about S. 70° W., the first 10 to 15 feet of which has tightly lagged. Beyond the timber the ground was blocky but seemed to stand all right, however, there was no vein. The contractor was advised to put out a long hole to the north and, in the event no vein was found within 30 feet, to drill another to the south.

D. R. MacLaren

D. R. MacLaren

Enclosure
Distribution:
OME(Orig.&1)
Docket
MacLaren

BAE-6579



Note: Structures mapped by Operator later being covered by loose rock behind lagging

Geologic Plan
200 Level
Meadow Mine
Mascot Silver-Lead Mines Inc.
Jefferson County Montana

20 10 0 20 feet

6/23/66

Fig 1

File

No need to circulate.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS MANAGEMENT
No. 157 Howard Street
Spokane, Washington 99204

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O. M. E.
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AUG 8 1966
INITIALS | CODE
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Date: June 23, 1966

Memorandum

To: Compliance Officer

From: Acting Field Officer, Region I

Subject: Equal Employment Opportunity Under Government Contracts
CM-6379 (Silver)
Operator: Mascot Silver-Lead Mines, Inc.
Name of Property: Meadow Mine
County-State: Jefferson-Montana
Contract No. 2201

I have obtained the following information from my visit to the operating project under the subject contract:

1. Number of all employees 3
2. Number of women employees 0
3. Number of Negro employees 0
4. Number of other minority groups (Indian, Latin, Oriental, etc.) 0
5. Was employment through a union? No
6. Distance to the closest union headquarters 12 miles
7. Are the discrimination posters prominently displayed? Yes
8. If employment was through a union, was the union furnished Standard Form 38? --
9. If employment was not through a union, in what manner was employment made? Contract
10. Acts of intimidation matter has been discussed with Mr. Iner Norgaard

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

Date: June 23, 1966

Memorandum

To: Compliance Officer

From: Acting Field Officer, Region I

Subject: Equal Employment Opportunity Under Government Contracts
OME-6379 (Silver)
Operator: Mascot Silver-Lead Mines, Inc.
Name of Property: Meadow Mine
County-State: Jefferson-Montana
Contract No. 2201

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10. Acts of intimidation matter has been discussed with Mr. Iner Norgaard

[illegible]
[illegible] OF [illegible]
OFFICE OF [illegible]
[illegible] Howard Street
Spokane, Washington 99204

Date: June 23, 1966

Memorandum

To: Compliance Officer

From: Acting Field Officer, Region I

Subject: Equal Employment Opportunity Under Government Contracts
O.E.-6379 (Silver)
Operator: Mascot Silver-Lead Mines, Inc.
Name of Property: Meadow Mine
County-State: Jefferson-Montana
Contract No. 2201

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9. If employment was not through a union, in what manner was employment made? Contract
10. Acts of intimidation matter has been discussed with Mr. Iner Norgaard

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

TO:	DATE	INITIALS
1 CHIEF, OFFICE OF MINERALS EXPLORATION		
2. GEOLOGICAL SURVEY	APR 21 1966	
DEPARTMENT OF THE INTERIOR		
3. WASHINGTON, D. C. 20242		
4.		
5.		

FROM: Field Officer, Region I

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APR 25 1966

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120
140
Surname
Signature
File

FOR: Check items for action desired

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

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

Transmitting Gov't and Budget and Finance copies of Amendment to the cited contract.

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

So. 157 Howard Street
Spokane, Washington 99204

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120 ma
110

April 18, 1966

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

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

Dear Mr. Smick:

Enclosed are the original and three copies of a proposed Amendment No. 2 (2 pages) to the subject contract signed for the Government.

If the proposed amendment is satisfactory to you, please sign all four copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

DRMacLaren:my

cc: Director's reading file
OME
MacLaren

Good Ore Is Found by Mascot

Mascot Silver Lead [illegible] cut six feet of high [illegible] ore at the Meadow [illegible] miles south of Helena [illegible] Ben Smith, president [illegible] today.

The vein was [illegible] er crosscutting 20 [illegible] new 200-foot level of [illegible] which the Spokane [illegible] ened from the [illegible] said.

"Where cut, the vein [illegible] feet wide and avera[illegible] ounces of silver per to[illegible] the face," he said.

The company now [illegible] receipt of additional [illegible] to be used in drifting [illegible] to the east and 300 feet [illegible] west on the vein, he [illegible]

The exploration work [illegible] carried out with the aid of a $21,150 loan from the [illegible] Office of Minerals [illegible]

OFFICIAL FILE COPY

Date	Surname	Code
		110
4/11/66	Kirkemo	120K
4/11	Kilsgaard	320
4/12	Jones	
4/12	Hayes	
4/13	Coe	210
		120

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 original and three copies of a proposed Amendment No. 1 (1 page) to the subject contract signed for the Government. An extra copy of the proposed amendment is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

MMerrithew/mm (4/11/66)
cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
120

23263

MME FORM 8
REV. 2-55

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Assoc. Sol.--MR, Rm. 6554~~ Through Room 6042		
2. Mr. Johnson, Room 4459		
3.		
4.		
5.		
FROM: Chief, OME		

FOR: Check items for action desired

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

REMARKS:

E-65-2023.11

RECEIVED
APR 7 1966
Division of Mineral Resources
and General Legal Services

INTERIOR DEPT.
APR 7 1966
SOLICITOR
FROM SOLICITOR
APR 8 1966
FOR SIGNATURE

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

M56300-62

Merritt:lew/mm (4/11/66)
cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
120

DRAFT
FEJohnson/gla
4-5-66

Docket copy

HK

EXPLORATION CONTRACT
MASCOT SILVER-LEAD MINES, INC.
OME-6379

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Mascot Silver-Lead Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2201 (OME-6379), dated May 13, 1965, is amended effective the date of the contract as follows:

1. In Article 1(a) of the contract:

   (a) The time fixed on or before which the Operator shall begin work is changed from January 1, 1966, to July 1, 1966.

   (b) The time fixed for the completion of the work is changed from eighteen (18) to twenty-four (24) months from the date of the contract.

2. In Article 6(b)(2) of the contract:

   The maximum period for royalty payments and for the lien to secure payment thereof is extended from ten (10) to eleven (11) years from the date of the contract.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

MASCOT SILVER-LEAD MINES, INC.

By_____

Title_____

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME	3/30/66	
2. Re: OME-6379 (Silver) Mascot Silver-Lead Mines, Inc.		
3. Meadow Mine Jefferson County, Montana Contract 2201		
4. D. R. MacLaren		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I		

OFFICIAL COPY
O. M. E.
RECEIVED
APR 1 1966
INITIALS

FOR: Check items for action desired

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

REMARKS: See our memos of Jan. 25 and March 28, 1966.

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

LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

OME

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER-LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

March 29, 1966

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
S. 157 Howard Street
Spokane, Washington 99204

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

Dear Mr. MacLaren:

Please refer to my letter dated January 24, 1966 regarding the extension of the starting date of the above OME contract #OME-6379 (Silver).

As of this date, Mascot Silver-Lead Mines, Inc. is still having unusual water difficulties and is requesting that the starting date be advanced to June 1, 1966 instead of April 15, 1966 as requested in my letter to you dated January 24, 1966.

In February we had ordered a larger pump to take care of the water problems. When this pump arrived, it turned out to be the wrong model and had to be returned to the manufacturer. We expect the new pump to be at the mine and installed by May 1, 1966. After the pump is installed, we will complete the sinking of the sump and also complete our portion of the drifting 50 feet to the west.

Will you please send the proper forms to amend the original contract.

Sincerely yours,

/s/ Ben Smick

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

BS:ec

RECEIVED
MAR 30 1966
OME

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
March 28, 1966

OFFICIAL COPY

170
120 m

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

Will the amendment requested in our memorandum of January 25, 1966, be prepared?

A simple amendment extending the starting date can be prepared in the field. An extension of the contract period at this time may forestall a later amendment for this purpose. The request was forwarded to you because from past correspondence it is my understanding that an amendment extending the contract period should be prepared in your office.

D. R. MacLaren

D. R. MacLaren

3/30/66 - Tel. MacLaren
negotiating [illegible]
[illegible] on [illegible] won't [illegible]
[illegible] to [illegible]
[illegible] other [illegible]
[illegible] amend [illegible]
on [illegible]
[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 25, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 27 1966
INITIALS | CODE
1 ~~20~~ 70
720

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

The enclosed photocopy of a letter dated January 24, 1966, from the subject Operator is self-explanatory.

The requested change of starting date with no change in the life of the contract which, as now provided, ends November 13, 1966, leaves 7 months to drive 650 feet of drift and 50 feet of raise. This leaves little leeway for unexpected delays, but may still be sufficient time to complete the project. The original time allowed for completion was 10½ months.

It is recommended that the Operator's request for an extension of the starting date be approved. Extension of the contract life to 21 or 22 months now may preclude the necessity of another amendment for this purpose.

D. R. MacLaren

D. R. MacLaren

Enclosure

TTSBURG MINE
CREEK
LOGG, IDAHO

NEW MEADOW MINE
CLANCY, MONTANA

MASCOT SILVER-LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

January 24, 1966

Mr. D. R. MacLaren
Acting Field Officer, OME
Region I
S. 157 Howard Street
Spokane, Washington 99204

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

Dear Mr. MacLaren:

Please refer to the above numbered OME contract 6379 (Silver) dated May 13, 1965, which states that the operator (Mascot Silver-Lead Mines, Inc.) shall begin exploration work on or before January 1, 1966 subject to the provision of Article VII and Exhibit A, and shall complete the work within eighteen months from the date of the contract.

no money?

Due to the very unusual and difficult water problems, Mascot Silver-Lead Mines, Inc. was unable to start exploration work on January 1, 1966 and is requesting an extension be granted for the beginning of the exploration work as of April 15, 1966.

Mascot Silver-Lead Mines, Inc. has completed the sinking to the 200-foot level and is now cutting the station and then will proceed to sink the sump an additional 15 to 20 feet.

Will you please send the proper forms to amend the original contract.

Sincerely yours,

Ben Smick

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

BS:ec

RECEIVED
JAN 25 1966
OMD

Ore

The Chronicle - 1/12/66 -

Helena Project Progress Told

Mascot Silver-Lead Mines, Inc., said today its silver exploration project at the New Meadow Mine near Helena, Mont., is progressing "satisfactorily."

In September, under a contract with the Office of Minerals Exploration, the Spokane firm unwatered the shaft and started to deepen it, Ben Smick, president, said in a report to stockholders.

Progress was hampered temporarily by heavy inflows of water, he said, but his problem was overcome and the 200-foot level reached.

Crosscutting Due

"We now will crosscut about 15 feet to the vein and drift westerly 50 feet under a diamond drill hole which cut 0.9 foot of high grade ore assaying 406 ounces of silver to the ton," he said. "Then we will drift an additional 450 feet westerly and 200 feet easterly on the vein."

The OME will pay 75 per cent of the $28,200 cost, he said. Mascot's $7,050 share is being met by loans from several of the major stockholders, in consideration for which they have options to purchase Mascot stock at its par value.

Ore produced during drifting will be shipped and the proceeds

~~120 MC~~
~~120~~
~~110~~
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Re: OME-6379 (Silver)
Mascot Silver-Lead
Mines, Inc.
Meadow Mine
Jefferson Co., Montana
Contract 2201

OME

COPY
RECEIVED
OCT 15 1965
INITIALS | CODE
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Spokane Daily Chronicle, Tuesday, Oct. 12, 1965.

Shaft Project Under Way

Mascot Silver - Lead Mines started shaft work Sept. 25 at the Meadow Silver Mine 10 miles south of Helena, Mont., Ben Smick, president, said here today.

Deepening of the old 155-foot shaft 60 feet to permit opening of a 200-foot working level is expected to be completed by Dec. 15, he said.

The exploration program then calls for drifting 500 feet west and 200 feet east on the vein and doing some raising, he said.

The project is being done under a $28,300 contract with the federal Office of Minerals Exploration. The OME will put up $21,150 of the cost, repayable from production.

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 9 1965

INITIALS	CODE
	170
	170
JJ	180
	120

Se. 157 Howard Street
pokane, Washington 99204
June 7, 1965

ick, President
Silver-Lead Mines, Inc.
utton Building
okane, Washington 99204

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

Dear Mr. Frick:

We are enclosing a three-month supply of Operator's monthly Voucher and Progress Report, MME Forms, 60 and 61. The original and three copies of the completed report forms, as well as the narrative, maps, assays, and all technical data, should be submitted for each month in which costs have been incurred under the contract. However, in the event that you do not wish to submit a voucher for any month, the narrative report for the work done in that month is required. Delay in processing can be avoided if reports are submitted promptly to this office.

Also enclosed are three copies of Standard Form 38, entitled "Notice to Labor Unions or Other Organizations of Workers--Nondiscrimination in Employment." In accordance with Executive Order 10925, which is Exhibit B of your contract, you should complete one copy and send it to any labor union that may be involved in your OME contract work and should post one or more copies in conspicuous places available to employees or applicants for employment. The enclosed poster should be kept exhibited in a conspicuous place available to both employees and applicants for employment.

Sincerely yours,

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

Enclosures

cc: OME

Director's Reading File
Resources Research Branch Chief

MLSmelser/mls

MME FORM 6 REFERENCE SLIP

REV. 9 OFFICE OF MINERALS EXPLORATION

TO: Chief, Div. of Exploration Operations — DATE 6/7/65 — INITIALS

1.

2.

3.

4.

5. D. R. MacLaren

FROM: Acting Fld. Officer, Reg. I

OFFICIAL COPY O. M. E. RECEIVED JUN 10 1965

INITIALS | CODE

6/10 [illegible]

120 [illegible]

120

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

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

Transmittal of Gov't., Fiscal Section, and Audit's copies of the subject contract signed by the president of the company.

INT.-DUP. SEC., WASH., D.C. M56300-59

XDXXXXXXK010

FWB-061

SF081 WWBK FSFW 4 IMME

SPOKANE WASH 6-7-65 1232U

GEORGE C SELFRIDGE, CHIEF DIVISION OF EXPLORATION OPERATIONS

OFFICE OF MINERALS EXPLORATION WASHINGTON DC

RE OME-6379 (SILVER), MASCOT SILVER-LEAD MINES INC, MEADOW MINE, JEFFERSON COUNTY MONTANA SIGNED CONTRACT 2201 SIGNED CONTRACT RECEIVED THIS OFFICE JUNE 7 1965

D R MACLAREN ACTING FIELD OFFICER OME REGION ONE

JM 1235U

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 8 1965

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JUN 8 8 55 AM '65

OFFICIAL FILE COPY

Date	Surname	Code
		1207

June 4, 1965

To FILES

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

Telephoned MacLaren - authorized him to write in the words "not to exceed" between the words "shaft" and "an" in the second line, 2nd paragraph of page 1, Exhibit A, and on the 3rd line, 1st paragraph of page 2; and have the insertion initialed by him and applicant's President.

If this is not satisfactory to applicant, we will write an amendment using the language proposed in applicant's letter of May 31, 1964, to MacLaren.

Frank E. Johnson

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
June 1, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 3 1965

INITIALS	CODE
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	120

Memorandum

To: Chief, Division of Exploration Operations

From: Acting Field Officer, Region I

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

Ben Smick, president of the company, brought the signed Liens and Subordination Agreements into the Spokane office May 26. The instructions in your May 11th memorandum were complied with and the contract was signed. However, Smick had to send it to Wallace, Idaho, for certification of his signature by the company secretary. In the meantime, Malcolm Brown looked over the contract and was concerned by the wording of the second and eighth paragraphs of Exhibit A.

Brown came in on the 28th and asked if the contract could be amended so that the company would not have to sink below the 200 level sump if the distance should prove to be less than 130 feet. I suggested that if a letter were presented stating and justifying the change it might be possible to retype the two pages of Exhibit A which could replace those in the signed contract or the entire contract could be returned with the signatures lined out. I recommended the former as requiring less retyping.

Smick brought the enclosed letter to the office this morning. He has stated the case so well and completely that I can add little except a recommendation that the requested change be approved and that a new Exhibit be prepared to be placed in the contract in lieu of the Exhibit now there.

D. R. MacLaren

D. R. MacLaren

Enclosure

LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

NEW MEADOW MINE
CLARCY MONTANA

MASCOT SILVER-LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

May 31, 1965

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

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
South 157 Howard Street
Spokane, Washington 99204

Dear Mr. MacLaren:

We received the copies of the proposed contract and inadvertently signed them before noticing some wording in Exhibit A which we believe is in error according to the intent of the parties.

Our original application paragraph 5. a. proposed to sink the shaft "130 feet from the present sump to the 200-level sump." As noted on Exhibit 5-a-2, there is considerable uncertainty as to the actual depth of the bottom of the shaft. The proposal of 130 feet was intended to be a maximum, but the actual goal was intended to be the 200-foot level whenever it was reached. "In our 5. a. (Amended) dated April 23, 1965, we proposed to sink "from the present sump to the 200-level sump." Mr. Norgaard's present recollection of the depth to which they sank before suspending operations makes it quite possible that the 200-foot level sump might be reached in 100 feet or less. While it might be to our advantage to have the new level established at the lowest possible elevation, our restricted budget makes it imperative that the goal be reached with a minimum expenditure.

In line with the intent of our Amended application, we propose that Exhibit A of the contract be rewritten as follows. The first sentence of the second paragraph to read:

> "It is agreed that the operator, at its sole expense, will sink the present Meadow shaft a maximum of an additional 130 feet or to the 200-foot level sump, whichever is the lesser, crosscut to the vein on the 200-foot level, and drift thereon westward for a distance of 50 feet."

The eighth paragraph of Exhibit A should also be revised to read

> "... followed by sinking the present shaft a maximum of an additional 130 feet, including sump, with the same specifications, to the 200 foot level, ..."

If this clarification of intent is agreeable to the government, you could simply retype Exhibit A and insert in the Agreement whereupon we will deliver the signed contracts to you.

Sincerely yours,

/s/ Ben Smick

BEN SMICK President
Mascot Silver-Lead Mines, Inc.

BS:ec

cc. Malcolm C. Brown

So. 157 Howard Street
Spokane, Washington 99204
May 26, 1965

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

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

Dear Mr. Faick:

Enclosed are the original and four copies of a proposed contract for the subject property. The contract consists of MMX Form 51 (five pages), Annex I (one page), Exhibit A (two pages), and two maps (figs. 1 and 2). All copies have been signed by the Acting Director for the Government. The date for commencement of the OME work has been inserted.

You or whoever will be in charge of carrying out the project work under this contract are urged to read carefully all the specifications set forth in Exhibit A. Without prior Government approval subsequently confirmed in writing, the Government may refuse to contribute to the cost of any work that does not conform to those specifications. Your attention is specifically directed to Article 10 and Exhibit B. Appropriate forms to meet the compliance requirements will be sent with forms for reporting monthly progress and vouchering.

If the terms and conditions are satisfactory, sign all copies, keep the Operator's copy, and return the other copies to this office.

If any part of the proposed contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

The 6½ percent interest accrues from the date on which the individual payments are made by the Government and like the principal is payable from royalty on production.

Sincerely yours,

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

Enclosures

MLSmelserinals
cc: OME
Maclaren
Director's Reading File
Resources Research Branch Chief

LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

OME

NEW MEADOW MINE
CLARCY MONTANA

MASCOT SILVER-LEAD MINES, INC.
416 HUTTON BUILDING
SPOKANE, WASHINGTON 99204

May 26, 1965

6379

28

120 DK
120

Mr. D. R. MacLaren
Acting Field Officer
OME Region I
South 157 Howard Street
Spokane, Washington 99204

Dear Mr. MacLaren:

Please refer to a copy of Mr. George Fumich's letter dated May 11, 1965 regarding a new set of Lien and Subordination Agreements from the owner of the Meadow Mine, Albert Haab, and also the lessees, Inar Norgaard and Henning Norgaard.

Enclosed are five executed copies by both the owner and lessees of the Meadow Mine. Please note that I have signed as President and affixed the Mascot Silver-Lead Mines, Inc. corporate seal.

I hope you will find these copies in order and forward them to Mr. Fumich in Washington, D. C..

Sincerely yours,

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

Enc. Lien and Subordination Agreements (10)

Form 7
(63)

OFFICIAL FILE COPY

Date	Surname	Code
5/11	Johnson	110
	Selfridge	130
	Alsler	800
		100
5/13		220
		120M

MAY 13 1965

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

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

Enclosed are the original and four copies of a proposed contract for the subject property. The contract consists of MME Form 51 (five pages), Annex I (one page), Exhibit A (two pages),* and two maps (Figs. 1 and 2). An extra copy of the proposed contract also is enclosed for field use. All copies have been signed by the Government. The date for commencement of the OME work has been inserted.

You will note that the Operator is to perform certain work at its own expense before commencement of the OME work.

We have been unable to locate the corrected copies of the Lien and Subordination Agreement mentioned in your memorandum of October 26, 1964. Therefore, we have prepared new copies for Mr. Haab to sign. We also require such an agreement from the Norgaards. These have been sent to Mr. Smick to be forwarded to you after dating and execution for attachment to the contract before distribution. The date of these instruments should be inserted in the appropriate space in the penultimate paragraph of Annex I. If the proposed contract is satisfactory to you and the Applicant, all five copies should be signed by an authorized representative of the Applicant. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6¼ percent interest accrues from the date on which the individual payments are made by the Government and like the principal is payable from royalty on production.

If any part of the proposed contract does not have your approval or that of the Applicant, and cannot be revised under your delegated authority, the original and all copies are to be returned to this office, together with the proposed change for consideration.

George C. Selfridge (gla)

Enclosures

* Exhibit B,

FEJohnson/gla (5-11-65)
cc to: Director's Reading File
Docket
Review Committee
Mr. Johnson

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	
Mtgl	FLJ	
	Fisher	800
		220

May 11, 1965

Memorandum

To: Acting Director

From: George C. Selfridge

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

Although the writer has surnamed the proposed contract, he wishes to point out that the Applicant prior to filing its application on October 2, 1964, had committed itself to sinking 130 feet of shaft and drifting at least 500 feet on a new level as set forth in Item 8 of the agreement dated June 2, 1964, between the Norgaards and Mascot Mines, Inc., now Mascot Silver-Lead Mines, Inc.

George C. Selfridge

GCSelfridge/mm
cc: Director's Reading File
Mr. Selfridge

5/13/65 – 2:00 P.M. – The point raised in this memorandum was discussed with Robert W. Fry, Assistant Director over the telephone. He said he was aware of the provision in the agreement but found no problem and had any trouble going along with the proposal as set forth. / FLJ.

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/11	[illegible]	110
	[illegible]	130
	[illegible]	100
5/11	[illegible]	220
		120M

MAY 11 1965

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

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

Dear Mr. Smick:

This will acknowledge receipt of your letter of May 4, 1965, concerning the subject applicatin and advising that the name of your company has been changed to Mascot Silver-Lead Mines, Inc.

We assume that the company has not been reincorporated but that a proper document on the name change has been filed with the State of Idaho. This office should be furnished with a copy of such document and also be advised of any change in officers of the company since this application was filed.

Also new sets of Lien and Subordination Agreements will be required, one set from Albert Haab, owner of the Meadow mine, and one set from Inar Norgaard and Henning Norgaard, lessees. Forms for this purpose are enclosed. Five copies of one set should be dated and signed by the owner, and five copies of the other set should be dated and signed by the lessees. All executed copies should be forwarded to Mr. D. R. MacLaren, Acting Field Officer, OME Region I, South 157 Howard Street, Spokane, Washington 99204.

We do not believe that the potential of the Meadow mine justifies Government participation much beyond that which was discussed in the recent meeting with you. Consequently, any raising that might be authorized would be of a limited nature and dependent upon the results of drifting on the vein.

As soon as a draft of the proposed contract is approved by our legal staff, it will be forwarded to Mr. MacLaren who will contact you regarding it.

Sincerely yours,
George Fumich, Jr.

Acting Director

Enclosures

FEJohnson/gla (5-11-65)
cc to: Director's Reading File
Docket
Region I w/copy Mr. Smick's letter 5/4/65
Mr. Johnson

23263

AMERICAN UNITED LIFE

FOUNDED 1877

American United Life Insurance Company

HOME OFFICE, INDIANAPOLIS, INDIANA 46206

BEN SMICK, AGENCY MANAGER
416 HUTTON BUILDING
SPOKANE 4, WASHINGTON
BUS. TE 8-3174 PHONES RES. MA 4-3971

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LIFE MEMBER MILLION DOLLAR ROUND TABLE NALU

May 4, 1965

Mr. Frank E. Johnson, Acting Director
United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

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

Dear Mr. Johnson:

Thank you for your letter of April 27 regarding the 100 foot raise as part of the cost to be assumed by OME. You are right, we did not discuss this in our recent meeting, and probably because the item had never come up in any previous correspondence. We assumed that this would be satisfactory with OME. If this is not part of OME's program, I am sure it will be acceptable to Mascot Mines to disregard this item. However, I would like to hear your comments whether or not this is part of the exploration program.

Regarding your comments about my signature as President, Mascot Silver-Lead Mines, Inc., since the date of our original application the name of Mascot Mines, Inc. has been changed to Mascot Silver-Lead Mines, Inc.. We are open to any suggestions as to which name to use in order to facilitate the processing of our application.

Please address all future correspondence to me at the address given below:

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

Sincerely yours,

Ben Smick

BEN SMICK, President
Mascot Silver-Lead Mines, Inc.
(formerly Mascot Mines, Inc.)

BS:ec

DRAFT 5/4/65
FEJohnson/mm

Docket Copy

MME Form 51
June 1963

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

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6379	Silver	14-23-090-	Jefferson	Montana

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

Mascot Mines, Inc., an Idaho corporation

_____,

whose mailing address is **Box 660, Kellogg, Idaho**, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before **January 1, 1966** (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within **18** months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $**28,200.00** The Government will contribute ~~XXX~~ **75** percent of the total fixed unit costs of the work performed, not in excess of $**21,150.00** in accordance with the provisions of Articles 4 and 5.

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

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

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

See Annex I

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

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

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

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

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

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

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

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

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

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

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

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

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

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

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

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

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

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

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The Office of Minerals Exploration may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By_____

Title_____

By_____

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 31011

DRAFT 5/4/65
FKJohnson/bih/mm

EXPLORATION CONTRACT
MASCOT MINES, INC.
OME-6379

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of 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.

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 holds rights in the aforementioned property under an agreement dated June 2, 1964, with 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.

Lien and Subordination Agreements dated _____, executed by Albert Haab and by Inar Norgaard and Henning Norgaard, are attached hereto and made part hereof.

The outer boundary of the above-listed property is shown in green on Figure 1, entitled "Property Meadow Mine," attached hereto and made part hereof.

DRAFT 5/4/65
FEJohnson/mm

EXPLORATION CONTRACT
MASCOT MINES, INC.
OME-6379

EXHIBIT A

The purpose of this project is 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.

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

The drifts shall not be less than 5 ft. by 7 ft. in cross section in the clear, supported by timber as necessary. The raise shall be of the same cross section with two compartments and timbered as necessary.

All significantly mineralized areas exposed in the drifts and raise shall be sampled by cutting channels normal to the vein at intervals of five feet. Each sample shall be split and one split assayed for silver, lead, and zinc. The other split shall be stored in a suitable, identified container for Government inspection and possible use. Such stored samples may be disposed of upon prior Government approval.

Two copies of assay certificates of all samples shall be submitted with the Operator's monthly reports, which shall also include maps or sketches showing the work completed during the reporting period. The maps shall show the locations and assay values for the samples and the general geology of the vein and rock formation exposed.

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

The location, direction, and extent of each work item are subject to Government approval.

Description of the Work

The initial work under this contract shall consist of the unwatering and rehabilitation of the Meadow mine, followed by the sinking of the present shaft an additional 130 feet, including sump, with the same specifications, to the 200 foot level, and driving a crosscut to the Meadow vein and a 5-foot by 7-foot drift 5-foot by 7-foot westward therefrom on the vein for 50 feet, at the sole expense of the Operator.

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, cross cut, a raise shall be driven up the dip of the vein for a distance not to exceed 50 feet.

Attached to and made part hereof is a cross section map, Figure 2 entitled "Meadow Mine" showing the CME work in green.

Estimated Cost of Project

650 feet of drifting @ $40.00 per foot	$26,000.00
50 feet of raising @ $36.00 per foot	1,800.00
100 samples assayed for silver, lead, and zinc @ $4.00 per sample	400.00
Total estimated cost of project	$28,200.00
Government participation at 75%	$21,150.00

DRAFT 5/4/65
FEJohnson/mm

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of **Jefferson**, State of **Montana**,

described as follows:[2] **Lots 11, 20, and 21 in Section Thirty-three (33); Lots 2, 3, 4, and 8, and the Meadow and Joe Pete unpatented mining claims in Section Thirty-four (34); and the Tycoon Patented Mining Claim and Millsite Patent No. 1377 in Sections Thirty-three (33) and Thirty-four (34), T. 9 N., R. 3 W., Clancy mining district, Jefferson County, Montana**

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

Mascot Mines, Inc., Box 660, Kellogg, Idaho[3]

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this _____ day of _____, 19____.

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

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

_____
(Corporate Seal)

None

DRAFT 5/4/65
FEJohnson/mm

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of **Jefferson**, State of **Montana**,

described as follows:[2] **Lots 11, 20, and 21 in Section Thirty-three (33); Lots 2, 3, 4, and 8, and the Meadow and Joe Pete unpatented mining claims in Section Thirty-four (34); and the Tycoon Patented Mining Claim and Millsite, Patent No. 1377 in Sections Thirty-three (33) and Thirty-four (34), T. 9 N., R. 3 W., Clancy mining district, Jefferson County, Montana**

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

Mascot Mines, Inc. Box 660, Kellogg, Idaho[3]

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

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

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

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

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

None

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

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

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

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

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

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

6. Added provisions **None** (State "None" or "See Annex No.____".)

Dated this_____day of_____, 19____.

_____ (Street)
(City &)
_____ (Seal) **Clancey, Montana** (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

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

_____
(Corporate Seal)

INT.-DUP. SEC., WASH., D.C. 21103

EXPLORATION CONTRACT
Mascot Mines, Inc.
OME-6379

ANNEX I

The land referred to in Article 2 of the contract consists of 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.

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 holds rights in the aforementioned property under an agreement dated June 2, 1964, with Inar Norgard and Henning Norgard, 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.

Lien and Subordination Agreements dated _____, executed by Albert Haab and Inar Norgard and Henning Norgard, attached hereto and made part hereof.

The outer boundary of the above-listed property is shown in green on Figure 1, entitled "Property Meadow Mine," attached hereto and made part hereof.

EXPLORATION CONTRACT
Mascot Mines, Inc.
OME-6379

EXHIBIT A

The purpose of this project is 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.

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

The drifts shall not be less than 5 ft. by 7 ft. in cross section in the clear, supported by timber as necessary. The raise shall be of the same cross section with two compartments and timbered as necessary.

All significantly mineralized areas exposed in the drifts and raise shall be sampled by cutting channels normal to the vein at intervals of five feet. Each sample shall be split and one split assayed for silver, lead, and zinc. The other split shall be stored in a suitable, identified container for Government inspection and possible use. Such stored samples may be disposed of upon prior Government approval.

Two copies of assay certificates of all samples shall be submitted with the Operator's monthly reports, which shall also include maps or sketches showing the work completed during the reporting period. The maps shall show the locations and assay values for the samples and the general geology of the vein and rock formations exposed.

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

The location, direction, and extent of each work item are subject to Government approval.

Description of the Work

The initial work under this contract shall consist of the unwatering and rehabilitation of the Meadow mine, followed by the sinking of the present shaft an additional 130 feet, including sumps, with the same specifications, to the 200 foot level, and drive a 5-foot by 7-foot crosscut to the Meadow vein and a 5-foot by 7-foot drift westward on the vein for 50 feet, at the sole expense of the Operator

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

but not closer than 80 feet to the shaft

From a favorable point as approved by the Government a raise shall be driven up the dip of the vein for a distance not to exceed ~~80~~ 50 feet.

Estimated Cost of Project

650 feet of drifting @ $40.00 per ft.	$26,000
50 feet of raising @ $36.00 per ft.	1,800
100 samples assayed for silver, lead, and zinc @ $~~2~~1.00 per sample	~~100~~
Total estimated cost of project	$28,~~2~~00
Government Participation @ 75%	$21,~~075~~ 150

Attached to [illegible] made part hereof is a cross section map - figure 2 in [illegible] showing the M.E. work in green.

ME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/27	Johnson	110
"	Kellogg	120
"	on Reserve	100
		220

APR 27 1965

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

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

Dear Mr. Smick:

We are in receipt of yourletter of April 23, 1965, enclosing a revised proposal relative to the subject application.

We note that you have included a 100 foot raise as part of your proposal. This item was not discussed in the recent meeting with OME representatives, and no commitment as to its acceptance is made herein. We also note that you have signed your letter as President, Mascot Silver-Lead Mines, Inc. but the application is in the name of Mascot Mines, Inc. Please clarify this matter so that processing of your revised application may continue.

Sincerely yours,

(Signed) Geo. FRANK E. JOHNSON

Acting Director

FEJohnson/bih
4/27/65

cc to: Files
Dir. reading file
Mr. MacLaren, Region I w/cy ltr. & encs.
Mr. Johnson

43683

MINE OFFICE:
LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

MASCOT MINES, INC.
BOX ~~XXXX~~ 660
KELLOGG, IDAHO

OFFICIAL COPY
O. R. E.
RECEIVED
APR 26 1965
INITIALS | CODE
110
120

April 23, 1965

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

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

Dear Mr. Johnson:

As agreed in Mr. O'Leary's office on April 19, 1965, I am enclosing two copies of amended section 5 (page 7a) and amended section 7g (page 16a) for our application.

It was a pleasure to meet with you and Mr. Jack O'Leary and I again thank both of you for courtesy and considerations of our problems.

Sincerely yours,

Ben Smick

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

BS:ec

cc: Donald MacLaren, Spokane
M. C. Brown

Mascot Mines, Inc.
Box 660
Kellogg, Idaho

April 23, 1965
Re: OME-6379 (Silver)
Jefferson County,
Montana
Meadow Mine

5. a. (Amended) We propose to unwater the Meadow mine and sink the 1-1/2-compartment shaft (approximately 5-1/2' x 9' outside timber) from the present sump to the 200-level sump. On the 200-level we will crosscut to the vein and drive 50 feet of drift westerly on the vein. The government will not participate in this initial part of the program. Government participation in the remainder of the project will begin at this point.

The 200-level drift (5' x 7' cross-section) will be continued 450 feet westerly and 200 feet easterly on the vein, sampling at 5-foot intervals. At some point, to be determined by sample results in the drift, a 2-compartment raise will be driven approximately 100 feet up-dip on the vein to sample the vein in the vertical dimension at 5-foot intervals.

In summary the program calls for government participation in 650 feet of drifting and 100 feet of raising.

b. No additional access road is required.

c. The initial work will start within 30 days after the execution of an OME contract and will require approximately 5 months.

It is estimated that government participation will commence about 5 months after the execution of the contract and require about 10 months thereafter for completion. This is based on an estimated average progress of 80 feet per month for drifting and 100 feet per month for raising, with one month for contingencies.

Mascot Mines, Inc.
Box 660
Kellogg, Idaho

April 23, 1965
Re: OME-6379 (Silver)
Meadow Mine
Jefferson County, Mont.

7. g. (Amended). Following is a summary of the estimated costs for the portion of the program in which the government will participate:

	Estimated cost Per Unit	Estimated Total Cost	
Drift (650 feet)			
Labor	$ 26.88	$ 17,472.00	
Materials and Supplies	9.70	6,305.00	
Equipment Rental	3.95	2,567.50	
Miscellaneous	7.13	4,634.50	
Total Drift	$ 47.66	$	$ 30,179.00
Raise (100 feet)			
Labor	$ 22.55	$ 2,255.00	
Materials and Supplies	13.75	1,375.00	
Equipment Rental	2.75	275.00	
Miscellaneous	6.10	610.00	
Total Raise	$ 45.15	$	$ 4,515.00
PROJECT TOTAL			$ 35,494.00

MINE OFFICE:
LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

MASCOT MINES, INC.
BOX ~~XXXX~~ 660
KELLOGG, IDAHO

April 23, 1965

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

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

Dear Mr. Johnson:

As agreed in Mr. O'Leary's office on April 19, 1965, I am enclosing two copies of amended section 5 (page 7a) and amended section 7g (page 16a) for our application.

It was a pleasure to meet with you and Mr. Jack O'Leary and I again thank both of you for courtesy and considerations of our problems.

Sincerely yours,

Ben Smick

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

BS:ec

cc: Donald MacLaren, Spokane
M. C. Brown

Mascot Mines, Inc.
Box 660
Kellogg, Idaho

April 23, 1965
Re: OME-6379 (Silver)
Jefferson County,
Montana
Meadow Mine

5. a. (Amended) We propose to unwater the Meadow mine and sink the 1-1/2-compartment shaft (approximately 5-1/2' x 9' outside timber) from the present sump to the 200-level sump. On the 200-level we will crosscut to the vein and drive 50 feet of drift westerly on the vein. The government will not participate in this initial part of the program. Government participation in the remainder of the project will begin at this point.

The 200-level drift (5' x 7' cross-section) will be continued 450 feet westerly and 200 feet easterly on the vein, sampling at 5-foot intervals. At some point, to be determined by sample results in the drift, a 2-compartment raise will be driven approximately 100 feet up-dip on the vein to sample the vein in the vertical dimension at 5-foot intervals.

In summary the program calls for government participation in 650 feet of drifting and 100 feet of raising.

b. No additional access road is required.

c. The initial work will start within 30 days after the execution of an OME contract and will require approximately 5 months.

It is estimated that government participation will commence about 5 months after the execution of the contract and require about 10 months thereafter for completion. This is based on an estimated average progress of 80 feet per month for drifting and 100 feet per month for raising, with one month for contingencies.

Mascot Mines, Inc.
Box 660
Kellogg, Idaho

April 23, 1965
Re: OME-6379 (Silver)
Meadow Mine
Jefferson County, Mont.

7. g. (Amended). Following is a summary of the estimated costs for the portion of the program in which the government will participate:

	Estimated cost Per Unit	Estimated Total Cost	
Drift (650 feet)			
Labor	$ 26.88	$ 17,472.00	
Materials and Supplies	9.70	6,305.00	
Equipment Rental	3.95	2,567.50	
Miscellaneous	7.13	4,634.50	
Total Drift	$ 47.66	$	$ 30,179.00
Raise (100 feet)			
Labor	$ 22.55	$ 2,255.00	
Materials and Supplies	13.75	1,375.00	
Equipment Rental	2.75	275.00	
Miscellaneous	6.10	610.00	
Total Raise	$ 45.15	$	$ 4,515.00
PROJECT TOTAL			$ 35,494.00

E Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/23	Johnson	110
	Selfridge	120
		100
		220

APR 2 6 1965

Hon. Arnold Olsen
U. S House of Representatives
Washington, D. C. 20515

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

Dear Mr. Olsen:

We have your memorandum of April 21, 1965, enclosing a letter to you dated April 9, 1965, from Mr. Albert Haab of Clancy, Montana, concerning the subject application for exploration assistance.

The results of an examination made by Government engineers and geologists when the Meadow Mine workings were open for inspection indicated that the potential of the property did not warrant Government participation in the proposal to sink the present shaft an additional 130 feet, crosscut to the vein, and drift several hundred feet thereon. However, the OME has suggested three different approaches to explore the property more in keeping with its indicated potential. All of these suggestions were rejected by the applicant.

Subsequently, on April 19, in a conference with Mr. Ben Smick, President of Mascot Mines, Inc. it was agreed that the applicant would submit a modified version of our last suggestion with new cost data, in which the applicant proposes to sink the shaft an additional 130 feet, crosscut to the vein, and drift westerly 50 feet at its sole expense, and the Government participate in the costs of drifting an additional 450 feet to the west and 200 feet to the east on the 200 foot level.

As soon as we receive this new proposal we will promptly continue the processing of this application.

Mr. Haab's letter is returned as requested.

FEJohnson/bih 4/23/65
cc to: Files
Dir. reading file
Reg. I w/cy inc.ltr.
Mr. Johnson

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

43683

Congress of the United States
House of Representatives
Washington, D. C.

April 21, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
APR 22 1965
INITIALS | CODE
110

Mr. Albert Haab
Clancy, Montana

RE: Docket No. OME-6379

Respectfully referred to:
Office of Minerals Exploration
Department of the Interior Building
Washington 25, D.C.

for such consideration and investigation as the communication herewith submitted may warrant. A report, in duplicate, to accompany return of the enclosure will be appreciated.

Arnold Olsen
First District - Montana

mb/

Muscat
1965

Consultation [illegible]

[illegible]

[illegible]

[illegible] with you in regards of
Pocket [illegible] 9 Wilson.
This [illegible] was [illegible] expected 9 min that
I went to [illegible] last December.
Congressman the last offer from one
Australian the would not participate in
sinking [illegible] shaft the [illegible] ft level,
but [illegible] the total depth of 700 ft.
They said that [illegible] big [illegible] shaft was
development [illegible] exploration.
It [illegible] help us a lot if they could
help us on this sinking of the shaft
because there is a [illegible] emergency not
in [illegible] [illegible].
Sultan [illegible] [illegible] has been requested
by [illegible] [illegible] of Muscat
[illegible] [illegible]

some help in getting this loan through.
I have sent letters of this matter to
Senators [illegible] Mansfield, & Lee Metcalf
If there is any thing you can do
to help in this I would be very
thankful

Very truly
Congressman & Mrs. Olsen
Elliot Bundy, Hook
Colony, Mont.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/16	Johnson	110
"	Selfridge	120
"	Dreckse	100
		220

APR 16 1965

Hon. Mike Mansfield
United States Senate
Washington, D. C. 20510

Re: OME-[illegible] (Silver)
[illegible] Mines, Inc.
[illegible]
Jefferson County, Montana

Dear Senator Mansfield:

This will acknowledge receipt of your letter of April 13, 1965, and enclosed letter to you dated April 9, from Mr. Albert B. Haab of Clancy, Montana, concerning the subject application for exploration assistance.

Information obtained on a previous examination by Government engineers and geologists when the Meadow Mine workings were accessible did not indicate that the potential of the property warranted Government participation in the proposal to sink the present shaft an additional 130 feet, crosscut to the vein, and drift several hundred feet thereon. However, we believed that a moderate amount of exploratory work on the present 90 foot level might be justified and suggested this work to the applicant.

This suggestion was rejected by the applicant's representative with the statement that he believed large continuous ore shoots were indicated below the 100 foot level. We then suggested that the cheapest and quickest means of testing this theory was to put down a few exploratory diamond drill holes.

The applicant's representative was not enthusiastic about this approach but inquired whether the OME would participate in about 700 feet of drifting on the vein at the 200 foot level if the applicant sank the shaft an additional 130 feet and crosscutted to the vein at its sole expense. The applicant's representative was informed that OME would be willing to participate in a project substantially as suggested by him.

43683

By letter dated April 4, 1965, we were informed that the officers and directors of Mascot Mines, Inc. could not agree to accept this latest proposal.

We regret that under the circumstances we are unable to be of assistance to this applicant.

As requested Mr. Haab's letter is returned.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

FEJohnson/bih
4/16/65

cc to: Files
Dir. reading file
Region I w/cy inc.ltr.
Mr. Johnson

MIKE MANSFIELD
MONTANA

United States Senate
Office of the Majority Leader
Washington, D.C.

OFFICIAL COPY
O. M. E.
RECEIVED
APR 15 1965

INITIALS	CODE
	110

April 13, 1965

Mr. George Fumich, Jr.
Director
Office of Minerals Exploration
Department of the Interior
Washington, D. C.

Dear Mr. Fumich:

Enclosed is a letter I have received from Albert Haab, of Clancy, Montana, bringing me up to date on his application for a mining exploration loan.

I would appreciate your giving me an up-to-date report on this matter, advising me as to the status of this docket.

Thank you for a report, and please return the enclosure with your reply.

With best personal wishes, I am

Sincerely yours,

Enclosure

Mike Mansfield

Feb 1965

[illegible]

[illegible] side of

[illegible] that

[illegible] the I M E

[illegible] in

[illegible] level,

but [illegible] clearing of 700 ft.

They [illegible] left was

developed [illegible] exploration.

[illegible] of [illegible] would help on

this [illegible] left [illegible] this is

a [illegible] workings.

If [illegible] of your

time [illegible] to this.

[illegible] requested

by [illegible] of Mosant

Mines, [illegible] to give us

some help [illegible] through.

I am writing to Senator Mcdaniel and Congressman Allen about this matter

Thanks a lot for what you have done for the [illegible] of Jeff. County on getting the Army Engineers to work on the [illegible] river last year

Happy Easter
Mike & Mrs Mansfield
Albert Bunky Hoch
Clancy, Montana

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/15	Johnson	110
"	Jeffrey	120
"	Meade	100
		220

APR 15 1965

Hon. Lee Metcalf
United States Senate
Washington, D. C. 20510

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

Dear Senator Metcalf:

This will acknowledge receipt of your memorandum of April 13, 1965, enclosing a letter to you dated April 9, from Mr. Albert B. Kaab of Clancy, Montana, concerning the subject application for exploration assistance.

Information obtained on a previous examination by Government engineers and geologists when the Meadow Mine workings were accessible did not indicate that the potential of the property warranted Government participation in the proposal to sink the present shaft an additional 130 feet, crosscut to the vein, and drift several hundred feet thereon. However, we believed that a moderate amount of exploratory work on the present 90 foot level might be justified and suggested this work to the applicant.

This suggestion was rejected by the applicant's representative with the statement that he believed large continuous ore shoots were indicated below the 100 foot level. We then suggested that the cheapest and quickest means of testing this theory was to put down a few exploratory diamond drill holes.

The applicant's representative was not enthusiastic about this approach but inquired whether the OME would participate in about 700 feet of drifting on the vein at the 200 foot level if the applicant sank the shaft an additional 130 feet and crosscutted to the vein at its sole expense. The applicant's representative was informed that OME would be willing to participate in a project substantially as suggested by him.

43683

By letter dated April 4, 1965, we were informed that the officers and directors of Mascot Mines, Inc. could not agree to accept this latest proposal.

We regret that under the circumstances we are unable to be of assistance to this applicant.

As requested Mr. Haab's letter is returned.

Sincerely yours,

Acting Director

Enclosure

FEJohnson/bih
4/15/65

cc to: Files
Dir. reading file
Region I w/cy inc. ltr.
Mr. Johnson

United States Senate

13 April 1965

In re: Mr. Albert B. Haab
Clancy, Montana

Respectfully referred to

Mr. George Fumich, Jr.
Acting Director
Office of Minerals Exploration
Department of the Interior
Washington, D. C.

for such consideration as the communication herewith submitted may warrant, and for a report thereon, in duplicate to accompany return of inclosure.

OFFICIAL
COPY
Apr 14 65
GPO 16-75597-1
CODE
110

By direction of

Lee Metcalf

U. S. S.

11:00 A.M. 11/19/65

Conference: John O'Leary, Ben Smith, Dan.
Mr. Smith Illinois Inc. OMC-6379

Mr. Smith said they were under advisement on Fannin's letter of 2/8/65. He said it would cost this company one million $, you to drill 50 feet each way on the 200' level. After explaining Dr. E position, he asked if we would pay for 25' each way drifting each way, i.e. the company to pay for 25' at its own expense. O'Leary suggested OMC participate in the drifting with the drifting after 1st 50 feet. Agreed - applicable to return of projects most cost data - drift should be 200 ft from current to vein, and drift 50 feet on opposite side to participate on 450' main drift + 200' feet to drift.

[illegible] through.

[illegible] to

[illegible] swazman

[illegible] to Chonk.

[illegible]

[illegible]

[illegible] Metcalf

[illegible] Ward

[illegible]

MME Form 7
(10-58)

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Date	Surname	Code
4/14 OK	O'Leary	
4/14	Johnson	110
		100
	Selfridge	120
		220

APR 15 1965

Hon. Henry M. Jackson
United States Senate
Washington, D. C. 20510

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

Dear Senator Jackson:

This is in reply to your letter of April 5, 1965, concerning the application of the Mascot Mines, Inc. for exploration assistance.

Since the application of Mascot Mines, Inc. was received in the OME office in Spokane, Washington, on October 2, 1964, we have exchanged views with the applicant's Consulting Engineer regarding a possible exploration project for the Meadow Mine.

As the mine workings were inaccessible for an examination but had been examined previously by Government engineers and geologists, a field examination was not considered appropriate at this time.

On November 19, 1964, we informed the applicant that we believed that it was not in the Government's interest to participate in the proposed work but suggested a more moderate program on the 90 foot level of its mine in keeping with the indicated potential of the property.

The applicant's representative, Mr. M. C. Brown, Consulting Engineer, rejected this suggestion, stating that he believed continuous ore shoots were indicated below the 100 foot level. We requested our field representative to again discuss the matter with Mr. Brown and endeavor to work out a mutually satisfactory program. OME suggested that a few well spaced diamond drill holes would be the cheapest and quickest means of testing the applicant's theory. Mr. Brown was not enthusiastic about diamond drilling. He asked if the OME would contribute to drifting 700 feet on the 200 foot level, if the applicant would sink the present shaft to that level and crosscut to the vein at its own expense.

43683

The OME field representative informed Mr. Brown by letter dated February 8, 1965, that the OME would participate in a program substantially as that suggested by Mr. Brown.

On April 4, 1965, Mr. Brown wrote the OME field representative that the officers and directors of Mascot Mines, Inc. had been unable to agree to accept the latest OME proposal based upon Mr. Brown's suggestion.

We regret that we have been unable to be of help to this applicant. A copy of our self-explanatory letter of April 12, 1965, to the applicant is enclosed.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

FEJohnson/bih
4/14/65

cc to: Files
Dir. reading file
Region I
Mr. Johnson

HENRY M. JACKSON, WASH., CHAIRMAN

CLINTON P. ANDERSON, N. MEX.
ALAN BIBLE, NEV.
FRANK CHURCH, IDAHO
ERNEST GRUENING, ALASKA
FRANK E. MOSS, UTAH
QUENTIN N. BURDICK, N. DAK.
CARL HAYDEN, ARIZ.
GEORGE MC GOVERN, S. DAK.
GAYLORD NELSON, WIS.
LEE METCALF, MONT.

THOMAS H. KUCHEL, CALIF.
GORDON ALLOTT, COLO.
LEN B. JORDAN, IDAHO
MILWARD L. SIMPSON, WYO.
PAUL J. FANNIN, ARIZ.

JERRY T. VERKLER, STAFF DIRECTOR

United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS

April 5, 1965

OFFICIAL
COPY
O. M. E.
RECEIVED
APR 12 1965

INITIALS	CODE
	110

Mr. Frank E. Johnson
Deputy Director
Office of Mineral Exploration
Department of the Interior
Washington, D. C. 20240

Dear Mr. Johnson:

I am writing in reference to your telephone conversation with Mr. Richard Falknor of my Committee staff today regarding OME Docket #6379 (Mascot Mines, Montana).

I should deeply appreciate your furnishing me with a summary of the steps your agency has already taken with respect to this project and its current status.

Sincerely,

Henry M. Jackson

Henry M. Jackson
Chairman

HMJ:rfa

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/12	JJohnson	110
		120
	Fumich	100
		220

APR 1 2 1965

Mascot Mines, Inc.
Box 660
Kellogg, Idaho

Re: OMK-6379 (Silver)
Mascot Mines, Inc.
Meadow Mine
Jefferson County, Montana

Gentlemen:

We are in receipt of a copy of a letter dated April 5, 1965, from Mr. M. C. Brown, Consulting Engineer, to Mr. Donald MacLaren, OMK representative at Spokane, Washington.

We understand that the officers and directors of Mascot Mines, Inc. have been unable to agree to accept the last suggestion of OMK for exploration of the Meadow Mine which is substantially the same as that most recently proposed by Mr. Brown.

Since you have rejected three different suggestions by this office to explore for new or unexplored mineral deposits on your property, we regret that we have no alternative but to deny your application.

Sincerely yours,

George Fumich, Jr.

Acting Director

FEJohnson/bih
4/12/65
cc to: Files
Dir. Reading file
Region I
Senator Mansfield
" Church
Rep. Compton I. White, Jr.
Mr. Selfridge
Mr. Johnson

Mr Johnson said to remove from denials 4/21/65 man will send in add info. as requested by us.
C.C.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/12	Johnson	110
		120
		100
		220

APR 12 1965

Hon. Mike Mansfield
United States Senate
Washington, D. C. 20510

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

Dear Senator Mansfield:

In view of your interest in subject application for exploration assistance, we are enclosing a copy of our self-explanatory letter of this date to the applicant..

We are indeed sorry that we have been unable to be of help to this applicant.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

FEJohnson/bih
4/12/65

cc to: Files
Dir. reading file
Mr. Johnson

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/12	Johnson	110
		120
		100
		220

APR 12 1965

Hon. Compton I. White, Jr.
U. S. House of Representatives
Washington, D. C. 20515

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

Dear Mr. White:

In view of your interest in subject application for exploration assistance, we are enclosing a copy of our self-explanatory letter of this date to the applicant.

We are indeed sorry that we have been unable to be of help to this applicant.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

FEJohnson/bih
4/12/65

cc to: Files
Dir. reading file
Mr. Johnson

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/12	Johnson	110
		120
		100
		220

APR 12 1965

Hon. Frank Church
United States Senate
Washington, D. C. 20510

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

Dear Senator Church:

In view of your interest in subject application for exploration assistance, we are enclosing a copy of our self-explanatory letter of this date to the applicant.

We are indeed sorry that we have been unable to be of help to this applicant.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

FEJohnson/bih
4/12/65

cc to: Files
Dir. reading file
Mr. Johnson

43683

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Div. of Exploration Operations	4/ 6/65	
2.		100
Re: OME-6379 (Silver) Mascot Mines, Inc. Meadow Mine Jefferson County, Montana		
3.		100
4.		
5. D. R. MacLaren		
FROM: Acting Fld. Officer, 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: Attached is a Thermo-Fax copy of the applicant's reply to my letter of 3/23/65.

OFFICIAL COPY O. M. E. RECEIVED APR 8 1965

INITIALS | CODE | 16021

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

MINE OFFICE:
LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

MASCOT MINES, INC.

BOX 989
KELLOGG, IDAHO

[illegible]

cc: Ben Smit[illegible]

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 25 1965
INITIALS | CODE
120
120

So. 157 Howard Street
Spokane, Washington 99204
March 23, 1965

Mr. Malcolm C. Brown
Consulting Engineer
Mascot Mines, Inc.
P. O. Box 660
Kellogg, Idaho

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

Dear Mr. Brown:

On February 8, 1965, we sent you a counter proposal for work at the Meadow mine. As yet, we have received no reply.

We do not wish to be unduely pressing and realize the counter proposal may require considerable thought. However, we would appreciate hearing from you whether Mascot Mines is receptive to the suggestion.

Sincerely yours,

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

cc: OME

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

OKE

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 10 1965
INITIALS | CODE
FMM | 120
| 120

So. 157 Howard Street
Spokane, Washington 99204
February 8, 1965

Mr. Malcolm C. Brown
Consulting Engineer
Mascot Mines, Inc.
P. O. Box 660
Kellogg, Idaho

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

Dear Mr. Brown:

The exploration work you suggested during our conference in Spokane January 18, 1965, namely, that should Mascot Mines deepen the shaft to the 200 level and crosscut to the vein at its own expense, would OME then contribute to the cost of drifting 200 feet easterly and 500 feet westerly, and to the cost of driving a 100-foot 2-compartment raise, has been considered by the OME staff.

The underground work previously completed confirmed the presence of small narrow lenses of mineralization indicated by prior drilling. If these small ore shoots are the upward extensions of a large continuous body at depth, there appears to be no reason why its existence would not be confirmed by further and deeper drilling.

As the purpose of the program is to search for new ore deposits and not to develop known ore bodies or aid in mining them, OME could probably participate in a program of extending drifts on the 200 level into new areas but not to drift under the presently know ore shoots.

Should Mascot Mines be willing to sink to the 200-foot level, crosscut to the vein, and drift on the vein 50 feet east and 50 feet west of the crosscut, OME would be willing to participate in the cost of continuing those drifts for the footage requested.

If Mascot Mines is agreeable to this suggestion, it should present a proposal on this basis giving an estimate of the cost and the time schedule for performing the work.

As such a proposal has, of course, not been received, nothing in this letter should be considered as assurance that a contract will be forthcoming.

Sincerely yours,

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

cc: OME
Director's Reading File
Resources Research Branch Chief
DRMacLaren:mls

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/4	Johnson	110
		120
4	4	100
2/4	Cac	220
		120M

FEB 4 1965

Hon. Compton I. White, Jr.
U. S. House of Representatives
Washington, D. C. 20515

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

Dear Mr. White:

On February 1, 1965, we suggested to our field representative a modification for participation by the Government in Mr. Brown's proposal referred to in paragraph 5 of the copy of his letter of January 25 to Mr. John J. Peacock, enclosed with your inquiry to us of February 2.

As soon as Mr. Brown informs us if our suggested modification of his proposal is acceptable and supplies necessary cost data and a time schedule, we will be in a position to proceed with the processing of the Mascot Mines, Inc., application.

Sincerely yours,

George Fumich, Jr.

Acting Director

FEJohnson/bih/gla (2-4-65)
cc to: Director's Reading File
Docket
Region I with enclosures
Mr. Johnson

23263

COMPTON I. WHITE, JR.
1ST DISTRICT, IDAHO

ROOM 133
CANNON HOUSE OFFICE BUILDING

HOME ADDRESS:
BOX 536
CLARK FORK, IDAHO 83811

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
SUBCOMMITTEES:
IRRIGATION AND RECLAMATION
MINES AND MINING
PUBLIC LANDS
BANKING AND CURRENCY
SUBCOMMITTEES:
INTERNATIONAL FINANCE
INTERNATIONAL TRADE

February 2, 1965

Honorable George Fumick, Jr.
Director
Office of Minerals Exploration
DEPARTMENT OF THE INTERIOR
Washington, D.C.

re: Docket No, OME-6379
Mascot Mines, Inc.
Meadow Mine
Jefferson County, Montana

Dear Mr. Fumich:

This letter has reference again to the above application for exploration assistance. You wrote me on December 24, that you had requested your field representative in Spokane to again discuss this matter with the Applicant's representative in Kellogg, to determine if a satisfactory program could be agreed upon. I have just received the enclosed copy of a letter which has been directed to Mr. Peacock by Mr. M. C. Brown, Consulting Engineer, bearing further on this whole matter. I trust this information will enlighten you, and kindly let me have a further report in the premises.

With kindest regards, I am

Sincerely yours,

Compton I. White, Jr.
Member of Congress

CIW:RBT

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 3 1965
INITIALS | CODE
110

Mail Address:
Little Pittsburg Mine
Pine Creek
Kellogg, Idaho

MASCOT MINES, INC.
BOX 660
KELLOGG, IDAHO

28 January 1965

Mr. John J. Peacock
Attorney at Law
Kellogg, Idaho

Refer to: MascotMines, Inc.
OME-6379 (Silver)
Application for exploration loan
Meadow Mine, Jefferson Co., Mont.

Dear John:

Following your inquiry of January 26, I have prepared this outline of the history of the OME application.

1. Oct., 1964. Submitted application for exploration assistance, proposing sinking 130 feet of shaft and drifting 700 feet on new 200-level.

2. Received letter dated Nov. 19, 1964, from George Fumich, Acting Director of OME, declining our proposal and proposing that the government would participate in extending the present 90-foot level.

3. Dec. 5, 1964. Met with Mr. Fumich in Spokane and discussed our reasons for believing that exploration on the 90-foot level would not be desirable, as outlined in my letter of Dec. 7 to Mr. Fumich.

4. Dec. 30, 1964. Don MacLaren (OME representative in Spokane) phoned. He said that Frank E. Johnson (Deputy Director of OME) called from Washington asking him to propose to us that they would participate in 3 diamond drill holes from the surface to cut the vein at about the 200-level.

5. Jan. 18, 1965. After several discussions with Mr. Smick, I met with Mr. MacLaren in Spokane and outlined the reasons why we feel that 3 diamond drill holes can not lead to a definitive appraisal of the prospect, if all three are good ore or all are in poor ore. In neither event could we feel confident that they represented a statistically valid sample of the orebody. I suggested that if OME believes that the shaft sinking is not justifiable as "exploration" (the shaft is in the footwall of the vein) Mascot would undertake to pay the whole cost of sinking if it could be assured that OME would participate in the proposed drift on the 200-level. Mr. MacLaren said he would take it up with Washington. I have heard nothing since.

You observe that most of these negotiations have been verbal, which I think is a good thing in maintaining a flexible position for both parties. It is much more difficult to modify or withdraw from a position when it has been recorded in a letter.

Yours very truly,

M. C. Brown

M. C. Brown
Consulting Engineer

MCB:hs
cc: Ben Smick

OFFICIAL FILE COPY

Date	Surname	Code
1/29	Johnson	110
		120
		100
1/29	Murphy	120M
2/1	Col	220
		120 M

Memorandum FEB 1 1965

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

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

Reference is made to your memorandum of January 22, 1965, on the subject application.

If the small ore shoots on the 90 foot level are upward extensions of a large continuous ore body at depth, we see no good reason why proper drilling would not confirm the applicant's contention. The indications of the original drilling were confirmed by the underground work; i.e., small narrow lenses of mineralization.

We understand the applicant's desire to try and get into an area where he may expect production at the earliest opportunity, but the OME program is to find new ore deposits and not to develop known ore bodies or aid in mining them. We question the likelihood of an ore body being found of sufficient size and grade to repay a large capital outlay for exploration, development, and mining. However, we probably could participate in a program of extending drifts on the 200 foot level into new areas but not to drift under the present ore shoots. Therefore, if the applicant would be willing to sink the present shaft to the 200 foot level, crosscut to the vein and drift east and west 50 feet each way, we would then be willing to participate in continuing those drifts for the additional footage requested.

We would like to have your comment on the foregoing or if you have some possible other solution that might be acceptable to everyone, we would appreciate receiving your views.

If you believe that such a program as outlined above is satisfactory, it is suggested that you discuss it with the applicant.

If the applicant is agreeable to such an arrangement, it should forward a proposal on that basis giving cost and time schedule for performing the work.

George C. Selfridge (gla)

FEJohnson/bih (1/29/65)
cc to: Files
Dir. reading file
Mr. Johnson
Thermofax - Review Comm.

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
South 157 Howard Street
Spokane, Washington 99204
January 22, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 25 1965
INITIALS | CODE
120
120
118

Memorandum

To : Chief, Division of Exploration Operations

From : Acting Field Officer, Region I

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

In compliance with your telephoned instructions I called Malcolm C. Brown, consulting engineer for the subject applicant, on December 30, 1964. I asked him if Mascot Mines, Inc. would consider diamond drilling three holes from the surface--one between the two known oreshoots, one 100 feet east of the easterly shoot, and one 100 feet west of the westerly shoot; each hole to be about 300 feet deep, or deep enough to cut the vein at a depth of about 200 feet. He asked for time to consider the proposal and to discuss it with company officers.

On January 18, 1965, Mr. Brown called at the Spokane office for further discussion. The company is not too enthusiastic about a program limited to three more drill holes. Of nine holes previously drilled, five gave poor recovery and did not encounter recognizable vein structure. Three holes yielded core containing good value, and one hole encountered vein material beyond the projected vein location. Subsequent sinking and drifting showed that the strike and dip of the vein based on four holes was erroneous. An alternate proposal was made.

Brown felt that as the shaft is not on the vein, deepening it might not properly be considered exploration. He asked if OME would consider writing a contract whereby the company would dewater and deepen the shaft to approximately the 200 level and crosscut to the vein at its sole expense and OME would contribute to the cost of drifting 200 feet easterly and 500 feet westerly plus the cost of driving a 100-foot 2-compartment raise from the level. This would reduce the summary of the original proposal, as given on page 7 of the application, to 700 feet of drifting and 100 feet of raising. Without some such assurance that OME would contribute to the cost of drifting, Mascot could not afford to undertake the shaft sinking.

I told him I would forward his proposal but that sinking away from a vein was not necessarily an improper step in an OME project--that the weak point was more probably the apparent narrowness of the vein and the limited size

of the two ore shoots. Brown replied that Exhibit 3-d which accompanies the application indicates an average vein width of 0.84 feet and an average estimated grade of 148.0 ounces silver per ton. Under Item 3(f) on page 6 of the application the weighted average grade of the Nugent-Norgaard smelter settlement sheets is given as 135.3 ounces silver per ton. Using the latter grade for an average width of 0.84 feet and using 2.16 feet at zero grade, the average grade over a 3-foot width may be expected to be in the order of 37.9 ounces silver per ton. The proposed drifting would explore new ground for about 150 feet east and about 400 feet west of the respective ends of the 90-foot level.

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

OFFICIAL FILE COPY

Date	Surname	Code
1/18	Johnson	110
		120
9		100
1/19	COC	220
		120M

JAN 19 1965

Hon. Compton I. White, Jr.
House of Representatives
Washington, D. C. 20515

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

Dear Mr. White:

We have your letter of January 14, 1965, requesting information as to the status of the subject application for exploration assistance.

Under date of December 24, 1964, we wrote the Applicant that we had requested Mr. Donald R. MacLaren, our field representative in Spokane, Washington, to again discuss the proposed exploration with the Applicant's representative in Kellogg, Idaho, to determine if a mutually satisfactory exploration program could be agreed upon which would meet the OME criteria.

Mr. MacLaren recently informed us that he had discussed this matter with the Applicant's representative on December 29, but we have had no word from the Applicant since that time.

Sincerely yours,

George Fumich, Jr. (gla)

Acting Director

FEJohnson/gla (1-18-65)
cc to: Director's Reading File
Docket
Region I w/cy incoming letter
Mr. Johnson

23263

COMPTON I. WHITE, JR.
1ST DISTRICT, IDAHO

ROOM 133
CANNON HOUSE OFFICE BUILDING

HOME ADDRESS:
BOX 536
CLARK FORK, IDAHO 83811

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
SUBCOMMITTEES:
IRRIGATION AND RECLAMATION
MINES AND MINING
PUBLIC LANDS

BANKING AND CURRENCY
SUBCOMMITTEES:
INTERNATIONAL FINANCE
INTERNATIONAL TRADE

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 15 1965
INITIALS CODE
110

January 14, 1965

Honorable George Fumich, Jr.
Director
Office of Minerals Exploration
Department of The Interior
Washington, D. C.

Re: Docket No. OME-6379

Dear Mr. Fumich:

I am writing you this note relative to the above-mentioned Docket pending before your office. I am wondering the present status of the matter, and if you are now in a position to render a decision thereon. I have had correspondence from Mr. John J. Peacock, Attorney At Law, Kellogg, Idaho, inquiring about this application.

Looking forward to hearing from you, and with all good wishes, I am

Sincerely yours,

Compton I. White, Jr.
Member of Congress

CIW:RBT

OFFICIAL FILE COPY

Date	Surname	Code
4	[illegible]	100
12/23	Johnson	110
	Selfridge	120
12/24	cal	220
		120 m

DEC 24 1964

Mr. M. C. Brown
Mascot Mines, Inc.
Box 660
Kellogg, Idaho

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

Dear Mr. Brown:

With reference to your letter of December 7, 1964, we have requested Mr. MacLaren to again discuss with you the proposed exploration of the Meadow mine to determine if a mutually satisfactory exploration program could be agreed upon which would meet the OME criteria.

Sincerely yours,

George Fumich, Jr.

Acting Director

FEJohnson/bih
12/23/64

cc to: Files (Docket)
Dir. Reading File
Mr. Johnson
Region I - w/cy incoming ltr.

23263

MINE
LITTLE PITTSBURG MINE
PINE CREEK
KELLOGG, IDAHO

MASCOT MINES, INC.
BOX 660
KELLOGG, IDAHO

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 10 1964

DATE	INITIALS	CODE
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12/14		140
12-15		100

December 7, 1964

Mr. George Fumich, Acting Director
Office of Minerals Exploration
U. S. Department of the Interior
Washington 25, D. C.

Re: Your letter of Nov. 19, 1964
OME-6379 (Silver), Mascot Mines, Inc.,
Meadow Mine, Jefferson Co., Montana

Dear Mr. Fumich:

This letter is to confirm statements I made on behalf of Mascot during our discussion in Spokane, December 5, 1964.

We believe that drifting at the 90-foot level might lead to a faulty appraisal of the mine's potential by missing ore that might not extend upward to that horizon. Available information on the nearest neighboring mines indicates narrow wide-spaced stopes near the surface, coalescing into larger more continuous ore shoots below 100 feet from the surface. Compare Little Nell mine, USGS P.P. 428, Fig. 39, p. 65, and Liverpool mine map by J. P. Lyden, Exhibit 3-f of our application.

This question of continuity is of major importance. Short orebodies, even though high-grade, would not be economic if separated by equally long stretches of barren vein, as it appears on the 90-foot level.

Also, the property lies on alluvial fill in a glaciated valley and, as suggested by Mr. MacLaren, glacial scour might easily exist to the depth of the 90-foot level. Drifting into such a gravel-filled scour could present a disastrous water problem, aside from being valuless for finding ore.

As the estimated cost of shaft and pocket is only one-third of the cost of the proposed project, we feel that the risk of failure at the 90-foot level justifies the proposal to drift on the 200-foot level.

Again we wish to thank you for the opportunity to meet with you and discuss this matter in Spokane.

Yours very truly,

MASCOT MINES, INC.

By M C Brown
M. C. Brown, Consulting Engineer

MCB:hs
CC: Ben Smick
Donald MacLaren

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/17	Johnson	110
		100
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		220

Mascot Mines, Inc.
Meadow Mine
Clancy, Montana
OME-6379

Application for aid for an exploration project denied July 3, 1951. Filed in name of Nugent and Norgaard, Lessees, for zinc, lead, and silver. No field examination made. But several members of both the Survey and Bureau previously had been underground (see 5/24/51 letter).

Original proposal: 200 ft. drifting on 90-ft. level, sinking 130 ft. to 200-ft. level, and drifting 300 ft. on this level.

Weissenborn, USGS: "... the vein is narrow and it is doubtful whether a reasonable amount of exploration would block out sufficient ore to justify the building of even a small mill."

DMA analysis: Narrow fault vein 6 inches to 2 feet wide, containing lead, zinc, and silver sulphides. Ore is not continuous in the vein but segregated in small lenses.

131 tons of ore shipped containing 136 oz. silver per ton, 2% lead, and 7.7% zinc. More than 2,500 square feet in the plane along the vein was stoped. This indicates that the ore shipped was hand sorted or cobbed to make a pay streak about one foot thick.

The application was denied as being essentially development of lensy, narrow ore shoots and lacked promise of lead and zinc occurring in significant quantities.

Current application: The mine is under water. Not examined by MacLaren.

Proposed work: Unwater mine.
Sink 130 ft. to 200-ft. level. Drift 200 ft. easterly and 500 ft. westerly in this level.
Raise on ore 100 ft.

<u>Nugent Report 1951</u>

Nearby mines produced in 1880's and 1890's. Most abundant mineral was zinc for which no payment was made. Developed by shafts 500 ft. to 800 ft. deep. Silver values declined with depth. First explored by diamond drilling to find vein indicated by dredging operations. Ore shipped to Helena smelter. Only lead and silver paid for.

Ore shoots are lensy.

Ore requires very little sorting.

23263

Recommendation:

~~Remxxxx~~ Drifting east and west on 90-ft. level (same as OME has suggested--to explore for possible new ore shoot indicated by dredging.)

Sinking to 200-ft. level and drifting east and west on this level.

Purpose: "Blocking out reserves will not only assure a larger daily production but will also make it feasible to consider building a mill to separate the lead and zinc sulphides."

OME Opinion

High silver values at 90-ft. level and structural and water conditions indicate possible secondary enrichment and that work on 200-ft. level would be primarily development of base metals.

Possibly to test Applicant's theory ~~theory~~ that ore shoots on 90-ft. level are upward extensions of larger ore body at depth, drilling from the surface would give the answer quicker and at less cost than sinking to the 200-ft. level and drifting on this level.

Frank E. Johnson
Deputy Director

FEJohnson/gla (12-17-64)
cc to: Director's Reading File
Docket OME-6379
Original to Acting Director
Mr. Johnson

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

Northwest Mine News

Mascot Mines Unit Changes Name of Firm

Now its Mascot Silver-Lead Mines

Stockholders of Mascot Mines, Inc., authorized the name change at their annual meeting in Kellogg recently, Ben Smick, president, said here today.

The firm, which formerly mined zinc-lead ore from the Little Pittsburg Mine in the Pine Creek District near Kellogg, recently undertook to explore and develop the Meadow silver mine 10 miles south of Helena, Mont.

The company has asked the federal Office of Minerals Exploration to provide 75 per cent of the costs. Its application is being processed, Smick said.

Stockholders also approved changing the firm's capitalization from 3,500,000 shares of 17½-cent par value stock to 4 million shares of 10-cent par stock, he said.

Elected to the board of directors were Smick, Harold Reugh of Spokane, M. C. Brown and Ronald Eggart of Kellogg and Claude Nugent of Blanding, Utah. The board subsequently re-elected Smick president. Reugh was named vice president and Eggart, secretary-treasurer.

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 3 1964

DATE	INITIALS	CODE
		120
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ME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/25	Johnson	110
		120
		100
NOV 25 1964		220
		120M

Hon. Mike Mansfield
United States Senate
Washington, D. C. 20510

Dear Senator Mansfield:

Mr. Orren Beaty, Assistant to Secretary of the Interior, Stewart L. Udall, has requested us to submit a report to you on the status of the application of Mascot Mines, Inc. for financial assistance in exploration in response to your letter of November 21, 1964, enclosing a letter to you from Mr. Albert Haab of Clancy, Montana.

On November 19, 1964, we wrote the applicant regarding its proposal. As soon as we receive a reply, we will be in a position to complete the processing of this application and will advise you accordingly.

Mr. Haab's letter is returned as requested.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

FEJohnson/bih (11-25-64)

cc to: Files (Docket 6379)
Dir. reading file
Mr. Johnson
Mr. Orren Beaty - Room 6151

23263

NOV 24 1964

Dear Senator Mansfield:

On behalf of Secretary Udall I am acknowledging your letter of November 21 with reference to the Mascot Mine Company's application for a minerals exploration loan.

I am asking the Office of Mineral Exploration to submit a report to you on this loan at the earliest possible time.

Sincerely yours,

(sgd) Orren Beaty

Orren Beaty
Assistant to the Secretary

Hon. Mike Mansfield
United States Senate
Washington, D. C. 20510

IWhitlock:baa
Copy to: Mr. Whitlock
√Office of Mineral Exploration (with incoming)

MIKE MANSFIELD
MONTANA

MME

Refer To: MME
Ack'd 11/23/64

United States Senate
Office of the Majority Leader
Washington, D.C.

November 21, 1964

Hon. Stewart Udall
Secretary
Department of the Interior
Washington, D. C.

Dear Mr. Secretary:

Enclosed is a letter I have just received from Mr. Albert Haab of Clancy, Montana, in which he advises me that the Mascot Mine, Inc., has submitted a loan application.

In view of Mr. Haab's interest in this matter, I would appreciate your advising me as to what final disposition is made of their application, OME-6379. Please return the enclosure with your reply.

Thanking you and with best personal wishes, I am

Sincerely yours,

Mike Mansfield
rjp

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 25 1964

DATE	INITIALS	CODE
		110

C
O
P
Y

Clancy, Montana
November 16, 1964

Honorable Mike Mansfield
United States Senate
Washington, D. C.

Dear Mike:

Congratulation on your re-election. We (the Haabs) are glad to see you sweep Montana.

Mike I have leased my silver mine to a company. The Mascot Mines, Inc., they are asking for a loan, Docket Number OME-6379.

If possible please give this your assistance.

Respectfully yours,

(signed) Albert Bunchy Haab

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
11/19	Murphy	120 m
11/19	Johnson	110
		100
		220
		120 m

AIRMAIL

NOV 1 9 1964

Mascot Mines, Inc.
Box 660
Kellogg, Idaho

Re: GME-6379 (Silver)
Mascot Mines, Inc.
Meadow Mine
Jefferson County, Montana

Gentlemen:

Your application for financial assistance in exploration at the Meadow mine and other information available to us have been reviewed.

Careful study of all of the information indicates that it would not be in the Government's interest to participate in the presently proposed work. However, the Government would participate in extending the present 90-foot level east and west to explore for possible, additional ore shoots indicated, in part at least, by the former dredging in the area.

May we have your comments regarding the proposed alternative.

Sincerely yours,

George Fumich, Jr.

Acting Director

GCSelfridge/mm (11/19/64)
cc: Director's Reading File
Region I
Docket

23263

(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/19	Johnson	110
	Jeffrey	120
11/17		100
11/19	cac	220
		170

NOV 19 1964

Hon. Frank Church
United States Senate
Washington, D. C. 20510

Dear Senator Church:

Your memorandum of November 16, 1964, to Congressional Liaison, Department of the Interior with letter to you of November 10, 1964, from Mr. John J. Peacock of Kellogg, Idaho, referring to the application of Mascot Mines, Inc. for financial assistance in exploration of the Meadow Mine, Jefferson County, Montana, has been referred to this office.

Processing of this application had been held in abeyance pending receipt of additional information which was received yesterday. You may be assured that the application will be given careful consideration and processed expeditiously.

Mr. Peacock's letter is returned as requested.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

FEJohnson/bih
11/19/64

cc to: Files
Dir. reading file
Mr. F.E.Johnson

23263

MME

United States Senate

November 16, 1964

Respectfully referred to

Congressional Liaison
Department of Interior
Washington 25, D. C.

for such consideration as the communication herewith submitted may warrant, and for a report thereon, in duplicate to accompany return of inclosure.

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

DATE	INITIALS	CODE
		110
MM-		

By direction of

Frank Church

U. S. S.

GPO 16-73597-1

Mr Johnson - this is a pending appln. cc.

BROWN, PEACOCK & KEANE
ATTORNEYS AT LAW
FIRST SECURITY BANK BUILDING
KELLOGG, IDAHO 83837

ROBERT E. BROWN
JOHN J. PEACOCK
JAMES P. KEANE
KENNETH D. RANDALL

P. O. BOX 659
TELEPHONE
SUNSET 4-1105

MME FORM 6
REV. 2-59

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

		DATE	INITIALS
TO:	Chief, Div. of Exploration Operations	11/16/64	
1.			
2.			
3.			
4.			
5.	D. R. MacLaren		
FROM:	Acting Fld. Officer, Reg. I		

OFFICIAL FILE COPY
RECEIVED NOV 18 1964

DATE	INITIALS
120	
120	

FOR: Check items for action desired

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

REMARKS: OME-6379 (Silver)
Mascot Mines, Inc.
Meadow Mine
Jefferson County, Montana

Attached are papers sent in by the applicant in connection with the submission of their OME application, an evaluation of which was forwarded with the application on 10/26/64. This has to do with an error in the property description in the Haab-Norgaard lease.

M56300-62

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

TSBURG MINE
EEK
OGG, IDAHO

MASCOT MINES, INC.

Mr. Donald McLaren
Office of Minerals Exploration
U. S. Department of Interior
S. 157 Howard Street
Spokane, Washington

SUBJECT: Mascot Mines, Inc.
Docket #6379 (Silver)

Dear Mr. McLaren:

As Mr. Brown told you by phone, we discovered an error in the property description in the Haab-Norgaard lease. The correction is incorporated in an Amendment Agreement dated October 25, 1964. We are enclosing two photocopies of this Amendment which should be appended to the lease in Annex 2a. of our application.

We also enclose two prints of a map, incorporating the changes, which should be substituted for Exhibit 5-a-1.

We assume that the Amendment Agreement, signed by Mr. Haab will suffice to amend the MME Form 52. If this is not true, please send us the forms to be re-executed.

Also, Mascot's address has been changed from Box 989, Kellogg, Idaho to Box 660, Kellogg, Idaho.

If anything else needs to be done, please let us know.

Yours very truly,

/s/ Ben Smick

BEN SMICK, President
Mascot Mines, Inc.

BS:ec

cc: Mr. Malcolm C. Brown

Mascot Copy

AMENDMENT AGREEMENT

THIS AMENDMENT AGREEMENT Made and entered into this 25th day of October, 1964, 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:

WHEREAS, it appears that it will benefit the parties hereto to make certain further amendments to the agreement dated June 20, 1963, by and between the parties hereto; and

WHEREAS, the said agreement has heretofore been assigned to Mascot Mines, Inc., an Idaho corporation;

NOW, THEREFORE, in consideration of the sum of One ($1.00) Dollar and other good and valuable consideration, and the benefits to accrue to the parties, it is mutually covenanted and agreed that paragraph 3. of the said agreement, which reads as follows:

> "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."

be and the same is hereby amended to read as follows:

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 Sections Thirty-three (33) and Thirty-four (34), and Lots Eleven (11), Twenty (20) and Twenty-one (21), 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.

It is further understood and agreed that paragraph 5. of the said agreement, which reads as follows:

"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."

be and the same is hereby amended to read as follows:

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 view of the assignment of this

agreement by the parties of the second part to Mascot Mines, Inc.; the party of the first part hereby consents to an extension of this agreement should the option and privilege of doing so be exercised by Mascot Mines or its successors and assigns.

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

Albert Haab

Albert Haab

Party of the First Part

Inar Norgaard

Inar Norgaard

Henning Norgaard

Henning Norgaard

By Inar Norgaard

His Attorney-in-Fact

Parties of the Second Part

STATE OF MONTANA)
: ss.
County of Jefferson)

On this 28th day of October, 1964, before me, the undersigned, 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 hereinabove first written.

Paul A. Keller
Notary Public for the State of Montana
Residing at Helena, Montana
My Commission expires 9 Oct 1966

* * * * * * * * * *

STATE OF IDAHO)
: ss.
County of Shoshone)

On this 23rd day of October, 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 A. Peacock
Notary Public for the State of Idaho
Residing at Kellogg, Idaho
My Commission expires 1/31/68

RECEIVED
NOV 9 1994
OMB
SPOKANE, WASHINGTON

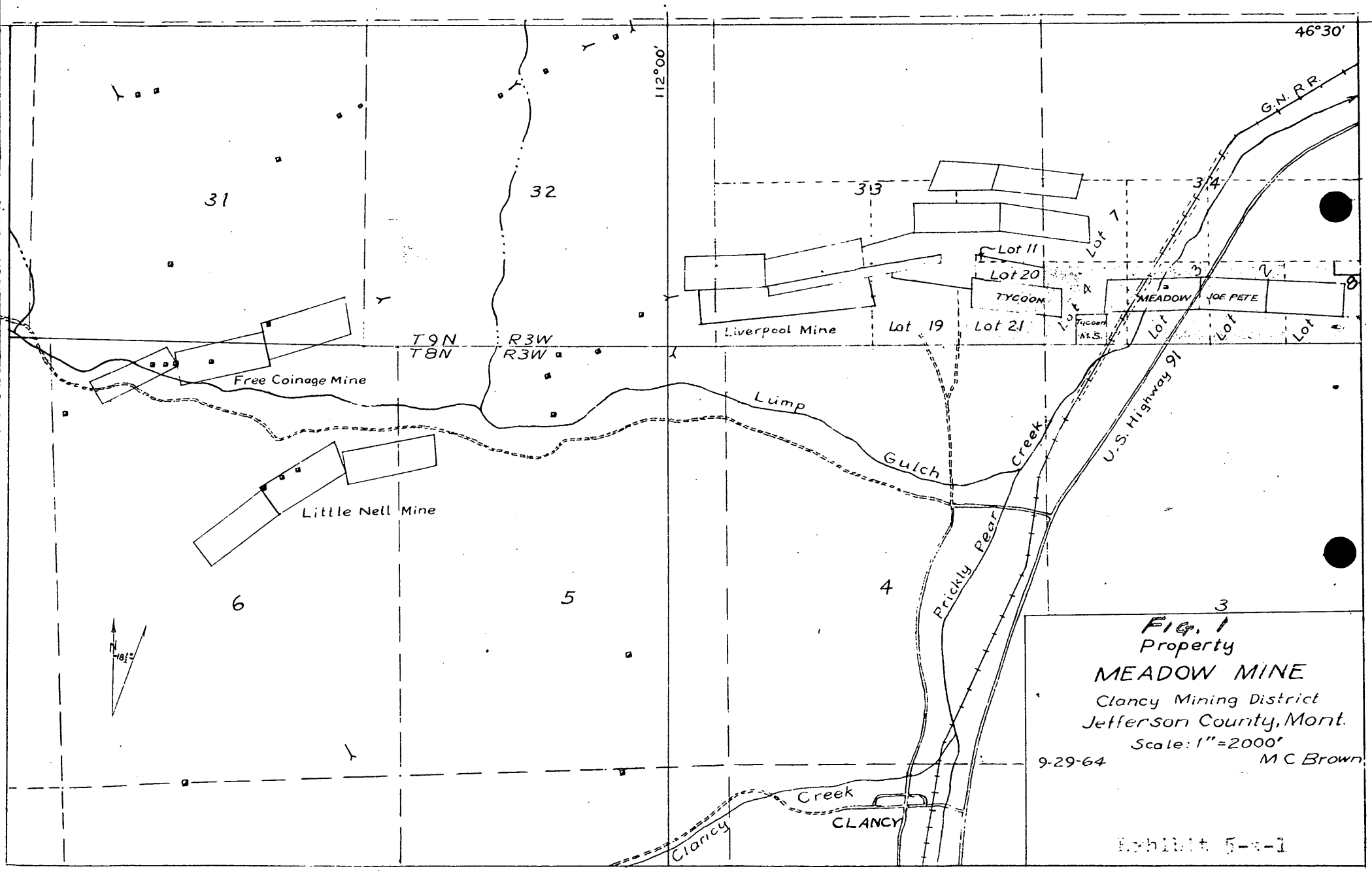


Fig. 1
Property
MEADOW MINE
Clancy Mining District
Jefferson County, Mont.
Scale: 1" = 2000'
9-29-64
M C Brown

Exhibit 5-a-1

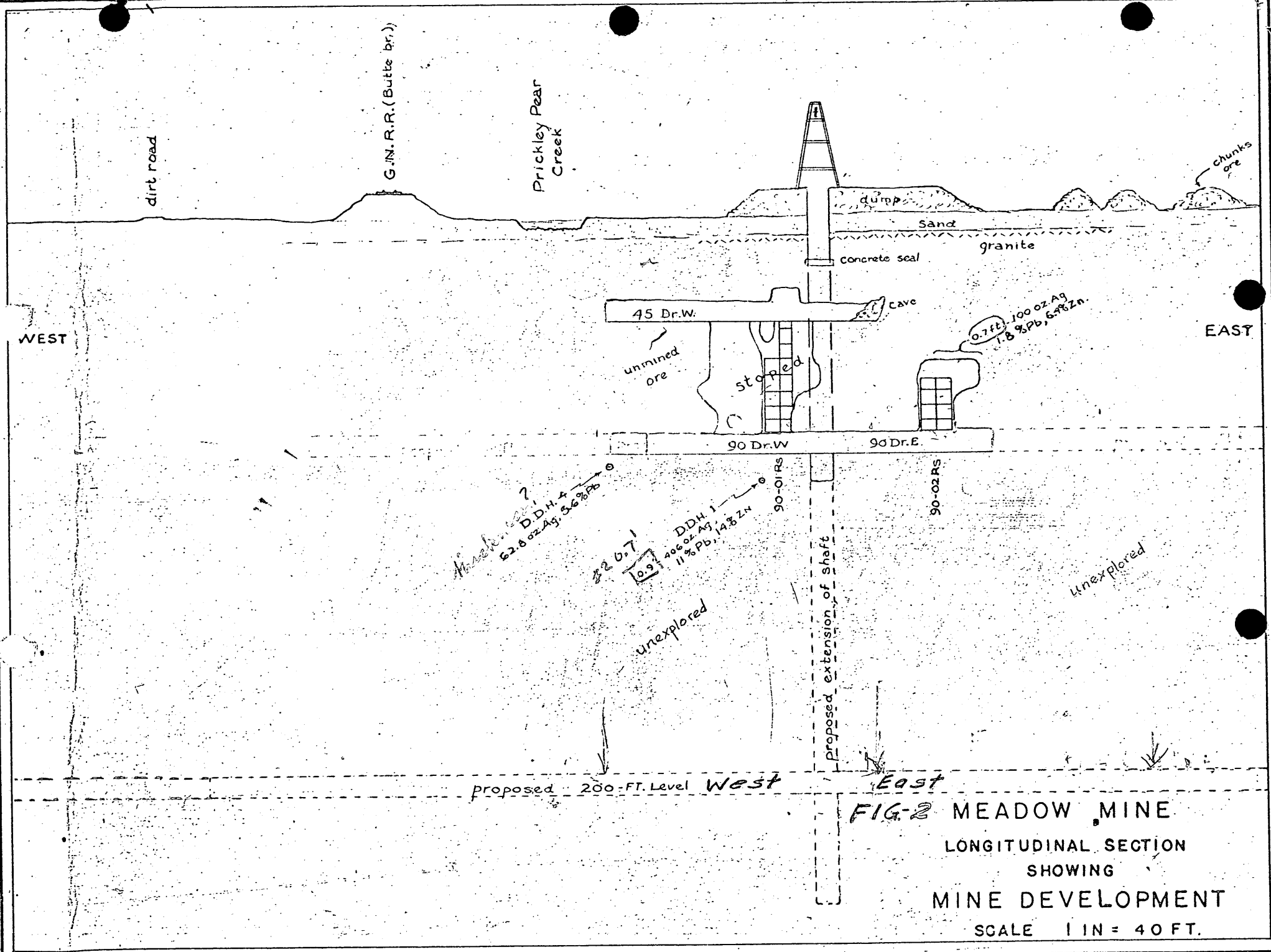


FIG-2 MEADOW MINE

LONGITUDINAL SECTION SHOWING

MINE DEVELOPMENT

SCALE 1 IN = 40 FT.

One 12

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

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

Memorandum

To: Chief, Division of Exploration Operations

From: Acting Field Officer, Region I

Subject: OME application evaluation
Mascot Mines, Inc. (Silver)
Meadow Mine
Jefferson County, Montana

The enclosed copy of an application was received in the Spokane office October 2, 1964. Before it could be forwarded, Malcolm C. Brown, director of the company and consulting engineer, telephoned to say that he had discovered errors in the description of the property. It was agreed that we should hold the application pending receipt of the corrected description.

Oct 23, Last Friday morning I telephoned Brown to remind him that we were still holding the application. The problem was more involved than he previously thought. The Lot Numbers in the text and in the Norgaard's original lease with Albert Haab, Owner, are incorrect. Corrected leases, Lien and Subordination Agreements, and maps are being prepared and are nearly ready.

Brown asked that I forward the application now so that it can be docketed and ready for preliminary processing when the title documents are received.

A prior application for aid to explore on this property under DMA-1299X and DMA-1319X (which was inadvertently assigned two docket numbers) was denied as it was not a promising lead-zinc project.

There is no question of this property qualifying for a silver project as the weighted average grade of 130.317 tons of ore sold, determined from the 21 settlement sheets, is 141.46 ounces silver per ton, 2.95 percent lead, and 7.71 percent zinc. These averages and the total tons vary slightly from those shown on Nugent's Plate VI; his June 1950 weights are wet pounds. The geologic setting and the history of development and prior mining operations are well described in the application and its accompanying report by Alfred J. Nugent, one of the partners who last operated the mine, and presently exploration

FIELD REPORT

geologist for The Bunker Hill Company. It is doubtful that an on-site examination will contribute any additional information as the workings have been flooded since the end of Nugent's operation and are inaccessible; moreover, the surface is covered by several tens of feet of glacial valley fill completely masking any bedrock or vein showings.

Except for equipment "rental" which is based on a 30-month depreciation of the fair market value, the applicant's cost estimates are not out of line. You will note that his unit costs for sinking, drifting, and raising include timber. Applying the corrections for an amortization based on 60 months, the applicant's final unit cost estimate should be:

SHAFT SINKING

130 ft at 30 ft/mo, time required 4.3, say 5 months.

1. 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	Sinker drill	275.00	4.58		
1	Sump pump	200.00	3.33		
1	1-Ton cat	125.00	2.08		
1	Sinking bucket	100.00	1.67		
1	5 HP electric fan	200.00	3.33		
	Total mo. depreciation		$98.33		
	Total depreciation for 5 mos.			$491.65	
	At 130 ft				$3.78/ft.

	Cost/ft
Labor and supervision	$ 90.25
Materials and supplies	23.68
Equipment	3.78
Miscellaneous	17.88
	$135.59 per ft including timber
LESS ½ Elec cables, air-w. pipe, vent pipe —	1.55
	$134.04

DRIFTING

700 ft at 80 ft/mo., time required 8.75, say 9 mos.

1. 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
2	G-D jackleg drills	600.00	10.00
1	Thor sump pump	200.00	3.33
1	Pomona turbine pump	1,200.00	20.00
1	15 HP electric fan	450.00	7.50
2	1-Ton cars	250.00	4.16
1	Slusher hoist	1,200.00	20.00
1	Bucket	100.00	1.67
	Total mo. depreciation		$150.00
	Total depreciation for 9 mos.		$1,350.00
	At 700 ft		$1.93/ft.

	Cost/ft
Labor and supervision	$26.88
Materials and supplies	9.70
Equipment rental	1.93
Miscellaneous	7.13
	$45.64 per ft including timber
Less – 50% track, a.w. pipe, vent pipe	– 1.42
	$44.22

RAISING

100 ft. at 100 ft/mo., time required, 1 mo.

1. 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	G-D jackleg drill	300.00	5.00
1	15 HP fan	450.00	7.50
2	1-Ton cars	250.00	4.16
1	Pomona turbine pump	1,200.00	20.00
1	Bucket	100.00	1.67
	Total mo. depreciation At 100 ft		$121.67

$1.22/ft.

	Cost/ft
Labor and supervision	$22.55
Materials and supplies	13.75
Equipment rental	1.22
Miscellaneous	6.10
	$43.62 per ft including timber

It is concluded that the chance of making a significant discovery of silver ore on this property is good and it is recommended that, as soon as the question of property description and rights is settled, the application be approved. It is also concluded that with the exceptions noted above, the applicant's cost estimates are reasonable and acceptable.

D. R. MacLaren

Enclosure
CME(2) Docket
USGS(SRO) MacLaren

November 2, 1964

Mascot Mines, Inc
Box 660
Kellogg, Idaho

Subject: OME-6379

Gentlemen:

Your application for exploration assistance, dated October 2, 1964 submitted to our office at Spokane, Washington has been assigned Docket Number OME - 6379.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to Region I

(The Chronicle) 10-9-64 (?)

Work Resumption Slated by Mascot

Mascot Mines, Inc., of Kellogg, inactive for five years, notified stockholders today it again is entering the field of exploration and mining to capitalize on the surging demand for silver.

Directors have entered into an agreement with Inar and Henning Norgaard of Kellogg to explore the Meadow silver mine 10 miles south of Helena, Mont., Ben Smick, Spokane, company president, said in a letter to shareholders.

The Norgaards hold the property under lease and option to purchase, he said.

Earlier Work Told

During 1949-50, he wrote, a shallow shaft was sunk and several small but high grade shipments of crude ore were made to the East Helena smelter. The ore averaged 135.3 ounces of silver, 1.57 per cent lead and 7.68 per cent zinc to the ton, he said.

Mascot has applied for a loan from the federal Office of Minerals Exploration which now is advancing up to 75 per cent of the cost of silver exploration, he said.

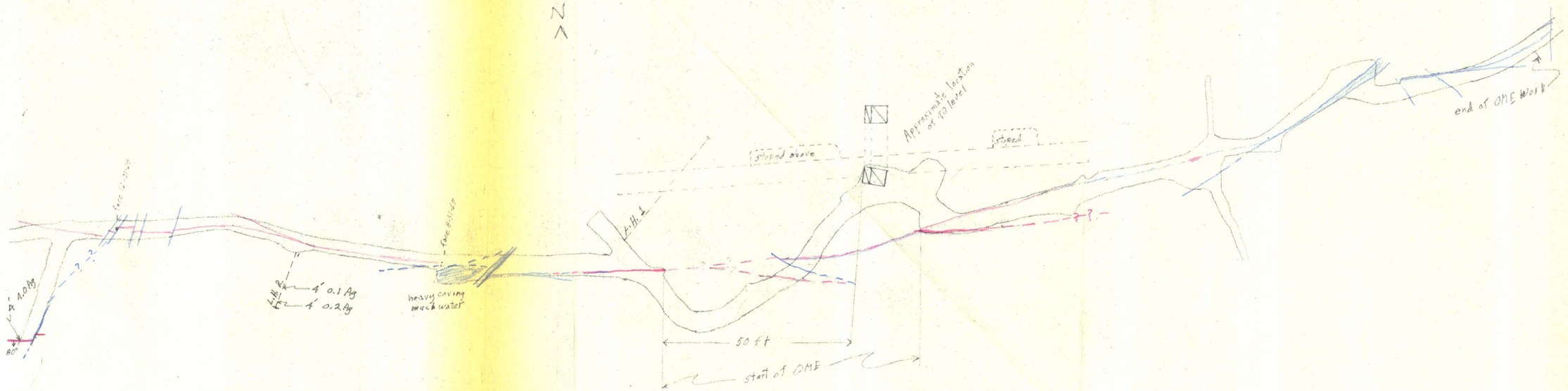
Mascot's share of the expense will be met by loans from major stockholders, in consideration for which they will be given options to purchase Mascot stock at its par value, Smick said.

Meeting Scheduled

A special annual meeting of stockholders will be held in Kellogg Nov. 18 to vote on changing the company's name to Mascot Silver-Lead Mines, Inc., and to change authorized capitalization from $612,500, divided into 3.5 million shares of the par value of 17½ cents a share, to $400,000, divided into 4 million shares of the par value of 10 cents per share.

Mascot's last mining venture was in uranium. The Little Pittsburg zinc-lead mine in the Pine Creek District near Kellogg, which it previously operated, was shut down in 1953 because of low base metal prices.

OME 6379



Note: Compiled from operator's Progress Report Maps.
90-foot level workings approximately located from long section with application

Sketch of 200-foot Level
showing geology
Meadow Mine
Mascot Silver-Lead Mines Inc.
Jefferson County Montana

20 10 0 20 Feet

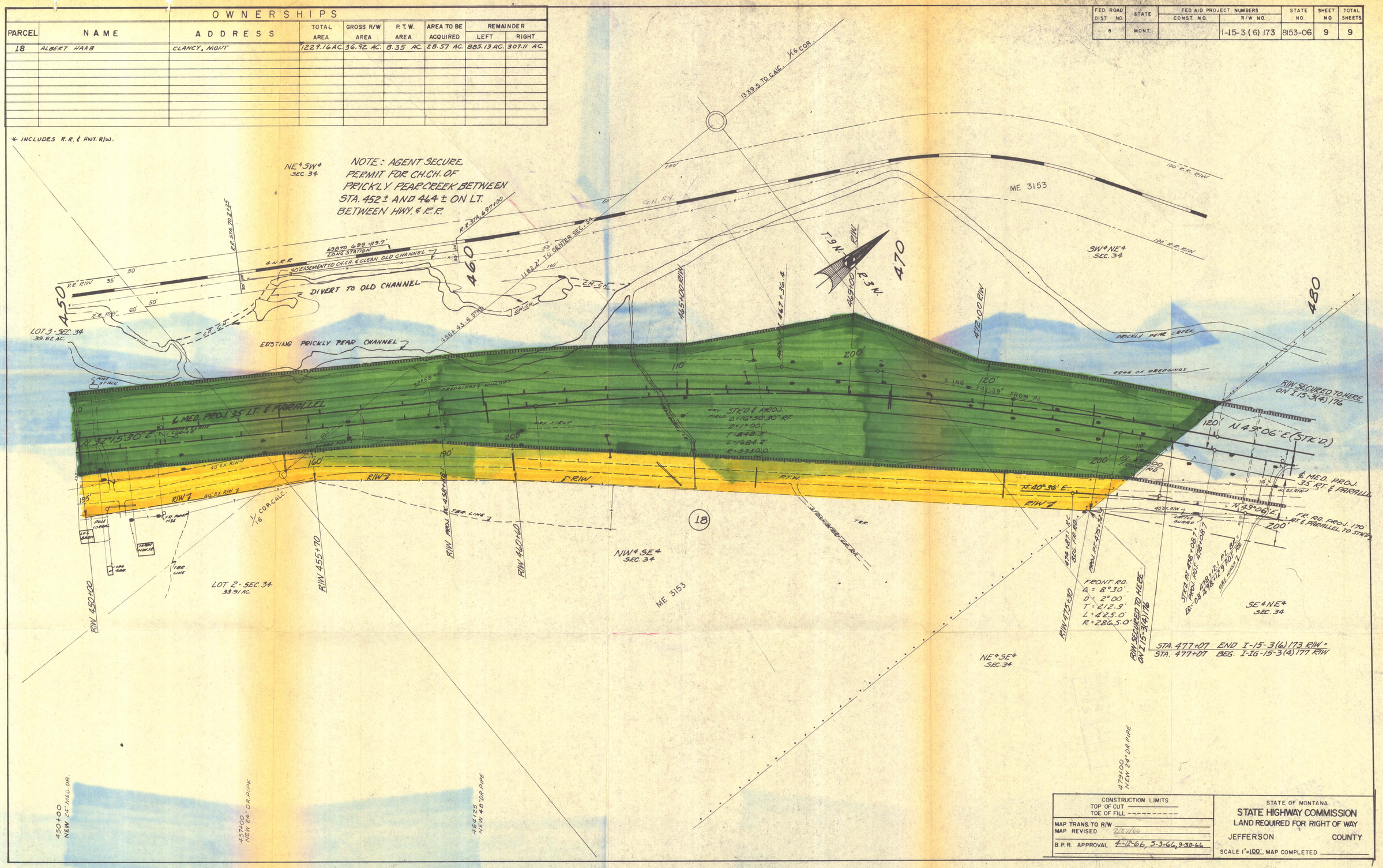
Plate 1

FED. ROAD DIST. NO.	STATE	FED. AID PROJECT NUMBERS CONST. NO.	R/W NO.	STATE NO.	SHEET NO.	TOTAL SHEETS
8	MONT.		I-15-3(6)173	9153-06	9	9

OWNERSHIPS

PARCEL	NAME	ADDRESS	TOTAL AREA	GROSS R/W AREA	P.T.W. AREA	AREA TO BE ACQUIRED	REMAINDER LEFT	REMAINDER RIGHT
18	ALBERT HAAB	CLANCY, MONT	*1229.16 AC.	36.92 AC.	8.35 AC.	28.57 AC.	883.13 AC.	307.11 AC.

* INCLUDES R.R. & HWY. R/W.



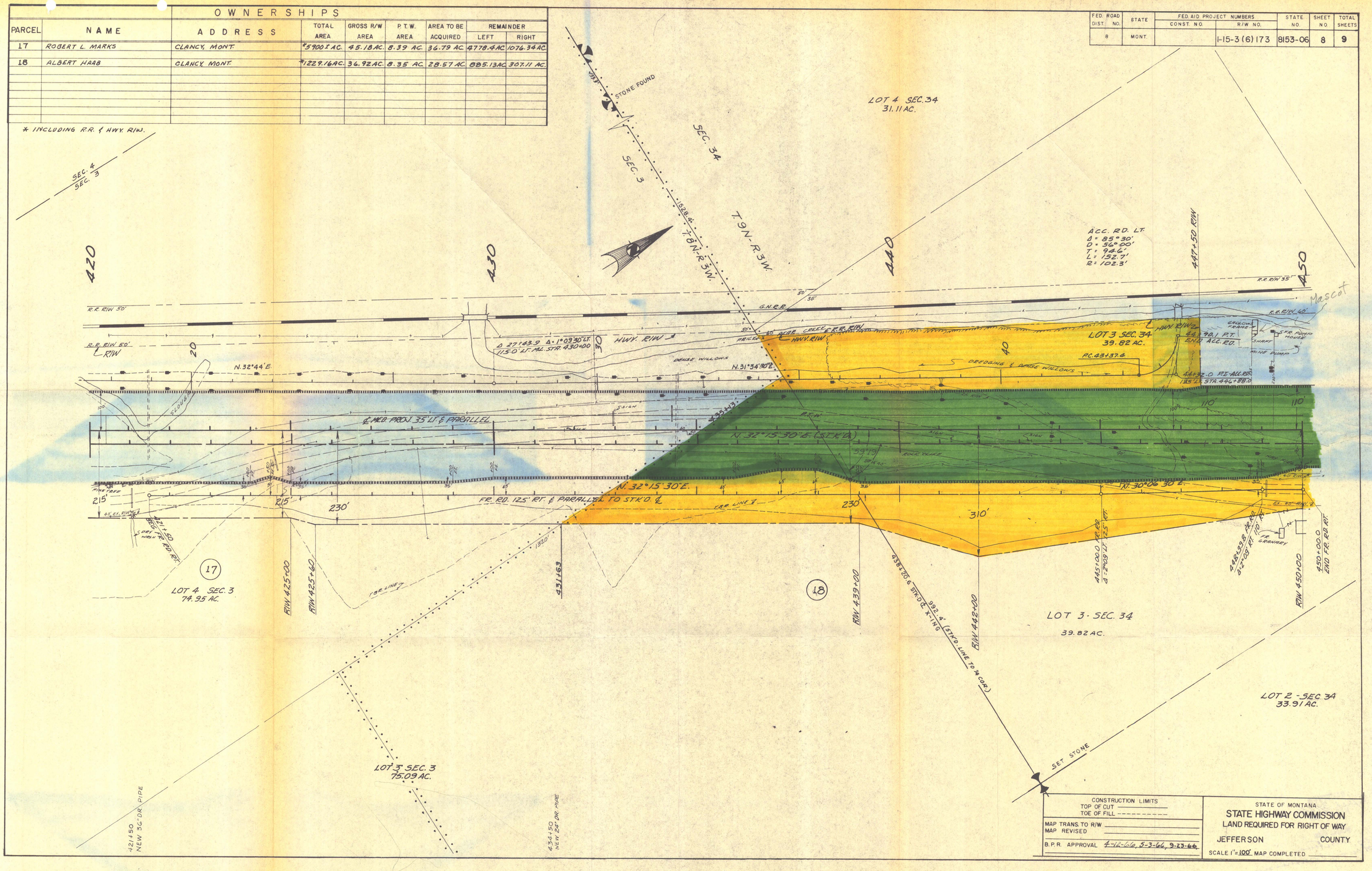
CONSTRUCTION LIMITS	STATE OF MONTANA
TOP OF CUT TOE OF FILL	STATE HIGHWAY COMMISSION LAND REQUIRED FOR RIGHT OF WAY
MAP TRANS. TO R/W MAP REVISED 2/2/66	JEFFERSON COUNTY
B.P.R. APPROVAL 4-12-66, 5-3-66, 9-30-66	SCALE 1"=100' MAP COMPLETED

FED. ROAD DIST. NO.	STATE	FED. AID PROJECT NUMBERS CONST. NO.	R/W NO.	STATE NO.	SHEET NO.	TOTAL SHEETS
8	MONT.		I-15-3(6)173	8153-06	8	9

OWNERSHIPS

PARCEL	NAME	ADDRESS	TOTAL AREA	GROSS R/W AREA	P.T.W. AREA	AREA TO BE ACQUIRED	REMAINDER LEFT	REMAINDER RIGHT
17	ROBERT L. MARKS	CLANCY, MONT.	*5900.1 AC.	45.18 AC.	8.39 AC.	36.79 AC.	4778.4 AC.	1076.34 AC.
18	ALBERT HAAB	CLANCY, MONT.	*1229.16 AC.	36.92 AC.	8.35 AC.	28.57 AC.	885.13 AC.	307.11 AC.

* INCLUDING R.R. & HWY. RIW.



CONSTRUCTION LIMITS
TOP OF CUT
TOE OF FILL

MAP TRANS. TO R/W
MAP REVISED

B.P.R. APPROVAL 4-12-66, 5-3-66, 9-23-66

STATE OF MONTANA
STATE HIGHWAY COMMISSION
LAND REQUIRED FOR RIGHT OF WAY
JEFFERSON COUNTY

SCALE 1" = 100' MAP COMPLETED