MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6672

Application
- [x] Denied
- [x] Withdrawn

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

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

Folder No. 1:

Left Side

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

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)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam. Report (Tab)
- [ ] 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. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

MME FORM 6 REFERENCE SLIP

REV. 2-5 OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, OME		
1.	11/24/67	
Re: Transmittal of Application for Assistance (Silver & Gold)		
2.		
Champion Silver Mining Company		
3.		
Champion Mine		
Deer Lodge County, Montana		
4.		
M. L. Smelser		
M. L. Smelser for		
5.		
D. R. MacLaren		
FROM: 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:

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

INITIALS	CODE

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

M56300-62

GENERAL OFFICE — BUTTE
PHONE 792-8311
AREA CODE 406

CHAMPION SILVER MINING COMPANY

GENERAL OFFICE
SUITE 211, MINERS BANK BUILDING
BUTTE, MONTANA 59701

MINE OFFICE — CHAMPION MINE
PHONE — DEER LODGE 846-1766
AREA CODE 406

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

November 20th, 1967

Office of Minerals Exploration
U. S. Geological Survey
South 157 Howard Street,
Spokane, Washington -99204

Dear Sirs:

In submitting the enclosed application for Government financial assistance to cover two core drilling projects at the Champion Mine, we would like to point out that two well known drilling contractors have sent their representatives to the Champion mine in preparation to giving us a bonafide bid on the core drilling program. Bids are now due from Boyle Brothers Drilling Company and Longyear Drilling Company, both of Spokane, Washington, and their bids will be sent to you promptly upon their receipt in this office. Meanwhile we have used a figure of $10.00 per foot as an estimate of this cost.

Thanking you we are,

Sincerely

Miles Blunt

MB

Miles Blunt, President

RECEIVED
NOV 24 1967
O. M. E.
SPOKANE, WASH.

MME Form 40
Jan. 65

RECEIVED
NOV 24 1967
O. M. E.
SPOKANE, WASH.

Budget Bureau No. 42-R1506
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

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.)*

Champion Silver Mining Company
211 Miners Bank Building
Butte, Montana - 59701

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6642

DATE RECEIVED 11/27/67

REGION I

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED Montana

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Miles Blunt	Finlen Hotel-Butte, Mont.	President
Jack Heimann	1653 Pinehurst Ave. ~~XXXXXXXXXX~~ St.Paul, Inn.	V.Pres.
Joel Salzburg	160-5th Ave., New York City	"
Arthur F. Wheeler	319 E.4th St., L.Angeles	Director
Earl M. Genzberger	211 Miners Bank Bldg. Butte, Mont.	Sec'y-Treas.

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Silver & Gold

ESTIMATED COST OF PROJECT
$ $70,263.90

PROPERTY NAME	LOCATION COUNTY	STATE
Champion Mine	Deer Lodge	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., with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME Field Office.

CERTIFICATION

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

November 20th, 1967
DATED

Miles Blunt
BY *(Signature)*

President
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

INT[illegible]P. SEC., WASH., D.C

EXPLORATION PROJECT

USDI MME Form 40 Application

1. FINANCIAL ELIGIBILITY:

(a) See two (2) attached letters from financial sources. Exhibit No. 1.

(b) None.

(c) Corporation funds.

2. APPLICANT'S RIGHTS IN LAND:

(a) Lessee. See attached copy of lease, Exhibit No. 2. No other encumbrances, mortgages, liens etc., on the land.

(b) Four (4) patented claims, Survey No's: 2558 (Champion Lode), 2559 (May Lode), 2560 (Lillie Lode) and 2561 (Augusta Lode) all under ownership of the lessor, Anaconda Mining Co.

Eight (8) claim locations under ownership of lessee: Midway, Lucky Strike, Laurene, Madge, Morning Glory, Silver Thread and Morning Star, all in Sec 33, T.6N.,R.8W; and Arizona in Sec 34, T.6N.,R8W.

Metes and bounds of the twelve (12) claims are shown on the claim property map attached as Exhibit No. 3.

Midway Claim	Filed at	Anaconda,	Deer Lodge	County	Bk	24	Pg 350
Lucky Strike Claim	"	"	"	"		24	352
Laurena Claim	"	"	"	"		24	355
Madge Claim	"	"	"	"		24	358
Morning Glory Claim	"	"	"	"		24	359
Silver Thread Claim	"	"	"	"		24	353
Morning Star Claim	"	"	"	"		24	362
Arizona Claim	"	Boulder,	Jefferson	County		51	129

The property was formerly under the ownership of the Butte-Jardine Mining Co., 1918-25.

Exclude all claims from Government royalty and liens, other than the Lillie, May and Champion Claims where the project exploration will be conducted.

(c) None

3. PHYSICAL DESCRIPTION:

(a) Under the Butte-Jardine Co. operation, 1918-25, the property was developed to a depth of 800 feet below the collar of the original vertical shaft and thence laterally some 2000 feet. The company operated a flotation mill from 1923-25.

Beginning May 1963 the applicant explored below the 900 level depth by means of two (2) core drill holes from the surface. Thence an underground shaft was sunk from the 600 level to the 900 level; access was

3. (a) cont'd.

via the 600 level which has a surface portal. From the 900 level of the underground shaft, lateral exploration and development has been extended easterly 950 feet. Production from this latest development has been sold to the Anaconda Mining Co. smelter at Anaconda, Montana. See attached mine maps, Exhibit No. 4.

(b) See above.

(c) Complete production records are not available. See attached settlement sheets, Exhibit No. 5. There is no current production; all present operational activities are devoted to development of the lowest levels.

(d) The present ore reserve tonnage has not been determined; it could only be classified as indicated reserves between the 800 and 900 levels. The sample-assay maps are attached, Exhibit No. 6.

(e) The deposit, Champion Vein structure, is a vein enclosed by granitic walls. The width varies to a maximum of thirty (30) feet. The rock is part of the Montana Boulder Batholith. The ore values are predominantly gold and silver. Mineralization is mainly native and ruby silver with minor amounts of probably pyritic gold. Copper mineralization is also present, but to date, insignificant.

(f) History of mine development. The existing mineralization on the 900 level and below, from surface core drill hole data. Present sampling on the 900 level isby channel, chip, grab and car. Assay certificates are attached, Exhibit No. 7.

(g) Exhibit No. 8. These reports need not be returned.

4. ACCESSIBILITY OF PROPERTY:

(a) Contact Mr. Miles Blunt, President Champion Silver Mining Co., Finlen Hotel, Butte, Montana 59701.

(b) Shipping point is the mine, at the head of Oro Fino Creek, sixteen (16) miles east of Deer Lodge, Powell County and twenty (20) miles northwest of Anaconda, Deer Lodge County. Main supply points are Butte, Anaconda and Deer Lodge. Adequate hardtop and twelve (12) miles of dirt road permit all year accessibility by convential vehicles.

5. EXPLORATION WORK:

(a) The proposed exploration work is to consist of driving two (2) crosscut entries, A and B, each 7x7 in crosssection to establish underground two (2) core drill stations; A crosscut about 150 feet long and B about 200 feet in length. From each core drill station about 2600 feet of drilling, about nine (9) holes maximum. The objective is to intersect the hanging wall of the Champion vein structure and penetrate through the foot wall; intersection of the structure preferably by BX bit size, AX minimum. The crosscuts will be serviced by track, air and water lines and auxiliary ventilation. The drill stations will be dimensioned to suit independent contractors requirements and specifications, probably 15ftx15ftx15ft, overall.

5. cont'd.

(b) None

(c) To begin within thirty (30) days after final negotiation of the contract. To be completed within one hundred fifty (150) days each, A and B.

Driving crosscuts; single shift, each, A and B, about fifty (50) shifts. Moving in drill equipment and stting up about seven (7) days for A; for B about two (2) days. Core drilling two (2) shifts each twenty-four (24) hour day, and averaging twenty-five (25) feet of progress each shift.

6. EXPERIENCE:

An active operating mining company with full experienced personnel. Supervision under graduate mining engineer management and subordinate mine supervision.

7. ESTIMATE OF COSTS:

(a) Independent core drilling contract. See attached bids for their detailed costs. Exhibit No. 10. Overall cost for each (A) and (B) $10.00/ft. Total cost $2600.00.

(b) Supervision 1/4 time @ $30.00/shift.....

(A) 50 shifts..... $375.00
(B) 50 shifts..... $375.00

Hoisting-Compressor operator full time @ $25.00/shift

(A) Core drilling-100 shifts..... $2500.00
(B) " " 100 " $2500.00

Miners (2) @ $25.00/shift each
(A) Crosscut-50 shifts..... $2500.00
(B) " 50 " $2500.00

Taxes, insurance, compensation etc. 18 %..... 437.50

Engineer-Geological Consultant, 5 days @ $100/day plus expenses..... 500.00

All above services available.

(c) Crosscutting only (A)
Rail (25#) - 2500# @ $13.35/cwt..... $333.75

Splice bars - 25 pairs @ $0.85/pr..... 21.25

Track bolts - 25# @ $34.15/cwt..... 8.55

Track spikes - 100# @ $20.10/cwt..... 20.10

Track ties - 50 @ $0.50 each..... 25.00

GENERAL OFFICE — BUTTE
PHONE 792-8311
AREA CODE 406

MINE OFFICE — CHAMPION MINE
PHONE — DEER LODGE 846-1766
AREA CODE 406

CHAMPION SILVER MINING COMPANY
GENERAL OFFICE
SUITE 211, MINERS BANK BUILDING
BUTTE, MONTANA 59701

LIST OF EXHIBITS ENCLOSED

Exhibit No.	1	Refusal of loans from two banks
" "	2	Copy of lease and option from Anaconda Company
" "	3	Map showing twelve claims
" "	4	Mine maps showing 800 and 900 levels together with Longitudinal Section map of the Champion Mine.
" "	5	Smelter settlement sheets
" "	6	Assay map of 900 foot level
" "	7	Assay certificates from Goodall Brothers-Helena
" "	8	Report of core drilling from surface by Dr. Fred Earll
" "	9	Production statement of predecessor Company (Butte-Jardine) for year ending July 31st, 1923
" "	10	Map of proposed Project "A"

Exhibit #1

Exhibit 1

MEMBER FDIC
BANK OF MONTANA N.A.
BUTTE, MONTANA 59701

November 10, 1967

Mr. Miles Blunt, President
Champion Silver Mining Company
211 Miners Bank Building
Butte, Montana 59701

Dear Mr. Blunt:

We thank you for your letter of November 4, 1967, and the accompanying information which requested a $40,000.00 loan from our bank in order that your Company could carry out an exploration program. This request has been reviewed in detail by our loan committee and it has been determined that a loan of this nature and for the purpose outlined would not be an acceptable bank loan.

We are sorry to have to decline your request but there seems no alternative. We hope this loan can be secured from other sources and if there is anything we can do to assist we would appreciate you calling upon us.

Best regards.

Sincerely yours,

Harold Pitts:ds

President

1907 OUR 60th ANNIVERSARY 1967

GENERAL OFFICE — BUTTE
PHONE 792-8311
AREA CODE 406

Ex hibit #1

MINE OFFICE — CHAMPION MINE
PHONE — DEER LODGE 846-1766
AREA CODE 406

CHAMPION SILVER MINING COMPANY

GENERAL OFFICE
SUITE 211, MINERS BANK BUILDING
BUTTE, MONTANA 59701

November 4th, 1967.

Mr. Harold Pitts, President
Miners Bank & Trust Company
Butte, Montana - 59701

Dear Mr. Pitts:

We are trying desperately to secure a loan in the amount of $40,000.00 to conduct three exploration projects at the Champion Mine to prove or dis-prove the presence of minable ore as deep as the 1200 and 1500 foot levels.

The enclosed estimates of cost of our proposed projects will give you an idea of what we plan to do with the $40,000.00.

Will your bank make this loan to us for the accomplishment of the exploration program outlined? A prompt reply will be greatly appreciated.

Thanking you for past favors, I am,

Sincerely yours

Miles Blunt

MB

Miles Blunt, President.

Exhibit No. 1

THE FIRST NATIONAL BANK

OF BUTTE

UNITED STATES DEPOSITARY

ESTABLISHED 1877

BUTTE, MONTANA

59701

November 14, 1967

Mr. Miles Blunt, President
Champion Silver Mining Company
c/o Finlen Hotel
Suite 905
Butte, Montana 59701

Dear Mr. Blunt:

We have your letter of even date requesting a loan to your company in the amount of $40,000.00 to conduct exploration projects at the Champion Mine near Deer Lodge, Montana. Your request has been considered and we are unable to make the loan for the reason your exploration program does not constitute an acceptable bank loan.

Thank you for bringing this application to us for consideration and we regret our inability to grant the loan.

Yours very truly,

S. F. Martin

S. F. Martin
Vice President

SFM:h

GENERAL OFFICE — BUTTE
PHONE 792-8311
AREA CODE 406

CHAMPION SILVER MINING COMPANY

GENERAL OFFICE
SUITE 211, MINERS BANK BUILDING
BUTTE, MONTANA 59701

MINE OFFICE — CHAMPION MINE
PHONE — DEER LODGE 846-1766
AREA CODE 406

November 14th,. 1967

Mr. E lmer Hester
C/o First National Bank
Butte, Montana.

Dear Mr. Hester:

We are trying deeperately to secure a loan in the amount of $40,000.00 to conduct certain exploration projects at the Champion Mine to prove or disprove the presence of minable ore as deep as the 1200 and 1500 foot levels.

The enclosed estimates of cost of our proposed projects will give you an idea of what we plan to do with the $40,000.00.

Will your bank make this loan to us for the accomplishment of the exploration program outlined? A prompt reply will be greatly appreciated.

With best wishes, I am,

Sincerely yours

Miles Blunt, President.

Exhibit No. 2

MILES BLUNT

LESSEE

STATE OF MONTANA,
County of Silver Bow. ss.

On this 5th day of ~~January~~ February, in the year 1963, before me, the undersigned, a Notary Public within and for said County and State, personally appeared E. I. RENOUARD, known to me to be a Vice President of THE ANACONDA COMPANY, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

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

(N.S.)

ELLA L. PETERSON
Notary Public for the State of Montana,
Residing at Butte, Montana.
My Commission expires May 26, 1965.

STATE OF Illinois,
County of Cook. ss.

On this 21st day of January, in the year 1963, before me, the undersigned, a Notary Public within and for said County and State, personally appeared MILES BLUNT, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

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

Gerald L. Lovell

Notary Public for the State of ILL
Residing at 4917 N St Louis Ave
My Commission expires 12/29/63

QUARTZ MINING LEASE

THIS AGREEMENT, Made and entered into this 2nd day of February, 1963, by and between THE ANACONDA COMPANY, a Montana corporation (hereinafter called "Lessor"), party of the first part, and MILES BLUNT, whose post-office address and residence is 831 South Crescent Avenue, Park Ridge, Illinois (hereinafter called "Lessee"), party of the second part, WITNESSETH:

IT IS MUTUALLY AGREED by and between the parties hereto as follows:

1. RIGHTS GRANTED TO LESSEE: The Lessor, for and in consideration of the rent and royalty to be paid, and the covenants and agreements to be observed, kept and performed by the Lessee for the term hereinafter stated, and upon the terms and conditions hereinafter set forth, does hereby lease, demise and let unto the Lessee the following described property situated in the County of Deer Lodge, State of Montana, and hereinafter referred to as the "demised premises":

Those four patented mining claims known and described as follows:

Champion Quartz Lode Mining Claim, Survey No. 2558

May Quartz Lode Mining Claim, Survey No. 2559

Lillie Quartz Lode Mining Claim, Survey No. 2560

Augusta Quartz Lode Mining Claim, Survey No. 2561

2. EFFECTIVE DATE - TERM: This agreement shall take effect on the day and year first above written and shall continue in full force and effect for a period of ten (10) years immediately following said date, unless sooner terminated as hereinafter provided.

The Lessee is hereby granted the right and privilege to

enter at once upon the demised premises and to prospect and test the same for minerals, ores and metals by means of shafts, tunnels, cuts, drill holes or by any other suitable means during the life of this agreement.

The Lessee shall, prior to December 31, 1963, expend a minimum of fifty thousand dollars ($50,000.00) in drilling or other exploration or development work upon any of the demised premises, and thereafter, commencing on the first day of June, 1964, shall expend a minimum of Sixty thousand dollars ($60,000.00) per year in the development or operation of the demised premises.

3. ROYALTY: The Lessee shall pay to the Lessor a royalty based upon the net mill or smelter returns of the ores mined hereunder according to the following schedule:

On ores having a value of $15.00 or less per ton, 10% royalty.

On ores having a value of over $15.00 and not more than $24.99 per ton, 15% royalty.

On ores having a value of $25.00 and not more than $34.99 per ton, 20% royalty.

On ores having a value of $35.00 and not more than $49.99 per ton, 25% royalty.

On ores having a value of $50.00 or over per ton, 30% royalty.

By "net mill or smelter returns" is meant the amount received for such ores after deducting therefrom the cost of milling, smelting and freight or haulage charges from the mine to the mill or smelter.

Payment of royalty shall be made directly to the Lessor at its General Office, 304 North Main Street, Butte, Montana or at any other place designated by Lessor, by the mill or smelter treating or purchasing said ores.

All payments of royalty made hereunder shall apply on

the purchase price of the demised premises if the option to purchase said premises, hereinafter set forth, be exercised by the Lessee.

In the event Lessee shall construct a mill to treat the ores extracted from the demised premises, he shall impound the tailings from said mill in such a manner that they will be available to Lessor for future recovery.

4. LESSEE TO PAY TAXES AND ASSESSMENTS: The Lessee, in addition to paying the royalty herein stipulated, shall pay before the same become delinquent all taxes and all assessments which during the term hereof may be lawfully levied or assessed upon all structures and improvements, equipment and other property erected, constructed, installed or used by the Lessee in connection with the exercise of the rights herein granted, and shall also pay when due all proceeds, occupation, license and output taxes lawfully levied upon all ores or minerals extracted from the demised premises hereunder. The Lessee, upon the payment of such taxes and assessments, shall promptly furnish the Lessor with satisfactory evidence of such payment.

5. DEMISED PREMISES TO BE WORKED SEPARATELY: The demised premises shall be worked separately from all other lands, and all ore mined and removed therefrom shall be kept segregated from all other ore mined by the Lessee until the weight and value thereof shall be fully determined.

6. INSPECTION OF MINES: The Lessor, through its authorized representatives, shall at all times during the term of this lease have the right to enter upon and inspect the mine or mines and all the workings thereof on the demised premises and to make any survey that it may deem necessary, either for the purpose of checking the amount of ores mined or for an

examination of the physical condition of the property and workings.

7. CONDUCT OF MINING OPERATIONS: The Lessee shall enter at once upon said mine or premises and work the same in a manner necessary to good and economical mining so as to take out the greatest possible amount of commercial ore free from waste, having due regard to the safety, development and preservation of said premises as a workable mine, and shall work said mine and premises as aforesaid continuously and steadily from the date hereinabove set forth for the commencement of active operations for the mining and extraction of ores and minerals, except during such times as said Lessee may be actually prevented from prosecuting said work by any cause or causes beyond Lessee's control.

In consideration of said lease, the Lessee does hereby covenant and agree with the Lessor that Lessee will well and sufficiently timber said mine at all points where proper and repair all old timbering whenever it may become necessary in order to preserve the mine in a workable condition.

That Lessee will occupy and hold all cross and parallel veins, leads, dips, spurs, feeders, crevices or mineral deposits of any kind which may be discovered in working under this lease, or in any development work connected with the working of said lease by said Lessee, or by any person or persons under said Lessee, in any manner and will not during the term of this lease locate or attempt to locate or record the same, or allow the same to be located or recorded except in the name of the Lessor.

That Lessee will keep all shafts, drifts, tunnels and workings in good condition of repair, and will keep the same drained and clear of loose rock and debris of all kinds.

That Lessee will adequately fence, cover or otherwise protect all shafts, cuts or other surface openings made or used by him under this lease.

The Lessee will, upon request by Lessor, furnish free to the Lessor a map showing the extent of all underground workings as of the date when furnished and indicating the boundaries of the demised premises.

8. BOOKS AND ACCOUNTS: The Lessee will keep books and accounts showing the amount of ores extracted from said mine, the amount of ores shipped, sold or treated, and the amount of money received from said ores, or the value extracted therefrom, and the Lessor shall have free and full access to said books, accounts and records of the lessee at all reasonable times.

9. DISPOSAL OF WASTE, REFUSE AND MINE WATER: The Lessee shall make such provision for the disposal of waste, refuse and mine water from the mine or mines on the demised premises that the same shall not be a nuisance nor injure the property of the Lessor, or of others, nor obstruct or contaminate any stream, or obstruct any right of way or other means of transportation or travel on the lands of the Lessor or others.

10. LABOR AND MATERIAL TO BE FURNISHED BY LESSEE: The Lessee shall, at Lessee's own cost and expense, furnish all labor, material and supplies necessary for the proper operation of the demised premises under this lease.

11. LIENS: The Lessee shall, when due, fully pay for all machinery, equipment and materials joined or affixed to the premises herein described, and shall, when due, pay in

full all persons who perform labor upon said premises, and shall not permit or suffer any liens of any kind or nature to be enforced against said premises for any work done or machinery, equipment or materials placed thereon at the instance or request or on behalf of the Lessee.

12. STATE AND FEDERAL ENACTMENTS: The Lessee, in the operation and development of said premises, shall observe and comply with all applicable Federal and State laws and safety regulations, and shall comply with the laws of the State of Montana in reference to Workmen's Compensation, and shall insure and keep insured during the term hereof all persons employed by Lessee under the provisions of said Workmen's Compensation Law.

13. ASSUMPTION OF RISK - INDEMNITY: (a) The Lessee assumes all risk of personal injury to the servants and employees of the Lessee and persons with whom Lessee may be transacting business while on the demised premises, and all risk of loss or damage to buildings or contents, and also to any other property brought upon, or in proximity to, said premises by the Lessee, or by others with the knowledge or consent of the Lessee.

(b) The Lessee agrees to, and does hereby, indemnify and hold harmless the Lessor against any and all damages, liability, liens, claims, demands, costs, causes of action, suits at law or in equity in any way growing out of this agreement, or because of the operation or the carrying on of the work contemplated hereunder.

14. LESSOR TO BE GIVEN NOTICE OF LITIGATION: The Lessee shall promptly notify the Lessor in writing of the institution of any litigation involving the rights granted by this agreement,

and in the event the Lessor is, in its judgment, in any way interested therein, it may, at its option, enter into the conduct and defense of such litigation to the extent it may deem advisable.

15. DEFAULT BY LESSEE: Time is of the essence of this agreement, and in case the Lessee shall fail to keep and perform all or any one of the covenants and agreements herein written and contained to be by him on his part performed in the manner, form or at the time as herein agreed, the Lessor shall thereupon notify Lessee, in writing, of such default and Lessee shall then have sixty (60) days in which to correct the same. In the event Lessee fails to correct such default, Lessor shall give Lessee notice of its intent to terminate this agreement and thirty (30) days thereafter this agreement shall thereupon terminate and be at an end, and all the rights of the Lessee shall cease and be wholly terminated and be at an end.

A waiver by the Lessor of a particular breach of any covenant or agreement shall not be deemed or held to be a waiver of or affect any other breach or impair its rights resulting therefrom.

16. FOREST FIRE SAFEGUARDS AND REGULATIONS: The Lessee shall observe and comply with all regulations of the United States and State Forestry Departments now in effect, or which may hereafter be put into effect, concerning operations within forest lands, and particularly all such regulations relating to fire hazards, and to the burning or disposal of any material in any National or State Forest.

It is understood and agreed that Lessee may use timber from the demised premises as necessary for his operations, and on the termination of this lease the Lessee will leave the premises in such condition as will not interfere with any subsequent logging operations that may be conducted on this

property.

17. OPTION TO PURCHASE: In consideration of the premises and of the payments to be made by the Lessee to the Lessor, as hereinafter set forth, the Lessor hereby grants and gives to the Lessee herein the exclusive right and option to purchase the premises above described at any time while this lease is in effect at and for the sum and price of two hundred fifty thousand dollars ($250,000.00).

If said option to purchase be exercised by the Lessee, as herein provided, all payments of royalty made by the Lessee to the Lessor before this option to purchase is exercised shall be credited as payments on the purchase price, and said purchase price shall be reduced by the amount of such royalty payments.

18. SURRENDER OF PROPERTY: Upon the termination of this agreement for any cause, the Lessee shall immediatley surrender unto the Lessor all of the premises herein demised without delay or hindrance, and the Lessor shall have the right, immediately upon the expiration or termination howsoever of this agreement, to enter upon the premises aforesaid and to take immediate possession thereof without declaration of forfeiture, act of re-entry or process of law.

19. REMOVAL OF EQUIPMENT: As long as the Lessee is not in default in any of the terms and conditions herein provided for to be kept and performed by the Lessee, he shall have the right to remove from the demised premises all machinery, tools, and other equipment placed thereon by him within a period of sixty (60) days from the termination hereof, and unless so removed within said period the same shall immediately become the property of the Lessor. Lessee shall not remove or impair any supports, mine props or mine timbers which may be necess-

sary for the protection of any openings necessary for the working of such mine or mines.

20. HOW NOTICES TO BE GIVEN: All notices given or required to be given under the terms of this agreement shall be in writing, sent by United States mail, postage prepaid, and shall be addressed as follows:

Notices to the Lessor shall be addressed to E. P. Shea, Chief Geologist, Montana Operations, The Anaconda Company, Hennessy Building, Butte, Montana, and notices to the Lessee shall be addressed to the Lessee at 631 South Crescent Avenue, Park Ridge, Illinois; provided, further, that, in lieu of mailing, such notices may be served upon either of such parties personally.

21. SUCCESSORS AND ASSIGNS: This agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns; provided, however, that the Lessee shall not transfer or assign this agreement or any interest therein or any right granted hereunder without the written consent of the Lessor.

22. IT IS UNDERSTOOD that by lease dated June 1, 1962, Lessor has leased the Augusta Quartz Lode Mining Claim and the Lillie Quartz Lode Mining Claim, both being part of the demised premises, to one Leo Powell, which lease will expire May 31, 1963, and that this Lease and Agreement is made subject to said lease and the rights and obligations of said Leo Powell therein.

IN WITNESS WHEREOF, the party of the first part has caused these presents to be executed by its officers thereunto duly authorized, and its corporate seal to be hereunto affixed, and the party of the second part has hereunto set his hand and seal, the day and year in this instrument first above written.

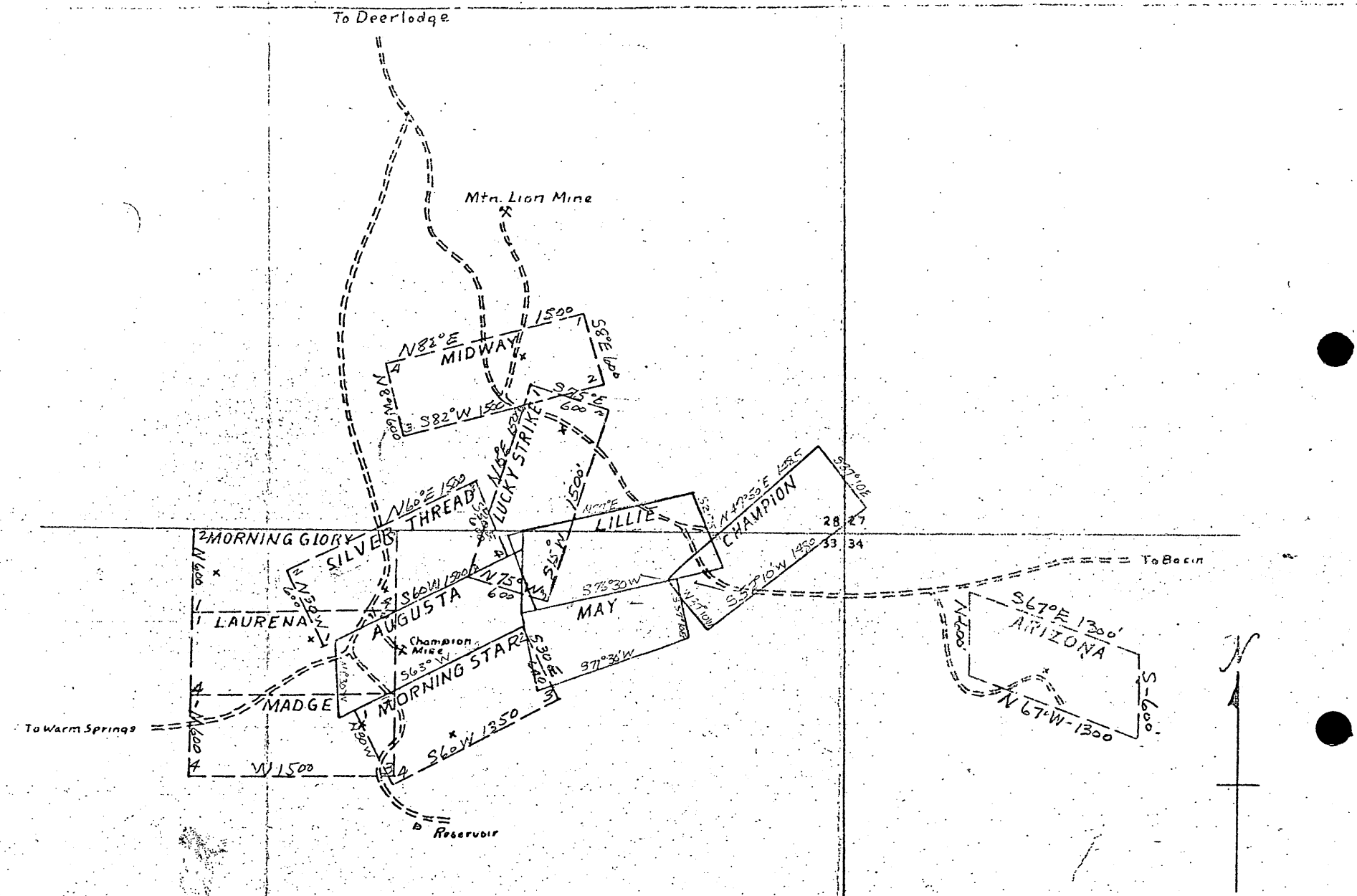
THE ANACONDA COMPANY,

(C.S.)
ATTEST:

By E. I. RENOUARD
Its Vice President

W. J. FOGARTY
Its Assistant Secretary

LESSOR



CLAIM MAP
CHAMPION SILVER
MINING COMPANY
IN
T.6N. R.8.W
SCALE 1 IN = 1000 FT.
F.N. EARLL

Exhibit No. 3

181-P-15645—5M—11-2-64

Exhibit #5

The Anaconda Company, Anaconda Sampler

FINAL SETTLEMENT

RECEIVED FROM Miles Blunt, President
Champion Silver Mining Company — ANACONDA, MONTANA, 59711

ADDRESS Suite 411 - Metals Bank Bldg., Butte, Montana — September 1, 1965

MINE Champion Mine Ore — SMELTER LOT B-216 (August a/c)

CAR NUMBER	WEIGHTS Pounds Gross	WEIGHTS Per Cent Water	WEIGHTS Pounds Dry	ASSAYS Per Cent Copper	ASSAYS Ounces Silver	ASSAYS Ounces Gold	TREATMENT CHARGE Dollars	PRICE PER TON Dollars	VALUE Dollars	Draft No.
	221,120	4.25	211.722	.04	13.05	.055		16.33	$ 1,728.71	

Total Value Preliminary	1,155.14	
Total Value Final Settlement	1,728.71	
Adjusted Amount due Miles Blunt, Shipper	573.57	
Plus Amount Withheld Preliminary Settlement	195.42	
Net Amount Due Miles Blunt, Shipper	768.99	768.99
Less: Royalty @ 15% of $ 1,728.71 due The Anaconda Company		259.31
		$ 509.68

SILICA	77.1
ALUMINA	8.4
IRON	4.6
CaO	.5

COPY

PAYMENT FOR METALS			
Copper	@	Less 3½c	
Silver less 1 oz	@128.900¢	Less 6c	14.81
Gold less .01 oz	@ $ 32.81825		1.48
Date of Quotations	8/13/65		

TREATMENT	
BASE $ 3.75 less deferred $ 2.75	1.00
Add—12c for each 1% Iron	.55
Add—10% of sum of metal payments in excess of $15.00	.13
Deduct—2.5c for each 1% Silica in excess of Alumina	1.72
NET TREATMENT - - - - - - - - - -	+ .01

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By J. J. Dougherty

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
2/14/65 900' Lv 5 Feet	0.08	38.6						

ASSAYED FOR

Champion Silver Mining Company

HAND SAMPLE

Helena, Montana, FEB 15 1965

GOODALL BROTHERS

ESTABLISHED 1909

ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

181-P-15645—5M—11-2-64

The Anaconda Company, Anaconda Sampler

FINAL SETTLEMENT

Miles Blunt, President

RECEIVED FROM Champion Silver Mining Company ANACONDA, MONTANA, 59711

ADDRESS Suite 411 - Metals Bank Bldg., Butte, Montana August 5, 1965

MINE Champion Mine SMELTER LOT B-140 (July a/c)

CAR NUMBER	WEIGHTS Pounds Gross	WEIGHTS Per Cent Water	WEIGHTS Pounds Dry	ASSAYS Per Cent Copper	ASSAYS Ounces Silver	ASSAYS Ounces Gold	TREATMENT CHARGE Dollars	PRICE PER TON Dollars	VALUE Dollars	Draft No.
	222,560	4.06	213,524	.07	17.65	.050	.30	21.48	$ 2,293.25	

Total Value Preliminary Settlement $ 3,272.98
Total Value Final Settlement 2,293.25
Adjusted Amount Due The Anaconda Company 979.73
Less Amount withheld Preliminary Settlement 619.17
Net Amount Due The Anaconda Company $ 350.56

Deducted From No. B196

SILICA	79.7
ALUMINA	7.1
IRON	3.7
CaO	.5

	Car No.	Net Weight
BAP	1417	103,320
	1595	119,240

COPY

PAYMENT FOR METALS				TREATMENT	
Copper	@	Less 3½c		BASE $ 3.75 less deferred $ 2.75	1.00
Silver less 1 oz	@ 128.900¢	Less 6c	20.46	Add—12c for each 1% Iron	.44
Gold less .01 oz	@ $ 32.81825		1.32	Add—10% of sum of metal payments in excess of $15.00	.68
				Deduct—2.5c for each 1% Silica in excess of Alumina	1.82
Date of Quotations	7/16/65			NET TREATMENT - - - - - - - - - -	.30

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By J. J. Dougherty

The Anaconda Company, Anaconda Sampler

FINAL SETTLEMENT

Miles Blunt, President

RECEIVED FROM Champion Silver Mining Company ANACONDA, MONTANA, 59711

ADDRESS Suite 411 - Metals Bank Bldg., Butte, Montana August 5, 1965

MINE Champion Mine Ore SMELTER LOT B-148 (July a/c)

CAR NUMBER	WEIGHTS Pounds Gross	WEIGHTS Per Cent Water	WEIGHTS Pounds Dry	ASSAYS Per Cent Copper	ASSAYS Ounces Silver	ASSAYS Ounces Gold	TREATMENT CHARGE Dollars	PRICE PER TON Dollars	VALUE Dollars	Draft No.
	194,920	3.81	187,494	.08	20.95	.070	0.82	25.61	$ 2,400.86	

Total Value Preliminary Settlement $ 3,097.27
Total Value Final Settlement 2,400.86
Adjusted Amount Due The Anaconda Company 696.41
Less Amount withheld Preliminary Settlement 587.85
Net Amount Due The Anaconda Company $ 108.56

SILICA	78.5
ALUMINA	7.5
IRON	3.8
CaO	.6

	Car No.	Net Weight
BAP	1725	96,320
	1765	98,600

COPY

PAYMENT FOR METALS				TREATMENT	
Copper	@	Less 3½c		BASE $ 3.75 less deferred $ 2.75	1.00
Silver 95%	@ 128.900¢	Less 6c	24.46	Add—12c for each 1% Iron	0.46
Gold less 1 oz.	@ $ 32.81825		1.97	Add—10% of sum of metal payments in excess of $15.00	1.14
				Deduct—2.5c for each 1% Silica in excess of Alumina	1.78
Date of Quotations	7/16/65			NET TREATMENT - - - - - - - - - -	0.82

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By J. J. Dougherty

181-P-15645—5M—11-2-64

The Anaconda Company, Anaconda Sampler

FINAL SETTLEMENT

RECEIVED FROM Miles Blunt, President
Champion Silver Mining Company — ANACONDA, MONTANA, 59711

ADDRESS Suite 411 - Metals Bank Bldg., Butte, Montana — August 6, 1965

MINE Champion Mine Ore — SMELTER LOT B-118 (July a/c)

CAR NUMBER	WEIGHTS Pounds Gross	WEIGHTS Per Cent Water	WEIGHTS Pounds Dry	ASSAYS Per Cent Copper	ASSAYS Ounces Silver	ASSAYS Ounces Gold	TREATMENT CHARGE Dollars	PRICE PER TON Dollars	VALUE Dollars	Draft No.
	195,420	3.85	187,896	.07	12.05	.040		14.93	$ 1,402.64	

Total Value Preliminary Settlement	$ 2,254.08
Total Value Final Settlement	1,402.64
Adjusted Amount Due The Anaconda Company	851.44
Less Amount withheld Preliminary Settlement	416.62
Net Amount Due The Anaconda Company	$ 434.82

SILICA 78.5
ALUMINA 7.8
IRON 3.4
CaO .5

	Car No.	Net Weight
BAP	1417	105,420
	1599	90,000

COPY

PAYMENT FOR METALS				
Copper	@	Less 3½c		
Silver less 1 oz	@ 128.900¢	Less 6c	13.58	
Gold less .01 oz	@ $ 32.81825		.99	
Date of Quotations	7/ 2/65			

TREATMENT	
BASE $ 3.75 less deferred $ 2.75	1.00
Add—12c for each 1% Iron	.41
Add—10% of sum of metal payments in excess of $15.00	-
Deduct—2.5c for each 1% Silica in excess of Alumina	1.77
NET TREATMENT - - - - - - - - - -	+ 0.36

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler
By J. J. Dougherty

FINAL SETTLEMENT

RECEIVED FROM Miles Blunt, President
Champion Silver Mining Company — ANACONDA, MONTANA, 59711

ADDRESS Suite 411 - Metals Bank Bldg., Butte, Montana — August 5, 1965

MINE Champion Mine Ore — SMELTER LOT B-127 (July a/c)

CAR NUMBER	WEIGHTS Pounds Gross	WEIGHTS Per Cent Water	WEIGHTS Pounds Dry	ASSAYS Per Cent Copper	ASSAYS Ounces Silver	ASSAYS Ounces Gold	TREATMENT CHARGE Dollars	PRICE PER TON Dollars	VALUE Dollars	Draft No.
	217,840	4.08	208,952	.21	8.80	.038		10.88	$ 1,136.70	

Total Value Preliminary Settlement	$ 1,739.87
Total Value Final Settlement	1,136.70
Adjusted Amount Due The Anaconda Company	603.17
Less Amount withheld Preliminary Settlement	312.45
Net Amount Due The Anaconda Company	$ 290.72

SILICA 78.9
ALUMINA 7.3
IRON 3.5
CaO 2.5

	Car No.	Net Weight
BAP	1765	108,680
	1725	109,160

COPY

PAYMENT FOR METALS				
Copper	@	Less 3½c		
Silver less 1 oz	@ 128.900¢	Less 6c	9.59	
Gold less .01 oz	@ $ 32.81825		.92	
Date of Quotations	7/ 2/65			

TREATMENT	
BASE $ 3.75 less deferred $ 2.75	1.00
Add—12c for each 1% Iron	0.42
Add—10% of sum of metal payments in excess of $15.00	- - -
Deduct—2.5c for each 1% Silica in excess of Alumina	1.79
NET TREATMENT - - - - - - - - - -	+ 0.37

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler
By J. J. Dougherty

181-P-15645—5M—11-2-64

The Anaconda Company, Anaconda Sampler

FINAL SETTLEMENT

RECEIVED FROM Miles Blunt, President
Champion Silver Mining Company — ANACONDA, MONTANA, 59711

ADDRESS Suite 411 - Metals Bank Building, Butte, Montana — August 10, 1965

MINE Champion Mine Ore — SMELTER LOT B-158 (July a/c)

CAR NUMBER	WEIGHTS Pounds Gross	WEIGHTS Per Cent Water	WEIGHTS Pounds Dry	ASSAYS Per Cent Copper	ASSAYS Ounces Silver	ASSAYS Ounces Gold	TREATMENT CHARGE Dollars	PRICE PER TON Dollars	VALUE Dollars	Draft No.
	219,840	2.93	213,399	.04	19.75	.064	.72	24.10	$ 2,571.46	

Total Value Preliminary Settlement	$ 2,371.19	
Total Value Final Settlement	2,571.46	
Adjusted Amount Due The Shipper, Miles Blunt	200.27	
Plus Amount withheld Preliminary Settlement	443.17	
Net Amount Due The Shipper, Miles Blunt	643.44	
Less Amount Due The Anaconda Company Lot B-118	434.82	
Adjusted Amount Due Shipper, Miles Blunt		$ 208.62

SILICA 77.8
ALUMINA 7.3
IRON 4.2
CaO .4

	Car No.	Net Weight
BAP	1725	118,300
	1765	101,540

COPY

PAYMENT FOR METALS				TREATMENT	
Copper	@	Less 3½c		BASE $ 3.75 less deferred $ 2.75	1.00
Silver less 1 oz.	@ 128.900¢	Less 6c	23.05	Add—12c for each 1% Iron	.50
Gold less .01 oz	@ $ 32.81825		1.77	Add—10% of sum of metal payments in excess of $15.00	.98
Date of Quotations	7/23/65			Deduct—2.5c for each 1% Silica in excess of Alumina	1.76
				NET TREATMENT	.72

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By E. M. Boyce

FINAL SETTLEMENT

RECEIVED FROM MILES Blunt, President
Champion Silver Mining Company — ANACONDA, MONTANA, 59711

ADDRESS Suite 411 - Metals Bank Biilding-Butte, Montana — August 10, 1965

MINE Champion Mine Ore — SMELTER LOT B-171 (July a/c)

CAR NUMBER	WEIGHTS Pounds Gross	WEIGHTS Per Cent Water	WEIGHTS Pounds Dry	ASSAYS Per Cent Copper	ASSAYS Ounces Silver	ASSAYS Ounces Gold	TREATMENT CHARGE Dollars	PRICE PER TON Dollars	VALUE Dollars	Draft No.
	229,380	4.01	220,182	.03	11.20	.037		13.64	$ 1,501.64	

Total Value Preliminary Settlement	$ 1,722.23	
Total Value Final Settlement	1,501.64	
Adjusted Amount Due The Anaconda Company	220.59	
Less Amount withheld Preliminary Settlement	308.13	
Net Amount Due The Shipper, Miles Blunt	87.54	$ 87.54

SILICA 76.6
ALUMINA 8.1
IRON 4.1
CaO .5

	Car No.	Net Weight
BAP	1417	107,200
	1599	122,180

COPY

PAYMENT FOR METALS				TREATMENT	
Copper	@	Less 3½c		BASE $ 3.75 less deferred $ 2.75	1.00
Silver less 1 oz	@128.900¢	Less 6c	12.53	Add—12c for each 1% Iron	.49
Gold less .01 oz	@$ 32.81825		.89	Add—10% of sum of metal payments in excess of $15.00	-
Date of Quotations	7/23/65			Deduct—2.5c for each 1% Silica in excess of Alumina	1.71
				NET TREATMENT	+ .22

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By E. M. Boyce

181-P-15645—5M—11-2-64

The Anaconda Company, Anaconda Sampler

FINAL SETTLEMENT

RECEIVED FROM Miles Blunt, President
Champion Silver Mining Company — ANACONDA, MONTANA, 59711

ADDRESS Suite 411-Metals Bank Building Butte, Montana — August 17, 1965

MINE Champion Mine Ore — SMELTER LOT B-176 (August a/c)

CAR NUMBER	WEIGHTS Pounds Gross	WEIGHTS Per Cent Water	WEIGHTS Pounds Dry	ASSAYS Per Cent Copper	ASSAYS Ounces Silver	ASSAYS Ounces Gold	TREATMENT CHARGE Dollars	PRICE PER TON Dollars	VALUE Dollars	Draft No.
	214,560	4.85	204,154	.06	15.30	.020	.06	17.84	$ 1,821.05	

Total Value Preliminary Settlement	1,645.60
Total Value Final Settlement	1,821.05
Adjusted Amount due Miles Blunt, Shipper	175.45
Plus Amount withheld Preliminary Settlement	297.05
Net Amount due Miles Blunt, Shipper	472.50 — 472.50

SILICA	76.9
ALUMINA	8.2
IRON	4.1
CaO	.7

COPY

PAYMENT FOR METALS				
Copper	@	Less 3½c		
Silver less 1 oz	@ 128.900¢	Less 6c	17.57	
Gold less .01 oz	@ $ 32.81825		.33	
Date of Quotations	7/30/65			

TREATMENT	
BASE $ 3.75 less deferred $ 2.75	1.00
Add—12c for each 1% Iron	.49
Add—10% of sum of metal payments in excess of $15.00	.29
Deduct—2.5c for each 1% Silica in excess of Alumina	1.72
NET TREATMENT - - - - - - - - - -	.06

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By E. M. Boyle

The Anaconda Company, Anaconda Sampler

FINAL SETTLEMENT

RECEIVED FROM Miles Blunt, President
Champion Silver Mining Company — ANACONDA, MONTANA, 59711

ADDRESS Suite 411 - Metals Bank Building Butte, Monta. — August 25, 1965

MINE Champion Mine Ore — SMELTER LOT B-196 (August a/c)

CAR NUMBER	WEIGHTS Pounds Gross	WEIGHTS Per Cent Water	WEIGHTS Pounds Dry	ASSAYS Per Cent Copper	ASSAYS Ounces Silver	ASSAYS Ounces Gold	TREATMENT CHARGE Dollars	PRICE PER TON Dollars	VALUE Dollars	Draft No.
	239,800	6.81	223,470	.07	31.56	.127	2.35	38.34	$ 4,283.92	

Total Value Preliminary Settlement	1,362.12
Total Value Final Settlement	4,283.92
Adjusted Amount due Miles Blunt, Shipper	2,921.80
Plus Amount withheld Preliminary Settlement	238.60
Net Amount Due Miles Blunt, Shipper	3,160.40 — $ 3,160.40

SILICA	77.3
ALUMINA	8.6
IRON	4.2
CaO	.3

COPY

PAYMENT FOR METALS				
Copper	@	Less 3½c		
Silver 95%	@ 122.900¢	Less 6c	36.85	
Gold less .01 oz	@ $32.81825		3.84	
Date of Quotations	8/ 6/65			

TREATMENT	
BASE $ 3.75 less deferred $ 2.75	1.00
Add—12c for each 1% Iron	.50
Add—10% of sum of metal payments in excess of $15.00	2.57
Deduct—2.5c for each 1% Silica in excess of Alumina	1.72
NET TREATMENT - - - - - - - - - -	2.35

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By E. J. Dougherty

181-P-15645—5M—11-2-64

The Anaconda Company, Anaconda Sampler

PRELIMINARY SETTLEMENT

RECEIVED FROM Miles Blunt, President
Champion Silver Mining Company — ANACONDA, MONTANA, 59711

ADDRESS Suite 411 - Metals Bank Bldg., Butte, Montana — August 25, 1965

MINE Champion Mine Ore — SMELTER LOT B-230 (August a/c)

CAR NUMBER	WEIGHTS Pounds Gross	WEIGHTS Per Cent Water	WEIGHTS Pounds Dry	ASSAYS Per Cent Copper	ASSAYS Ounces Silver	ASSAYS Ounces Gold	TREATMENT CHARGE Dollars	PRICE PER TON Dollars	VALUE Dollars	Draft No.
6 Trucks	225,100	7.25	208,780	.09	12.95	.056		16.41	$ 1,713.04	

Nick Laslovich, Haul @ $ 1.60 per ton — 180.08

Per instruction, F. H. Day 4/23/65 - Pay for 80% of $ 1,532.96 — 1,226.37

NOTE: Royalty Payment due The Anaconda Company deferred until Final Settlement, F. H. Day 8/19/65

SILICA 78.0
ALUMINA 7.8
IRON 3.6
CaO 0.7

COPY

PAYMENT FOR METALS				TREATMENT	
Copper	@	Less 3½c		BASE $ 3.75 less deferred $ 2.75	1.00
Silver Less 1 oz.	@128.900¢	Less 6c	14.69	Add—12c for each 1% Iron	.43
Gold Less .01 oz.	@ $ 32.81825		1.51	Add—10% of sum of metal payments in excess of $15.00	.12
Date of Quotations	8/13/65			Deduct—2.5c for each 1% Silica in excess of Alumina	1.76
				NET TREATMENT	$ .21

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By J. J. Dougherty
METALLURGIST

The Anaconda Company, Anaconda Sampler

FINAL SETTLEMENT

RECEIVED FROM Miles Blunt, President
Champion Silver Mining Company — ANACONDA, MONTANA, 59711

ADDRESS Suite 411-Metals Bank Bldg., Butte, Montana — September 1, 1965

MINE Champion Mine Ore — SMELTER LOT B-205 (August a/c)

CAR NUMBER	WEIGHTS Pounds Gross	WEIGHTS Per Cent Water	WEIGHTS Pounds Dry	ASSAYS Per Cent Copper	ASSAYS Ounces Silver	ASSAYS Ounces Gold	TREATMENT CHARGE Dollars	PRICE PER TON Dollars	VALUE Dollars	Draft No.
	222,540	3.41	214,951	.07	14.10	.058	.02	17.66	$ 1,898.02	

Total Value Preliminary Settlement	1,584.55	
Total Value Final Settlement	1,898.02	
Adjusted Amount due Miles Blunt, Shipper	313.47	
Plue Amount Withheld Preliminary Settlement	282.61	
Net Amount Due Miles Blunt, Shipper	596.08	596.08
Less: Royalty @ 15% of $ 1,898.02 due TheAnaconda Company		284.70
		$ 311.38

SILICA 77.8
ALUMINA 7.8
IRON 4.2
CaO .5

COPY

PAYMENT FOR METALS				TREATMENT	
Copper	@	Less 3½c		BASE $ 3.75 less deferred $ 2.75	1.00
Silver less 1 oz	@128.900¢	Less 6c	16.10	Add—12c for each 1% Iron	.50
Gold less .01 oz	@ $ 32.81825		1.58	Add—10% of sum of metal payments in excess of $15.00	.27
Date of Quotations	8/13/65			Deduct—2.5c for each 1% Silica in excess of Alumina	1.75
				NET TREATMENT	.02

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By J. J. Dougherty

Exhibit # 7

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

Helena, Montana, DEC 14 1964

ASSAYED FOR

Miles Blunt

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
Champion Mine 900' Level Sample #5	0.06	18.7						

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

Helena, Montana, DEC 17 1964

ASSAYED FOR

Miles Blunt

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
941-3	Trace	Trace						
-HW	0.06	25.6						

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

Helena, Montana, APR 19 1965

ASSAYED FOR

Champion Silver Mining Company

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
32	0.06	21.6						

April 16 1965
4 ft. foot wall

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

Helena, Montana, MAY 3 - 1965

ASSAYED FOR

Champion Silver Mines, Inc.

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
216	0.02	10.2						
321	0.28	107.0		Trace				
322	0.04	17.6						

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

Helena, Montana, APR 3 0 1965

ASSAYED FOR

By

Champion Silver Mines, Inc.

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
201	0.06	23.6						
2	0.02	6.8						
3	Trace	11.0						
4	0.06	15.6						

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

GOODALL BROS.

Helena, Montana, APR 2 3 1965

ASSAYED FOR

Champion Silver 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
62	0.03	15.6						

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

Helena, Montana, MAY 7 - 1965

ASSAYED FOR

Champion Silver 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
4' - Hanging wall 218	0.12	43.1						
4 - Footwall 219	0.03	13.2						
Footwall 382 (10-F)	0.02	6.6						
Waste in raise 383 (10-H)	Trace	0.6						

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

GOODALL BROS.

Helena, Montana, MAY 6 - 1965

ASSAYED FOR

Champion Silver 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
4' - Footwall 217	0.03	14.6						
369	0.03	12.2						
370	0.02	8.2						

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

Helena, Montana, MAY 13 1965

ASSAYED FOR

Champion Silver Mining Co.

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
278	0.02	4.0						
5' HW								

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

Helena, Montana, MAY 14 1965

ASSAYED FOR

Champion Silver Mining Company

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
Dog Hole back of hanging wall in dry 279	Trace	1.0						
35 cars waste over dump 400	0.02	2.6						

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

Helena, Montana, MAY 17 1965

ASSAYED FOR

Champion Silver Mining Company

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
4 ft. foot Wall at 19.5. 280	0.06	8.4						
5 ft. Hanging Wall at 19.5 ft 281	0.02	3.8						

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

Helena, Montana, MAY 18 1965

ASSAYED FOR

Champion Silver 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
Test hole at 17 ft Hanging Wall 366	0.03	3.8						
5 ft foot Wall at 21 ft 367	0.05	7.0						
130 ore in bin 368	0.05	9.8						

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

Helena, Montana, MAY 27 1965

ASSAYED FOR

Champion Silver Mining Co.

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	
5' footwall vein 900 Bream 5/25	363	0.08	21.0							

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

Helena, Montana, MAY 24 1965

ASSAYED FOR

Champion Silver 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	
5' Bream 900 Level - FW	361	0.02	7.4							10.3
Dumping 100 cars in bin.	362	0.02	5.8							8.24

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 442-0696

PHONE 442-3770
46 SOUTH MAIN ST.
P. O. BOX 537

Helena, Montana, MAY 21 1965

ASSAYED FOR

Champion Silver 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	
5/19 - 5' Width - 900 FW	282	0.08	18.6							
5/20 - 5' " "	283	0.02	6.0							

Exhibit #8

To: Mr. Miles Blunt, Pres.
Champion Silver Mining Co.
Suite 9E, Finlen Hotel
Butte, Montana

Date: August 14, 1963

From: Fred N. Earll
2044 South Gaylord Street
Butte, Montana

Final Report Diamond Drilling Program

Summary

Diamond drillhole number 2 was bottomed at a drill depth of 1184 feet, corresponding to a vertical depth of 1270 feet below the collar of the Champion Shaft at the end of the night shift, Tuesday, August 13, 1963.

The purpose of the diamond drilling program was to prove the continuation of commercial grade mineralization to sufficient depth below the lowest previous operating level of the mine to justify the cost of reopening the mine. This aim has been accomplished.

Specifically; drillhole number 1 penetrated the Champion Vein at a vertical depth of 942 feet, showing a horizontal vein width of 3.33 feet averaging 18.7 ounces of silver and 0.063 ounce gold. Correcting to a minimum probable mining width of 4 feet and assuming waste taken to be barren of values, this indicates a mineable grade of 15.5 ounces of silver and 0.052 ounce gold. Drillhole number 2 penetrated the Champion Vein at a vertical depth of 1020 feet, at a point 177 feet west of the point intersected by Drillhole number 1. Horizontal width of the vein where penetrated is 2.3 feet, averaging 30.1 ounces of silver and 0.066 ounce gold. Again correcting to a minimum mining width of 4 feet and assuming no value in waste this corresponds to a mineable vein averaging 17.3 ounces of silver and 0.038 ounce gold.

Obviously, data from two tiny holes passing through a vein structure more than 2,000 feet in length and deep below the surface cannot prove the presence of vast amounts of ore beyond all possible doubt. However, in view of the known continuety and grade of the Champion Vein at and above the 800 foot level, the data from these two drillholes can be stated to provide more than adequate justification for continued expenditure in reopening the mine.

In planning the drilling program, it was recognized that it might be necessary to drill a third hole to adequately explore the possibilities of the vein in depth. With the receipt of such favorable results from both of the two holes drilled, it can now be stated definitely that a third hole will not be necessary. Such a hole would constitute an added burden of exploration expense, and add little to our knowledge of the character and extent of mineralization in the mine.

Details Relating To Drillhole 2

Drillhole 2 was completed to a depth of 1184 feet on Tuesday, August 13th. To that depth, the drill had penetrated some 6 areas of fine-grained (aplitic) rock which may in part represent dikes, but which are probably in large part inclusions or segregations in the granitic batholith rock drilled. There were also more than 40 major and minor faulted zones

penetrated. In particular, the interval from 750 to 800 feet was badly faulted causing considerable drilling difficulty, and providing a contributing cause to drilling problems at greater depths.

A 3 foot sheeted, fissure structure was penetrated in the depth interval 549.5-552.5 feet. This may have been the elusive May Vein. Assays were dissappointing, a trace of gold and 0.6 ounce silver.

The Champion Vein intersection was assayed in two separate samples; sample 7 representing 1.5 feet and sample 7a representing 3.0 feet. Assays were 0.08 Au, 34.6 Ag, and 0.06 Au, 27.8 Ag respectively. Corrected to horizontal width these constitute 2.3 feet averaging 0.066 Au, 30.1 Ag.

The vertical depth at which the drill penetrated the vein was 1020 feet, 180 feet above the intended intersection on the 1200 level. This indicates that the Champion Vein flattens considerably below the 600 level, having an average dip between 600 and 1020 feet of 68 degrees as opposed to the 76 degree dip estimated in planning the drillhole.

A copy of the completed core-log of Drillhole number 2 will be forewarded as soon as it is available.

Recommendations

It can now be recommended that work proceed as rapidly as possible reopening the 600 level adit, at least as far back as the major caved zone approximately 1150 feet from the portal, and planning should begin for the sinking of a shaft to and below the 800 level preparatory to production.

Respectfully submitted,

Fred N. Earll

Fred N. Earll

Exhibit No. 9

GENERAL OFFICE — BUTTE
PHONE 792-8311
AREA CODE 406

CHAMPION SILVER MINING COMPANY

GENERAL OFFICE
SUITE 211, MINERS BANK BUILDING
BUTTE, MONTANA 59701

MINE OFFICE — CHAMPION MINE
PHONE — DEER LODGE 846-1766
AREA CODE 406

During the year ending July 31st, 1923 - the 100 ton Oil Flotation Mill at the Champion Mine was operated 300 days, treating 30,612 tons of ore taken from the Champion Mine. This ore had an average content of 9.47 ozs. silver and .028 oz. gold per ton, making a gross production for the year as follows:

Silver -	289,929.71 oz.	@ $1.90 per ounce -	$550,866.45
Gold -	844.00 oz.	@ 35.50 " "	29,962.50
		Total gross value in today's market (Nov.6th,1967)	$580,828.95

Mine Level	Tons Mined	Ozs.Ag. per ton	Total Ozs. AG.	Total Value AG	Total Ozs. AU. Ton	Total Ozs. AU.	Total Value AU	Total Value Silver & Gold
400 -	17,052	8.18	139,482.71	265,017.15	.022	375.14	$13,348.50	$278,365.65
500 -	4,550	8.56	38,948.00	74,001.20	.024	109.20	3,869.50	77,870.70
600 -	2,812	10.76	30,250.15	57,475.29	.032	90.00	3,195.00	60,670.29
700 -	3,039	13.34	40,535.28	77,017.03	.044	133.82	4,757.00	81,774.03
800 -	3,159	12.89	40,713.57	77,355.78	.043	135.84	4,792.50	82,148.28
	30,612	9.47	289,929.71	550,866.45	.028	844.00	29,962.50	$580,828.95

Note:

The above figures for tonnage and values of gold and silver were taken from the Annual Report of the Butte-Jardine Metals Mines Company for the year ending July 31st, 1923. The money values have been extended at current market prices for gold and silver.

According to records the Champion Mine was operated by the Champion Mining Company from 1888 to 1893.

The Butte-Jardine Company operated the Champion Mine from 1918 to 1925.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/19/68	Kirkham	120
		120
8/19	Johnson	110
		220
		120M

Memorandum

AUG 19 1968

To: The File

From: Edward C. Peterson

Subject: OME-6672 (Silver-Gold)
Champion Silver Mining Company
Champion Mine
Deer Lodge County, Montana

The Applicant has not replied to our letter of May 8, 1968, and the 90-day extension period granted has expired. Accordingly, the subject docket is referred to the inactive file and the application considered as having been withdrawn.

Edward C Peterson
Edward C. Peterson

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

ECPeterson/bsl 8/19/68

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Peterson	
5/7/68	Kirkemo	

AIRMAIL

MAY 8 1968

Mr. Miles Blunt
President
Champion Silver Mining Company
Suite 211, Miners Bank Building
Butte, Montana 59701

Re: OME-6672 (Silver-Gold)
Champion Silver Mining Company
Champion Mine
Deer Lodge County, Montana

Dear Mr. Blunt:

This will acknowledge Mr. Genzberger's letter of April 30, informing us that there will be a delay in the submittal of the additional information necessary to continue the processing of the subject application.

As we wish to cooperate with you fully in allowing ample time to furnish the information previously requested, we shall be pleased to keep your file active for an additional 90 days pending receipt of the material. However, we cannot hold the application indefinitely. Therefore, if we do not receive the data by about August 1, we shall consider the application as having been withdrawn.

If an application is withdrawn and at any time in the future you wish to reopen this case, you may do so by filing a new application, referring to this OME docket number, and furnishing the information pertinent to your new proposal. This information should include new bank letters dated within 90 days of filing the new application, but need not repeat data already submitted.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Peterson - Region I/with copy of incoming ltr.

ECPeterson/bsl 5/7/68

LAW OFFICES
GENZBERGER, GENZBERGER & LYNCH
MINERS BANK BUILDING
BUTTE, MONTANA 59701

EARLE N. GENZBERGER
EARL M. GENZBERGER
NEIL J. LYNCH

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 2 1968
INITIALS | CODE
120
120
110
120

April 30, 1968

Mr. Frank E. Johnson
Chief, Office of
Minerals Exploration
Department of Interior
Geological Survey
Washington, D. C. 20242

Re: OME-6672 (Silver-Gold)
Champion Silver Mining Company
Champion Mine
Deer Lodge County, Montana

Dear Mr. Johnson:

This will acknowledge your letter of April 18 written to Miles Blunt. I have to take the blame for not having responded to your earlier inquiry relative to this proposed loan.

The Champion Company is still desirous in securing an OME exploration loan for the purpose of exploring possible ore in the lower levels of the Champion Mine, but owing to the protracted copper strike and the fact that the smelter in Anaconda has been closed for nine months it was necessary for the Champion Company to use its limited funds, mostly money borrowed from stockholders, for the purpose of keeping the pumps operating. They opened up for exploration a new 700 ft. level and have done some additional work on the 900 ft. level in cleaning out caves and discovering some more ore stoped from the 900. It was necessary to use the Company's share of money which would have been otherwise used for the OME loan to do this work.

Last week the first shipments to the smelter were made and there is now between 100 and 200 tons at the smelter which is probably mixed with some of the surrounding rock. With the proceeds of these shipments, the Company will try to continue its present operations and are negotiating for some additional operating funds.

The purpose of this letter is to ask you to extend the time for this application. We are desirous of securing this OME loan but in the meantime we are trying to use the money to produce some ore at this time in order to get additional operating capital.

Thanking you for your consideration

Very truly yours,

Earle N. Genzberger

Earle N. Genzberger

ENG:mk

cc: Mr. Miles Blunt

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/18/68	Peterson	120
4/18/68	Kirkemo	120
		110
4/18	cae	220
		120M

APR 18 1968

AIRMAIL

Mr. Miles Blunt
President
Champion Silver Mining Company
Suite 211, Miners Bank Building
Butte, Montana 59701

Re: OME-6672 (Silver-Gold)
Champion Silver Mining Company
Champion Mine
Deer Lodge County, Montana

Dear Mr. Blunt:

We have not heard from you since Mr. Earle Gensberger's letter of February 14, 1968. Will you please advise us when we may expect to receive the necessary data so that we may continue processing your application. If you have decided not to pursue it further, please so inform us.

We wish to cooperate fully in allowing you ample time to obtain the requested information, however, we cannot indefinitely postpone action on an application.

Sincerely yours,

FRANK E. JOHNSON cae

Frank E. Johnson
Chief, Office of
Minerals Exploration

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

ECPeterson/bsl 4/18/68

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/6/68	Peterson	120
		120
		110
3/6	Cal	220
		120M

AIRMAIL

Mr. Miles Blunt
President
Champion Silver Mining Company
Suite 211, Miners Bank Building
Butte, Montana 59701

Re: OME-6672 (Silver-Gold)
Champion Silver Mining Company
Champion Mine
Deer Lodge County, Montana

Dear Mr. Blunt:

In response to your letter of February 28, 1968, to our office in Spokane, Washington, enclosed are three copies of Standard Form 28, Affidavit of Individual Surety, for your possible use. Two executed copies should be returned to this office.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

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

ECPeterson/bsl 3/6/68

GENERAL OFFICE — BUTTE
PHONE 792-8311
AREA CODE 406

CHAMPION SILVER MINING COMPANY

GENERAL OFFICE
SUITE 211, MINERS BANK BUILDING
BUTTE, MONTANA 59701

MINE OFFICE — CHAMPION MINE
PHONE — DEER LODGE 846-1766
AREA CODE 406

February 28th, 1968.

ORIGINAL COPY
O. M. E.
RECEIVED
MAR 1 1968
INITIALS | CODE
JR | 140
bat | 120
| 130
ER | 120

U. S. Department of the Interior
Office of Minerals Exploration
U. S. Court House - Room 658
West 920 Riverside Ave.,
Spokane, Washington -99201

Subject: OME-6672

Attn: Mr. McLaren

Dear Mr. McLaren:

Will you be kind enough to send us the Requisite number of Form 28, inasmuch as our efforts to secure Corporate Surety on Form 25 have been unsuccesful with at least three corporate surety companies.

Thanking you, we are

Yours sincerely

Miles Blunt

MB

Miles Blunt, President.

CC-Frank E. Johnson, Chief
Office of Minerals Exploration
U. S. Department of the Interior
Geological Survey,
Washington, D. C.-20242

Mac has no form 28 and requested me to supply this form & Mr. Blunt. Please forward form. JR

Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/20/68	Peterson	120
2/20/68	Kirkham	120
		110
2/20	CAC	220
		120M

FEB 20 1968

AIRMAIL

Mr. Earle N. Gensberger
Gensberger, Gensberger & Lynch
Miners Bank Building
Butte, Montana 59701

Re: OME-6672 (Silver-Gold)
Champion Silver Mining Co.
Champion Mine
Deer Lodge County, Montana

Dear Mr. Gensberger:

This will acknowledge receipt of your letter dated February 14, 1968, concerning the subject application for financial assistance.

The Performance Bond (Standard Form 25), and Affidavit of Individual Surety (Standard Form 28), are the forms approved by the Government for use by the OME in connection with its exploration contracts. We find that when required, most Operators usually have no trouble in obtaining the necessary surety using either of the two forms.

Under either form payment of royalty due the Government is guaranteed. Royalty is due the Government on production only when sold or other disposition of it is made, and on stockpiled ore remaining on the property at the expiration of the repayment period.

In the event of an exploration contract, the penal sum of the bond would be in the amount covering the Government's share of the estimated cost of the work. The Operator would be advised of this amount at the time the contract was executed.

The repayment to the Government of money which it contributed under an exploration contract is required on any production made during the course of the exploration work, and thereafter, only in the event that the property is certified for possible production. If certified, the Operator is responsible for royalty payments to the Government on all mineral production from the property for the period specified in the contract (usually ten years) or until the Government's contribution is repaid with interest, whichever occurs first.

Although the Government certifies that production may be possible, the Operator is not required to start producing. In addition, the Operator is not obligated to pay royalty unless he produces.

Please note that if the Government does not issue a certification of possible production within six months after completion of the contract work and upon receipt of an acceptable final report from the Operator, the property will be free from the Government's claim for royalty and the liens to secure its payment.

We trust this information has satisfactorily answered the questions raised in your letter. However, should further information be required please feel free to contact us at any time.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Peterson
Region I w/copy of incoming ltr. dtd. 2/14/68
Mr. Miles Blunt, President

ECPeterson/bsl 2/30/68

LAW OFFICES
GENZBERGER, GENZBERGER & LYNCH
MINERS BANK BUILDING
BUTTE, MONTANA 59701

EARLE N. GENZBERGER
EARL M. GENZBERGER
NEIL J. LYNCH

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 16 1968
INITIALS | CODE
110
120
122
120

February 14, 1968

United States Department of the Interior
Geological Survey
Washington, D.C. 20242

Attention : Frank E. Johnson, Chief,
Office of Minerals Exploration

RE: OME-6672 (Silver-Gold)
Champion Silver Mining Company
Champion Mine
Deer Lodge County, Montana

Dear Mr. Johnson:

On behalf of Miles Blunt, President of Champion Silver Mining Company, we acknowledge receipt of Standard Form 25, Performance Bond, and Standard Form 28, Affidavit of Individual Surety.

Mr. Blunt has tried three corporate surety companies, all of whom have referred this matter to their home or regional offices, and have declined to write the bond on the ground that the conditions thereof are too uncertain and that past experience with this form of bond has proved unsatisfactory to the companies.

In soliciting individual sureties, we are not sure of the penal sum of the bond; if it merely provides a guarantee that the smelter, refinery, or mint will pay the reserve royalty to the government in repayment of the OME loan, it will not be difficult to secure individual signers on the performance bond. If, on the other hand, the bond is designed to guarantee the payment of the principal on the original and subsequent loans without reference to the production and payment of royalties, I think it will be impossible to secure such sureties. For example, in the case of the present prolonged copper strike, where even if the mine produces, we cannot smelt the ores, would the sureties on the performance bond be liable for the payments to be made? If, for some unforeseen cause the mine is shut down, would sureties be liable for the payment of the loans extended by the government?

If these questions are cleared up to the satisfaction of the proposed individual sureties, we are reasonably certain that the bond can be forthcoming. Can you enlighten us?

It appears to us that Form 25 is the one used in the government construction contracts, including public buildings, highways, etc., in which a different situation usually arises than does the liability upon an OME loan, which calls for payments out of production.

Very truly yours,

GENZBERGER, GENZBERGER & LYNCH

Earle N. Genzberger

Earle N. Genzberger

ENG:dec

GENERAL OFFICE — BUTTE
PHONE 792-8311
AREA CODE 406

CHAMPION SILVER MINING COMPANY

GENERAL OFFICE
SUITE 211, MINERS BANK BUILDING
BUTTE, MONTANA 59701

MINE OFFICE — CHAMPION MINE
PHONE — DEER LODGE 846-1766
AREA CODE 406

COPY
O. M. E.
RECEIVED
JAN 10 1968
INITIALS CODE

U.S. Dept. of Interior
office of Mineral Exploration
GeologicalSurvey
South 157 Howard St.

Spokane, Wash. 99204

O.M.E. 6672
Champion Silver Mining Co.

Dear Mr. McClaren:

Just received origial bid for exploratory drillingfrom E.J.Longyear Co. Enclose in duplicate photostats thereof,for transmission to Wash. office.

Very truly yours,

/s/ Earle M. Genzbergen
For Champion
Mining Co.

JAN 8

#OME 6672

OUR '91 75TH YEAR '66

Longyear

E. J. LONGYEAR COMPANY
GENERAL OFFICES, 76 SOUTH 8th STREET
MINNEAPOLIS, MINNESOTA 55402, U.S.A.
TELEPHONE (612) 339-7631 • CABLE LONGCO

865 West 2600 South
P. O. Box 15218
Salt Lake City, Utah
December 27, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 10 1968
INITIALS | CODE

Champion Silver Mining Company
Suite 211, Miners Bank Building
Butte, Montana 59701

Attention: Mr. Miles Blunt, President

CHAMPION CORE DRILLING PROJECT DD5 - UNDERGROUND

Gentlemen:

In response to your recent request, we are pleased to submit below for your consideration, our proposal for your contemplated underground drilling program which is to be carried out in the Champion Mine near Warm Springs, Montana.

1. We understand that the work as now planned will consist of a minimum of nine holes, varying in inclination from minus 29° to 65° as measured from the horizontal, and ranging up to a maximum of 400 feet in length. We further understand that the formation to be drilled is to consist of granite+quartz.

2. For this work we propose to furnish one Longyear underground diamond core drill of suitable capacity, together with the necessary accessory equipment required to complete the work as now planned. We further propose to operate the drill two-eight hour shifts per day, six days per week.

3. We will carry public liability insurance covering personal injury and property damage and Workmen's Compensation insurance, and also all-risk insurance on the drilling equipment protecting against loss by theft, fire, flood, landslides and other similar hazards. Certificates showing the coverage referred to will be furnished upon request.

4. We understand that you will provide at no expense to the Longyear Company, the following items:

a) Compressed air and water in sufficient volume and at sufficient pressure to permit the drilling operations to be carried out in an efficient and workmanlike manner.

b) Facilities for moving equipment from the collar of the shaft to the first drill hole location, and from one drill hole location to another, and return to the collar of the shaft upon completion of the work.

c) Drill stations of sufficient size to permit the efficient handling of drill rods in 10 foot lengths.

d) Proper lighting and ventilation as necessary at the drill stations.

5. Based upon the conditions as outlined above, we are pleased to quote as follows:

a) Mobilization and demobilization of personnel and equipment - $500.00 Lump Sum.

b) Diamond core drilling -

	NQWL	BQWL	AQWL
	$9.00/ft.	(Collaring Hole Only)	
0 - 250' in depth		$8.10/ft.	$7.75/ft.
250 - 500' in depth		$8.40/ft.	$8.00/ft.

c) Reaming for casing, if and when required -

All sizes - $3.50/ft., plus cost of casing lost or left in holes, invoiced at 80% list price, fob job site.

d) Cementing, drilling out cement, and other drill hole stabilizing operations - $14.50 per hour, plus cost of materials used, f.o.b. job site.

e) Delays for your convenience or for which you are responsible - $13.50/hr.

f) Drill hole surveying - $13.50/hr.

g) Moving, rigging up, rigging down, inserting and pulling casing - $13.50/hr. with two man crew.

6. Drill cores will be turned over to your representative at the drill station in core boxes furnished by you.

7. Statements covering the work performed will be prepared as promptly as possible after the first of each month, and payment will be due within twenty days from date of invoice.

8. We appreciate the opportunity to quote on this work. If awarded the contract we would be prepared to commence the work within a maximum of 10 days, providing that you have set up satisfactory arrangements with our Company for financing the drilling.

Sincerely,

E. J. LONGYEAR COMPANY

D. F. Crotty

Manager, Rocky Mt. Zone
Contract Drilling Division

DFCrotty:ec

ACCEPTED:

CHAMPION SILVER MINING COMPANY

BY:_____

DATE:_____

Peterson 120
Kirkemo 120
110
Cal 220
120M

AIRMAIL

FEB 8 1968

Champion Silver Mining Company
211 Miners Bank Building
Butte, Montana 59701

Re: OME-6672 (Silver-Gold)
Champion Silver Mining Company
Champion Mine
Deer Lodge County, Montana

Gentlemen:

On December 7, 1967, we wrote you outlining certain information which is necessary to continue the processing of your application. To date, we have not had a reply to the letter. Will you please inform us of your plans regarding the application. If you have decided not to pursue it further, will you please so inform us.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

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

ECPeterson/bsl 2/8/68

OME FORM 6 REFERENCE SLIP
Rev. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	1/8/68	
Re: OME-6672 (Silver-Gold)		
2. Champion Silver Mining Co.		
Champion Mine		
3. Deer Lodge County, Montana		
4. D. R. MacLaren		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I		

FOR: Check items for action desired

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

OFFICE COPY
Surname
Signature
O. M. File
RECEIVED
JAN 10 1968

INITIALS	CODE
BPR	120M
RJD	110
EO	120P

REMARKS:

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

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/21/67	Peterson	120
12/21/67	Kerbaugh	120
		110
12/21	CAC	220
		120M

DEC 21 1967

AIRMAIL

Mr. Miles Blunt
President
Champion Silver Mining Company
Suite 211, Miners Bank Building
Butte, Montana 59701

Re: OME-6672 (Silver-Gold)
Champion Silver Mining Company
Champion Mine
Deer Lodge County, Montana

Dear Mr. Blunt:

In response to your letter of December 13, 1967, to our Spokane, Washington, office, enclosed are two copies each of Standard Form 25, Performance Bond, and Standard Form 28, Affidavit of Individual Surety, for your information.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

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

GLAult/a 12-21-67

23263

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	12/18/67	
Re: OME-6672 (Silver-Gold)		
2. Champion Silver Mining Co.		
Champion Mine		
3. Deer Lodge County, Montana		
4.		
5. D. R. MacLaren D. R. MacLaren DRS		
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 ____ Your information

REMARKS: For reply.

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

GENERAL OFFICE — BUTTE
PHONE 792 8311
AREA CODE 406

CHAMPION SILVER MINING COMPANY

GENERAL OFFICE
SUITE 211 MINERS BANK BUILDING
BUTTE MONTANA 59701

HAMILTON MONT
AREA CODE 406

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 20 1967
INITIALS | CODE
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110
EDT

Dec. 13th, 1967.

U. S. Department of the Interior
Office of Minerals Exploration
U. S. Court House -Room 658
West 920 Riverside Ave.,
Spokane, Washington -99201

Subject: OME-6672

Gentlemen:

You will note from copies of letters enclosed that the Anaconda Company are not willing to grant to the Government a lien upon its interest in the Champion property to secure the payment to the Government of the royalty on production from the property.

If you will be kind enough to send us your Standard Form 25, a performance bond executed by an approved corporate surety or two responsible individual sureties [illegible] be satisfied.

Sincerely

(S) Miles Blunt

Miles Blunt, President.

MB

THE ANACONDA COMPANY
600 HENNESSY BUILDING
P. O. BOX 1971, BUTTE, MONTANA 59701

OFFICE OF
GENERAL BUSINESS MANAGER
MONTANA OPERATIONS

December 14, 1967

Champion Silver Mining Company
211 Miners Bank Building
Butte, Montana

Attention: Mr. Miles Blunt, President

Gentlemen:

I am referring to the lease of the Champion Silver Mining Company to that certain property in Deer Lodge County, Montana, from The Anaconda Company, and it is my understanding that you are contemplating obtaining a loan from the Office of Minerals Exploration to perform certain exploration on this property.

May this advise that The Anaconda Company cannot grant to the Government a lien upon its interest in this property to secure the payment to the Government of the royalty on production from the property.

We would be happy to cooperate with your company in any way to obtain the necessary funds from the Office of Minerals Exploration, but regret that we cannot enter into the Lien and Subordination Agreements (MME Form 52) as written.

Sincerely,

ORIGINAL SIGNED BY
P. L. MacDONALD

P. L. MacDONALD
General Business Manager
Montana Operations

PLM/ep

RECEIVED
DEC 18 1967
C.M.E.
SPOKANE, WASH.

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

TO:	DATE	INITIALS
1. Chief, OME	12/ 6/67	
Re: OME-6672 (Silver-Gold)		
2. Champion Silver Mining Co.		
Champion Mine		
3. Deer Lodge County, Montana		
4.		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I		

OFFICIAL COPY O. M. E. RECEIVED DEC 8 1967

FOR: Check items for action desired

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

REMARKS:

Attached are bids covering core drilling proposed in applicant's application.

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

GENERAL OFFICE — BUTTE
PHONE 792-8311
AREA CODE 406

CHAMPION SILVER MINING COMPANY

GENERAL OFFICE
SUITE 211, MINERS BANK BUILDING
BUTTE, MONTANA 59701

MINE OFFICE — CHAMPION MINE
PHONE — DEER LODGE 846-1766
AREA CODE 406

December 5th, 1967

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

Dear Friends:

Subject: OMX-6672

Enclosed you will find copies of bids covering the core drilling proposed in our recent application for Government assistance

Boyle Bros. Drilling Co. - Bids enclosed
Gunnar S. Johnson -
Jay Mfg. Co. - Unable to bid

We expect to secure another bid from Longyear Drilling Co. of Spokane this week.

You will note that Boyle's bid for this drilling is under our own estimates.

Sincerely

/s/ Miles Blunt

Miles Blunt, President.

MB

RECEIVED
DEC 5 1967
SPOKANE, WASH.

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros.
DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

1415 Riverside P.O. Box 4307
SPOKANE, WASHINGTON 99202
Phone (509) KE 4-0862

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY, UTAH 84110
Phone 487-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
SANTIAGO, CHILE
LIMA, PERU

November 22, 1967

Champion Silver Mining Company
Suite 211 Miners Bank Building
Butte, Montana 59701

Gentlemen:

The following schedule of terms is presented as our proposal for doing the drilling according to your inquiry titled "CHAMPION CORE DRILLING PROJECT DD5".

"TERMS"

1. Mobilization and demobilization to and from mine area: $500.00

2. Moving equipment from mine entry to drilling area, from hole to hole, tearing down, setting up, installation and recovery of water supply systems and return of equipment to mine entry: $12.00 per hour each 2 man crew.

3. Diamond Core Drilling:

	NXWL	BXWL
0.0 to 250 feet	$7.50 per foot	$6.75 per foot
250 to 500 feet	8.50 per foot	7.50 per foot

4. Reaming and casing if required: NX $4.00 per foot, BX $3.50 per foot.

5. Cementing, waiting for cement to set during a regular drill shift and drilling out cement: $13.50 per hour plus cost of cement, cement substitutes or drill mud and additives.

6. Delays for your convenience, hole surveys, service, etc.: $12.00 per hour.

7. Drill stations with adequate space for handling 10' drill rods, compressed air at a minimum of 500 c.f.m and 85 p.s.i. at the drill stations, water for drilling, operated hoisting facilities and lamp service will be furnished at no cost to Boyles Bros. Drilling Co..

8. To do the work Boyles Bros. will furnish equipment of suitable design and capacity with all fittings, supplies and accessories within 3 weeks after notice to proceed. The drill will be operated 2 shifts per day 6 days per week under the direct supervision of a driller foreman responsible to an area superintendent.

Your interest in Boyles Bros. Drilling Company's services is sincerely appreciated. Should you have any question regarding this or any other project please call on us at your convenience.

Very truly yours,
Boyles Bros. Drilling Co.

E. G. Tucker - District Manager

RECEIVED
DEC 5 1967
O. M. E.
SPOKANE, WASH.

GENERAL OFFICE — BUTTE
PHONE 792-8311
AREA CODE 406

MINE OFFICE — CHAMPION MINE
PHONE — DEER LODGE 846-1766
AREA CODE 406

CHAMPION SILVER MINING COMPANY

GENERAL OFFICE
SUITE 211, MINERS BANK BUILDING
BUTTE, MONTANA 59701

"Following submitted to three Drilling conerns"

CHAMPION CORE DRILLING PROJECT DD5

The following holes will be drilled from a station 150' South of the hanging wall drift on the 900 foot level. This drift will be run from a point close to the 915 Stope. The Champion Company will be responsible for running this 7' x 7' drift and cutting a station suitable for the Diamond Drill operation. The Company will be responsible for the labor required to operate the hoist and compressor and guarentee the delivery of compressed air and water to the drillers. The crosscut to the drill station will be ventilated by our electric fan system which feeds fresh air to all underground workings by means of ventilating bags. The Diamond Drilling can be carried out on a two shift per day basis if the contractors so desire, the Company to supply the hoisting engineer and compressorman for both shifts.

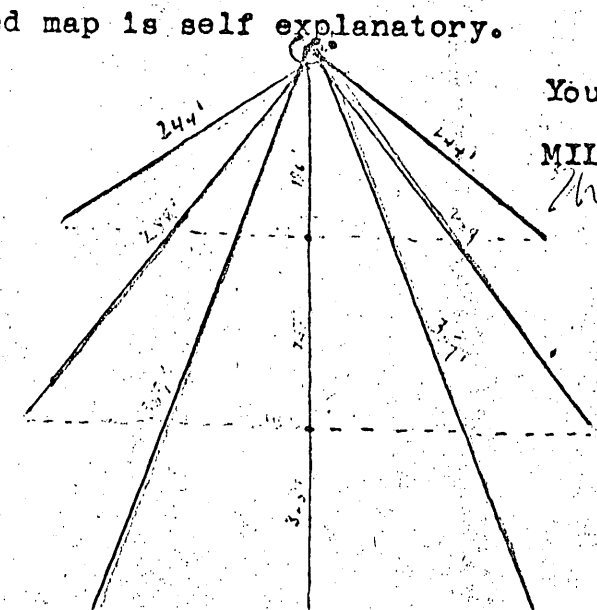
The following nine holes are contemplated:

	Total footage	Price per foot	Total Cost
2 holes - 244' deep	488'	13.00	
2 holes - 288' deep	596'	13.00	
2 holes - 357' deep	714'	13.00	
3 holes - 196' - 250' - 325'	771'	13.00	
	2549		

Contractors estimate of time required for above drilling (after drill station is completed) 5 months

Bearing in mind that the Champion Company will provide for the delivery of Compressed Air, Ventilation, Electric Current, and water to the proposed drill site, we would like your bid on the actual drilling which will include the drilling equipment, installation and necessary steel. The diameter of the cores at vein intersection should not be less than 1-3/50". (EX).

The enclosed map is self explanatory.



Yours truly

MILES BLUNT, President.

Miles Blunt

Truman A. Johnson
Box 26
Philipsburg, Mont - 59858

RECEIVED
DEC 5 1967
O.M.E.
SPOKANE, WASH.

(219) 872-7221

JOY MANUFACTURING COMPANY
900 WOODLAND AVENUE · MICHIGAN CITY, INDIANA 46360

November 30, 1967

Champion Silver Mining Company
General Office
Suite 211, Miners Bank Building
Butte, Montana 59701

Attention: Mr. Miles Blunt, President

Gentlemen:

Thank you for asking us to submit a proposal on your underground core drilling.

We do not have qualified drillers or suitable underground equipment, which is not in use, at this time. I regret that we are not in a position to bid on your requirements.

Please keep our name on your mailing list. We hope we will be in a better position to bid on your future work.

Yours truly,

JOY MANUFACTURING COMPANY

J. M. Murray, Manager
Contract Drill Division

JMM:rh

RECEIVED
DEC 5 1967
J. M. B.
SPOKANE, WASH.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/7/67	Peters	120
12/7/67	Kirkham	120
		110
12/7	Cac	220
		120M

AIRMAIL

DEC 7 1967

Champion Silver Mining Company
211 Miners Bank Building
Butte, Montana 59701

Re: OME-6672 (Silver-Gold)
Champion Silver Mining Company
Champion Mine
Beer Lodge County, Montana

Gentlemen:

A review of your application for exploration assistance indicates that the following additional information is needed to continue its processing.

Submit five copies of Lien and Subordination Agreements signed by an authorized representative of the Anaconda Company, the owner of the claims where work is contemplated. If the agreements cannot be obtained, we must have your assurance that a Performance Bond covering the Government's share of the estimated cost of the work would be furnished by the Champion Silver Mining Company, in the event of a contract. A standard Performance Bond Form 25 is enclosed for your study.

Please comment on whether the Assignment of Mining Lease by Miles Blunt and the Champion Mine Exploration Company as executed in 1963 is still valid. If not, evidence that a new assignment currently in effect will be required.

You mention in the letter accompanying the application that copies of bids in support of your drilling costs would be forwarded. As yet we have not received this information.

We shall continue to hold the application pending your reply. Nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Region I
12/7/67
ECPeterson/bsl

43683

November 27, 1967

Champion Silver Mining Company
211 Miners Bank Building
Butte, Montana 59701

Subject: OME-6672

Gentlemen:

Your application for exploration assistance, dated November 20, 1967, submitted to our office at Spokane, Washington, has been assigned Docket No. OME-6672.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region I

GENERAL OFFICE — BUTTE
PHONE 792-83[illegible]
AREA CODE 406

CHAMPION SILVER MINING COMPANY

GENERAL OFFICE
SUITE 2[illegible] MINERS BANK BUILDING
BUTTE MONTANA 59701

November 17th, [illegible]

Field Office of Minerals Exploration
U. S. Department of the Interior
South 157 - Howard Street,
Spokane, Washington - [illegible]

Dear Friends:

Will you be kind enough to mail us five MMX Forms 52 which refers to Lien and Subordination Agreements under "Applicants Rights to Land" - (c).

We would like to receive these forms as soon as possible to complete an application which we plan to file with Washington.

Thanking you, we are,

Sincerely

Miles Blunt, President.

MB