MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

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

described as follows:[2]

See Annex Attached Hereto

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

Modern Mines Development Company[3]

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this _____ day of _____, 19___.

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

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

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

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

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

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

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

_____ (Corporate Seal)

ANNEX COVERING ITEM 2/ MME FORM 52

Buster No. 1 - a patented mining claim, Mineral Survey No. 4321, dated January 2, 1888, containing 20.66 acres and situate in the N. E. $\frac{1}{4}$ of Sec. 19, T 5S, R 10 W, Beaverhead County, Montana.

Buster No. 3 - an unpatented mining claim located August 14, 1967, and recorded in the office of the County Clerk and Recorder, Beaverhead County, Montana. The claim is located in Sections 17, 18, 19, 20, T 5 S, R 10 W, Beaverhead County, Montana, and adjoing the N. E. end line of the Buster No. 1 claim.

The claims in question are known by no other name.

Modern Mines Development Company owns an undivided one-half interest in the above listed property and holds lease covering remaining half interest, recorded in Office of Clerk and Recorded of Beaverhead County, Montana - Book 188 Pages 153 - 9, Sept. 11, 1967.

MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE Contract No. _____ Docket No. 6700

Application
- [x] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement - 1 cy
- [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
- [x] On-site Exam. Report (Tab) 8/30/68
- [ ] 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

TO:	DATE	INITIALS
1. Chief, OME		
Re: Omega Mines Ltd. (Gold-Silver)		
2. Baker County Oregon		
Centary Explorations, Inc (Copper-Molybdenum)		
3. Snohomish County, Wash.		
Modern Mines Development Company (Silver-gold)		
4. Beaverhead County Mont.		
5. D.M. Wachsen	FEB 28 1968	

FROM: Region I

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: Forwarding 3 new applications. Will submit comments as soon as possible

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

MME Form 40
Jan. 65

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY O. M. E. RECEIVED FEB 28 1968 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.)*

Modern Mines Development Company
207 Larson-Andrews Building
Yakima, Washington

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6700

DATE RECEIVED: 2/28/68

REGION: 1

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Lisle V. Sigman	2302 Chestnut Ave., Yakima, Wn.	President
John F. Cadigan	207 Larson Andrews Bldg " "	Vice-Pres.
W. S. Doyle	219 So. 31st Ave. Yakima, Wn.	Secy.-Treas.

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: See attached

ESTIMATED COST OF PROJECT: $ See attached

PROPERTY NAME / LOCATION COUNTY / STATE: See Attached

GENERAL INSTRUCTIONS

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

2-19-68
DATED

W S Doyle
BY *(Signature)*

Secretary-Treasurer
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).]

1. c. Modern Mines Development Company, hereafter referred to as "The Company proposes to furnish their share of exploration, estimated to total $11,031.25 by cash and by equipment use charges for company owned equipment.

2. Applicants' Rights to the Land.

   a. The Company's rights in and to the land involved are by reason of:

      1. Fifty percent (50%) ownership in the Buster No. 1, a patented mining claim.

      2. A lease-hold on the remaining fifty percent (50%) ownership in the Buster No. 1.

      3. Co-ownership with Mr. Buford Miles of Helena, Montana of the unpatented Buster No. 3 mining claim. Documents supporting the above claims to ownership and lease-hold are attached hereto and made a part of this request for OME exploration loan.

3. There are no liens, mortgages or other encumbrances on any portion of the land involved.

   b. The two mining claims involved are:

      1. The Buster No. 1, a patented mining claim, Mineral Survey No. 4321, dated January 2, 1888, containing 20.66 acres and situate in the N. E. $\frac{1}{4}$ of Sec. 19, Twp. 5 S, R 10 W, Beaverhead County, Montana.

      2. The Buster No. 3, an unpatented mining claim located August 14, 1967, and recorded in the office of the County Clerk and Recorder Beaverhead County, Montana. The claim is located in Sec. 17, 18, 19, and 20, Twp 5S, R 10 W, Beaverhead County, Montana, and adjoins the N. E. end line of the Buster No. 1 claim. The claims in question are known by no other names.

c. Not applicable.

3. Physical Description:-

The property in question and for which an OME Exploration Assistance Loan is being requested is located in the Argenta Mining District of Beaverhead County, Montana, about 8 miles airline northeast of Argenta, Montana.

The region is one of mountainous relief in which gently sloping, open grassy parks change abruptly into rather precipitous cliffs and barren rocky areas. Generally a thick forest growth covers the claims in question and sufficient timber exists for all contemplated mine support. Mining activity has been carried on for several decades in the general area and, specifically, a small amount of work was performed on the patented Buster No. 1 in the late 1800's. Failure to discover ore in place discouraged the initial operators so that the surface pitting was stopped. However, evidence now present indicates that comparatively high grade ore was shipped from the several shallow surface workings, This conclusion is drawn from the many piles of cobbed reject material remaining near these surface workings. Most of these reject piles have subsequently been sampled and assayed by Modern Mines Development Company and an arithmetic average of all mineralized samples showed an average silver content of a little over forty-four (44) ounces per ton. Gold is generally quite low. Megascopic examination of the ore remaining indicates that the silver is contained in the mineral cerargyrite or as an admixture of silver minerals associated with small blebs of galena. Geologically it appears that the ore mined in years past was only remnants of boulders remaining from the eroded portion of an ore deposit and that such an ore deposit may be found in place as indicated on the attached illustrations, aerial photo and overlay map. Approximately three miles south, the ore deposit at the Shaffer Yellow Bank Mine occurs under geological conditions, which are similar, if not identical, to those observed at the Butler claims. The ore zone at the Shaffer mine occurs in a crushed and subsequently silicified zone

in the Threeforks or Jefferson limestone, a zone probably resulting from a branch of the Bannock overthrust fault. The zone underlies the Quadrant quartzite approximately 100-150 feet. Production at the Yellow Bank began very soon after its discovery in 1935 and the initial shipments consisted of surface boulder and float material, the ore in place then being completely concealed. The ore zone at the Yellow Bank dips from five to ten degrees to the west, a dip identical to the over-lying quadrant quartzite formation. It is felt that the geological conditions at the Buster claims are sufficiently well exhibited and, while proven at the Yellow Bank, offer evidence that an ore zone will be found at the Buster under conditions very similar to those at the Shaffer mine. The original mining was done on what is now known to have been remnants of the ore deposit as it once existed, but that erosion has reduced and destroyed the upper portion of the ore deposit. It is felt that an ore zone or deposit will be found to lie concealed beneath the talus and detrital material accumulated below at quadrant outcrop as shown on the attached illustration.

4. Accessibility of Property:-

   a. Upon suitable notice, Mr. W. S. Doyle, 219 South 31st Ave., Yakima, Washington, 98902, an officer of the Company, will meet an OME representative, and accompany him to the Montana property.

   b. The closest main supply points are Butte, Montana and Dillon, Montana, located sixty-five and twenty-five miles respectively from the Buster claims.

5. Exploration Work Planned.

   a. Drilling:-

   Exploration drilling as planned will consist of a minimum of five holes and a maximum of ten holes. The holes are to be diamond core drilled of AX size and will be collared at a yet unknown elevation but at a point known to be below the bottom of the quadrant quartzite. The exact location will be determined in the field and the holes will be drilled to a depth calculated to be below the elevation of the

ore boulder occurances. It is expected that the holes will average about 150 feet in depth for a requested maximum drilling program of 1500 linear feet. The location of the holes contemplated are shown on the included overlay although final exact location will be made on the site and may not coincide exactly as shown. In the event that the first few holes delineate the ore zone expected, the spacing of the remaining holes will be increased or the drilling program may be suspended. Drill holes 1A and 3A are holes that may be drilled in the event that the holes 1 through 8 do not encounter ore. Drill hole 1A would intend exploration of ore that may be in place and which was encountered during the 1967 work in the so-called Bear Den area. Drill hole 2A would explore at depth the area known as the Rabbit Run and from which most of the surface ore grade material was evidently obtained.

b. Trenching:-

Dependent upon a successful drilling program The Company preposes to perform trenching/stripping operations along the length of the delineated zone in order to expose the orezone. Such trenching would involve removal of overburden debris to the depth required to reach the footwall of the ore and to clean the then outcropping zone in preparation for detailed examination and sampling. It is estimated that such trenching would entail stripping the ore for a distance not to exceed 500 linear feet and further that the depth required may average about 20 feet (rectilinear). It is anticipated that company owned equipment (tractors) will be used for this proposed exploration and that the time required to perform the maximum 500 linear feet will not exceed 150 hours of machine operation time.

c. Exploration Adit:-

Following the diamond core drilling program and to some extent the trenching program proposed, it is requested that The Company be allowed exploration cost assistance to excavate and drive an adit into the possible ore body. The adit portal, although shown on the attached overlay may not be so located since the exact siting

would depend on the results of the drilling and on the outcome of at least the first portion of the trenching. The bearing of the adit would be governed by the attempt to explore the most promising portions of the ore body and would not necessarily be along strike or in the direction as shown. Size of heading would depend on method of exploration which most likely would be by means of company owned front-end loader, in which case the cross-section would be 9' X 9'. Length of the adit would be determined by thickness and quality of ore but in no case would it be more than 500 ft. in length. It is felt that the maximum length of 500 ft. would be completed in not more than 125 days of work.

d. Access Road -

The Buster No. 1 and Buster No. 3 lie approximately one mile from a well-travelled and maintained Forest Service road. Because of topographical conditions an access road to the property from the Forest Service road will be approximately one and one-half miles in length, and will be located as shown on the attached aerial photo, if the location meets with the approval of the Forest Service. Accordingly assistance is requested in construction costs of such an access road in order to provide for egress of the required drilling equipment and miscellaneous mining machinery. In all probability company owned equipment will be used (tractor, compressor, if required, etc.) to construct the road. It is estimated that such construction will require approximately 100 hours of tractor time. Although other pieces of equipment may be required, the use of such could probably be minimal, and cost assistance for such incidental equipment is not requested.

6. Experience:-

Modern Mines Development Company of Yakima, Washington, the applicant, qualifies in experience and background by reason of having operated the Jet uranium mining claims on Little Mountain near Lovell, Wyoming. The uranium mining operations were carried

on during 1958, 1959, 1960 and 1961. The operation was made possible through a DMEA exploration loan for drilling of the Madison limestone and the basis of Mr. L. Jarrard's interpretation of the geology from aerial photographs. Supervision of the Wyoming work was, for a time, by Mr. Jarrard. Supervision was later performed jointly by Mr. Buford Miles of Helena, Montana and by Mr. W. S. Doyle of Yakima, Washington. Both Mr. Miles and Mr. Doyle were then Company officers. Mr. Doyle who is still an officer of the Company with occasional assistance by Mr. Miles, will supervise the exploration work to be carried out under this request for exploration assistance. Occasional geological assistance will be rendered by Mr. Jarrard.

DMEA - 4564

7. Exploration Costs:

Although bids for the performance of the various types and amounts of exploration work have not been solicited, local inquiry indicates that the proposed work can be performed at the following unit costs:

a.	Diamond core drilling of AX hole	$ 13.00 /ft.
b.	Drifting, 9' X 9' front-end loader ($8.00 per ft. for timber where and if needed)	34.00/ ft.
c.	Trenching and access road work, TD-8 or equivalent w/operator	24.00/ft.

Based on the above unit costs, it appears that the outlined exploration costs for which Government assistance is requested will amount to the following:-

a- Diamond core drilling

Unit cost	$13.00/ft.
Maximum footage	1500
Maximum cost	$19,500.00

b- Drifting

Unit cost	$34.00/ft
Maximum footage	500.00
Maximum cost	$17,000.00

c-Trenching -(plus timbering where and if needed $8.00 per ft.)

Unit cost	$24.00 per hr.
Maximum hours	150
Maximum cost	$3,600.00

(cont. next page)

d -Access Road

Unit cost	$24.00 per hr.
Maximum hours	100
Maximum cost	$2,400.00

8. In addition to the drifting, drilling and tractor work, it is thought that the following listed costs will develop and are just and reasonable to in this request for financial assistance:-

a. Samples and Assays

150 assays @ $3.50 each	$525.00

b. Equipment shed:-

1 Building 10' X 12'	$500.00

c. Geological assistance

Three examinations at two field days per examination - 6 days @ $100.00 per field day to include written report to Modern Mines Development Company	$600.00

9. The total cost of the proposed exploration program for which The Company is seeking OME assistance is therefore:

a.	Drilling - ~~(Plus possible cementing @ $20.00 per hour)~~	$19,500.00
b.	Drifting - (Plus $8.00 per ft. for timbering where and if needed)	17,000.00
c.	Trenching and roads	6,000.00
d.	Sampling	525.00
e.	Equipment Shed	500.00
f.	Geological assistance	600.00
	Total	$44,125.00

Of the total program $44,125.00, the Company financed portion will amount to $11,031.25, and the Government's share $33,093.75 if the complete program as presented is wholly carried out. Of its share the Company proposes to furnish the $11,031.25 in cash and partly through equipment use costs of company owned equipment

JOHN O. LEAF

PHONE WA 6-9484

Leaf Drilling Co.

DIAMOND DRILL CONTRACTOR

E. 8205 UPRIVER DRIVE - SPOKANE 61, WASH.

21 Feb. 1968

MODERNMINES DEVELOPMENT CO.
207 Larson-Andrews Bldg.
Yakima, Washington 98901

Gentlemen:

The following quotations are made for the drilling you plan at your property near birch creek at Dillon, Mont.

Mob & demob			$ 850.00
Casing overburden		Per ft.	10.00
BX core		" "	8.50
AX "		" "	~~$8.00~~ 8.00
Reaming casing	40% ~~405%~~ of coring price		
Cementing, drilling cement, placing casing, standby time or testing		per hr.	15.00
Wood core boxes		each	4.00
Cement	Cost plus 10%		

The above prices are based on drilling 10 holes 150 to 200 ft in depth. Road to property and drill sites to de supplied by mining company. Core boxes and cement may be supplied by you at your option. If minning Co. elects to supply ample water supply at drill site a reduction of $.50 per foot may be made on coring price.

The above quotation does not apply to winter work.

John O Leaf

John O. Leaf

FA 8-9795 PHONE 6401

Vivian Bros., Inc.

DIAMOND CORE DRILLING CONTRACTORS

OFFICE AND SHOP
709 WEST CAMERON
KELLOGG, IDAHO

MAILING ADDRESS
P. O. BOX 780
KELLOGG, IDAHO

West 2929 Wellesley
Spokane, Washington, 99205

February 21, 1968

Modern Mines Development Company
207 Larson-Andrews Building
Yakima, Washington, 98901

Quotation for drilling 10 holes vetical from the surface in the vicinity of Dillon, Montana.

Mobilization and demobilization	$800.00
Overburden drilling per foot	12.00
0 ft. to 150 ft. BX per ft.	9.75
0 ft. to 150 ft. AX per ft.	9.25

Reaming for BX casing 50% of BX coring price.
Reaming for AX casing 50% of AX coring price

Placing casing in hole and removing casing from hole 14.00 per hr.

Cementing hole and drilling out cement 14.00 per hour plus the cost of cement

Waiting for cement to set if during regular shift hours 10.00 per hr.

Mining company to provide roads and drill stations.

Drilling will not be conducted during inclement weather.

VIVIAN BROS., INC.

By H. H. Vivian
H.H.Vivian

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

February 21, 1968

Modern Mines Developement Co.
207 Larsen Andrews Building
Yakima, Washington

Gentlemen:

The following schedule confirms prices quoted in our letter of proposal dated 1-25-68 for drilling on your property in the vicinity of Dillon, Montana.

"ITEMS"

1. Mobilization and demobilization: $500.00

2. Drilling and casing unconsolidated overburden: $10.75 per foot.

3. Diamond Core Drilling: AXWL or BXWL
   0.0 to 200 feet $8.50 per foot.

4. Reaming and casing: $5.50 per foot.

5. Cementing, waiting for cement to set during a regular drill shift and drilling out cement: $20.00 per hour plus cost of cement, cement substitutes or drill mud and additives.

6. Delays for your convenience, drill hole surveys, etc.: $15.00 per hour.

7. Adequate roads will be furnished and maintained to level drill sites at no cost to Boyles Bros. Drilling Co..

8. Boyles Bros. will furnish a truck mounted drill with all supplies and accessories to do the work. The rig will be operated one 8 hour shift per day 6 days per week by a competent driller-foreman under the general supervision of an area superintendent.

We sincerely appreciate your continued interest in Boyles Bros. Drilling Company's services.

Very truly yours,
Boyles Bros. Drilling Co.

E. G. Tucker
District Manager

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 406/442-0889

PHONE 406/442-3770
46 SOUTH MAIN ST.
P. O. BOX 837
HELENA, MONTANA
59601

Helena, Montana, September 12, 1967

ASSAYED FOR

W. S. Doyle

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
6308	trace	0.3	— Hard Rock - Blue Shiny from long tunnel					
9	trace	0.3	— Soft sample				—	—
10	trace	1.4	— Hard Brown - recovered				—	—

*Gold not tested

Charges $ 32.00 Paid

GOODALL BROS.

By ORIGINAL SIGNED BY HORACE HAND

MAIN

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 406/442-0698

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

Helena, Montana, July 21, 1967

ASSAYED FOR

Modern 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
RABBIT RUN 1520	0.03	27.0	Screen Dump #1 omne lead					
1	0.04	52.4	#2					
2	0.60	11.6	Bear rlen - Green -					
3	0.02	14.0	Bear rlen - Black -					
RABBIT RUN - 4	0.04	21.4	Dump above cabin - Black + White					

*Gold not deducted

Charges $ 30.50

GOODALL BROS.

By Horace Hand

GOODALL BROTHERS

ESTABLISHED 1909 — ASSAYERS

HORACE HAND, OWNER MANAGER
RES. PHONE 406/442-0896

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

Helena, Montana, September 6, 1967

ASSAYED FOR

W. S. Doyle

HAND SAMPLE

DESCRIPTION

BEAR DEN — 1803	0.14	38.3	cut	No 1	Hard gray with green - Bottom of cut					
RABBIT RUN — 4	0.46	73.0	4.2	3.3	Cut No 3 - Green, Brown - Black					
✓ ✓ — 5	trace	11.0	cut	No 3	- white small amt. Black					
✓ ✓ — 6	0.04	10.4	cut	No 3	- Heavy Black					
7	trace	96.4	Rabbit	Rare						

*Gold not deducted

Charges $ 34.50

GOODALL BROS.

By Horace Hand

QUIT CLAIM DEED

THIS INDENTURE, made this 27th day of April, 1967, between BUFORD MILES of Helena, Montana, party of the first part, hereinafter called Grantor; and MODERN MINES DEVELOPMENT COMPANY, a Washington corporation, party of the second part, and L. D. JARRARD, of Albuquerque, New Mexico, party of the third part, parties of the second and third part hereinafter referred to as Grantees,

WITNESSETH:

That the party of the first part for and in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration, receipt of which is hereby acknowledged does hereby convey, remise, release and forever quit claim unto the party of the second part a one-half undivided interest, and to the party of the third part a one-fourth undivided interest, and to their heirs, successors and assigns, in and to the following described real property situate in the County of Beaverhead and the State of Montana, to-wit:

Those certainpatented mining claims situated in Beaverhead County, Montana, Bald Mountain Mining District, as follows:

1. Mayflower Lode
2. Buster Lode
3. Ella M. Lode
4. Timber Lode
5. Elsie Lode
6. Miss Grundy Lode
7. Grizzly Bear Lode
8. Little Bell Lode
9. Bartholdi Lode

together with all of the undivided interest in the tenements, hereditaments, and appurtenances thereto belonging, and the reversion and reversions, remainder and remainders, rents issues and profits thereof; together with any and all after-acquired title to which the Grantor may acquire all in the undivided interest as herein specified.

LAW OFFICES OF
VELIKANJE, MOORE & COUNTRYMAN
SUITE 4 YAKIMA LEGAL CENTER
203 EAST "D" STREET
YAKIMA, WASHINGTON 98901

TO HAVE AND TO HOLD, all and singular the said premises, with the appurtenances unto the said parties of the second and third parts, their heirs, successors and assigns, in the undivided interest.

IN WITNESS WHEREOF, said Grantor has caused his signature to be affixed on the day and year first above written.

Buford Miles
Grantor

STATE OF MONTANA)
) ss.
County of Beaverhead)

On this day personally appeared before me BUFORD MILES, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 27th day of April, 1967.

Ralph A. Salin
Notary Public in and for the State of Montana, residing at Helena

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VELIKANJE, MOORE & COUNTRYMAN
SUITE 4 YAKIMA LEGAL CENTER
303 EAST "D" STREET
YAKIMA, WASHINGTON 98901

L E A S E

THIS LEASE, made and entered into this 5th day of May, 1967, by and between BUFORD MILES of Helena, Montana, party of the first part, and L. D. JARRARD, party of the second part, hereinafter called Lessors; and MODERN MINES DEVELOPMENT COMPANY, a Washington corporation, party of the third part, hereinafter called Lessee,

WITNESSETH:

WHEREAS, each of the parties of the first and second parts are the owners of an undivided one-fourth interest in and to the following patented mining claims hereinafter referred to; and

WHEREAS, the party of the third part is the owner of the remaining undivided one-half interest in and to said mining claims; and

WHEREAS, the party of the third part desires to lease from the parties of the first and second parts their interests in said mining claims;

NOW, THEREFORE, the Lessors for and in consideration of the rents reserved and the covenants herein contained, do hereby lease and let unto the Lessee and the Lessee does hereby agree to lease and let from the Lessors the following described real property situate in Beaverhead County, State of Montana, to-wit:

Those certain patented mining claims situated in Beaverhead County, Montana, Bald Mountain Mining District, as follows:

1. Mayflower Lode
2. Buster Lode
3. Ella M. Lode
4. Timber Lode
5. Elsie Lode
6. Miss Grundy Lode
7. Grizzly Bear Lode
8. Little Bell Lode
9. Bartholdi Lode

it being the intent and purpose only to lease first and second

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VELIKANJE, MOORE & COUNTRYMAN
SUITE 4 TACOMA LEGAL CENTER
[illegible] EAST "D" STREET
TACOMA, WASHINGTON 98421

parties undivided interest therein.

TERM: The term of this Lease shall be for a period of five years beginning May 1, 1967, and terminating on the last day of April, 1972, with the provision, however, that Lessee shall have an option to renew this lease for an additional period of five years under the same terms and conditions as herein provided, upon the further condition, however that Lessee shall notify Lessors, and each of them, in writing of its intent to renew this Lease at least sixty days prior to the termination of the original five year period.

RENTAL: Lessee agrees to pay to each Lessor an amount equal to 5 per cent of one-half the net smelter returns of all minerals produced from said property. Lessee agrees that on or before March 1 of each and every year beginning March 1, 1968, it will render to Lessees a complete and accurate accounting of all minerals produced from said property together with net returns from smelter and will at said time accompany said report with a check for the amount payable as rental as herein provided. Lessee agrees to make available to Lessors or their designated agents any and all smelter reports and to have their books and records available for Lessors' examination.

OPERATION AND MAINTENANCE: Lessee shall go upon said property and operate said claims in a proper and legal manner and shall comply with all the laws, rules and regulations as shall pertain thereto. The operation, maintenance and expenditure of funds shall be at the sole cost and expense of Lessee and it shall (continued next page)

be at Lessee's discretion as to the extent of exploration or mining that should be carried on during the period of this Lease and Lessee shall be under no obligation to do any specific amount of work except as provided by law.

EQUIPMENT: Lessee shall have the right to use any and all equipment, improvements or fixtures which may be situated upon said premises. The sole cost and expense of maintaining and keeping said equipment for its own use shall be Lessee's obligation.

TAXES AND ASSESSMENTS: Each of the parties hereto does hereby agree to pay his or its proportionate part of any taxes or assessments that may be chargeable against said mining claims.

SURRENDER OF PREMISES: Lessee agrees to return said premises to Lessors at the termination of this Lease in as good a condition as the same now are, reasonable wear and tear, damage by fire and elements excepted, and subject to the normal depletion by operation.

LIABILITY: Lessee agrees in the operation of said property to hold Lessors safe and harmless from any lien or liability to any persons or property while used on or going to or from said premises and agrees to carry any and all necessary liability insurance which may be necessary for the protection of the parties hereto.

INSPECTION: Lessee will allow Lessors or their agents at all reasonable times to enter and examine said premises.

ASSIGNMENT: As this is a personal Lease entered into on account of the knowledge and experience of the Lessee in mining operations Lessee agrees not to let or sublet said premises or any part thereof or assign this Lease or any part thereof without the written consent of Lessors first having been obtained. Lessors agree, however, that they will not arbitrarily withhold their consent thereto.

LAW OFFICES OF
VELIKANJE, MOORE & COUNTRYMAN
SUITE 4 YAKIMA LEGAL CENTER
303 EAST "D" STREET
YAKIMA, WASHINGTON 98901

DEFAULT: Time is of the essence of this agreement and if default be made by the Lessee in any of the covenants or agreements herein contained, it shall be lawful for Lessors or their agents to give notice of default and repossess themselves of said premises so far as their interests may appear on condition, however, that they shall give Lessee thirty days notice in writing of their intent to declare a default and during said thirty day period Lessee shall have the right to reinstate itself under said Lease. The notice of default shall specify in what manner Lessee is in default.

WAIVER: Where policies of insurance covering damages to the leased premises or its contents permit waiver of rights of recovery against third parties, the Lessors hereby agree to waive such right of recovery against the Lessee and in turn the Lessee agrees to waive such right of recovery against the Lessors. In either case, this waiver shall include the entire right of recovery of the named insured against such third party.

OPTION TO PURCHASE: Lessors do hereby grant unto Lessee the right to purchase their interest in the above described mining claims during the period of this lease or the option extention period for and in consideration of the sum of $30,000 with the provision that any amount that has been paid by Lessee to Lessors as rental under this Lease shall be applied as the downpayment upon the purchase price thereof and the balance of the purchase price shall bear interest at 4 per cent per annum and shall be payable by continuing to apply 10 per cent of the net smelter returns as to the purchase price with interest to be first deducted from payment and balance to be applied upon principal. In the event of the exercising of the option to purchase, a contract (continued following page)

of purchase in the usual legal form shall be executed carrying forth the terms and conditions herein provided. Election to exercise the option shall be done by notifying Lessors and each of them in writing by United States mail, postage prepaid, of its election to so exercise, and Lessors agree to execute any and all necessary papers or instruments to carry forth the terms and conditions hereof.

ATTORNEYS' FEES: In the event suit or action is instituted to collect any payments to enforce this Lease or any part thereof, the court shall allow to prevailing party in such suit or action reasonable attorneys' fees.

THIS LEASE AND OPTION shall be binding upon the parties hereto, their heirs, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have hereto set their hands the day and year first above written.

Bufford Whites

E. E. Barnard

Lessors.

MODERN MINES DEVELOPMENT COMPANY

By E. E. Sigmany President

Attest W. S. Doyle Secretary

Lessee.

LAW OFFICES OF
VELSTANDIG, MOORE & COUNTRYMAN
SUITE 4 YAKIMA LEGAL CENTER
303 EAST "D" STREET
YAKIMA, WASHINGTON 98901

STATE OF MONTANA)
) ss.
County of Beaverhead)

On this day personally appeared before me BUFORD MILES, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 16 day of April, 1967.

Ralph H. Halin
Notary Public in and for the State of Montana, residing at Helena
My Commission Expires - MAY 1, 1969

STATE OF NEW MEXICO)
) ss.
County of Bernalillo)

On this day personally appeared before me L. D. JARRARD, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 26th day of April, 1967.

Mary L. Lepisto
Notary Public in and for the State of New Mexico, residing at Albuquerque
My Commission Expires March 2, 1968

LAW OFFICES OF
VELIKANJE, MOORE & COUNTRYMAN
SUITE 4 YAKIMA LEGAL CENTER
203 EAST "D" STREET
YAKIMA, WASHINGTON 98901

STATE OF WASHINGTON)
) ss.
County of Yakima)

On this day personally appeared before me I. W. Sigman, President and W. S. Doyle, Secretary of MODERN MINES DEVELOPMENT COMPANY, to me known to be the individuals who executed the within and foregoing instrument and acknowledged that they signed the same as their free and voluntary acts and deeds for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 21st day of April, 1967.

Joyce D. Cadegan
Notary Public in and for the State of Washington, residing at Yakima

219 S. 31ST AVE.
YAKIMA, WASH.
PHONE GLENCOURT 3-9948

MODERN MINES DEVELOPMENT CO.

2280 EAST DRIVE
BUTTE, MONTANA
PHONE 26498

CODICIL

To be made a part of and attached to that certain Lease
dated May 3, 1967
Between Buford Miles, Helena, Montana, L. D. Jarrard,
and Modern Mines Development Co.

Page 2

Operation and Maintenance shall be amended to read as follows:

"Lessee shall go upon said property and operate said claims in a proper and legal manner and shall comply with all the laws, rules and regulations as shall pertain thereto. The operation, maintenance and expenditure of funds shall be at the sole cost and expense of Lessee and it shall be at Lessee's discretion as to the extent of exploration or mining that should be carried on during the period of this Lease. Modern Mines Development Co. will annually do a reasonable amount of work on the operation, development and maintenance of these properties."

The word "Rental" shall be changed to read "Royalty".

Under "Royalty" This shall be changed to read as follows:

"Lessee agrees to pay each Lessor an amount equal to 5% of one-half of the net smelter returns of all minerals produced from said property. This payment will be made to the Party of the First Part and Party of the Second Part directly by the smelter. Lessee agrees that on or before March 1st of each and every year, beginning March 1, 1968 it will render to Lessor an accurate and complete accounting of all minerals produced from said property together with net returns from the smelter. Lessee agrees to make available to Lessor or their designated agents any and all smelter reports and to have their books and records available for Lessor's examination."

Page 3

The following sentence to be added to "Liability".

"The Modern Mines Development Co. will apply for and be covered under Montana State Industrial Insurance laws."

Done and signed at _____ this _____ day of _____ 1967.

_____

_____
Lessors

MODERN MINES DEVELOPMENT CO.

By _____ Pres.

Attest W. S. Vogle Sec.

Lessee

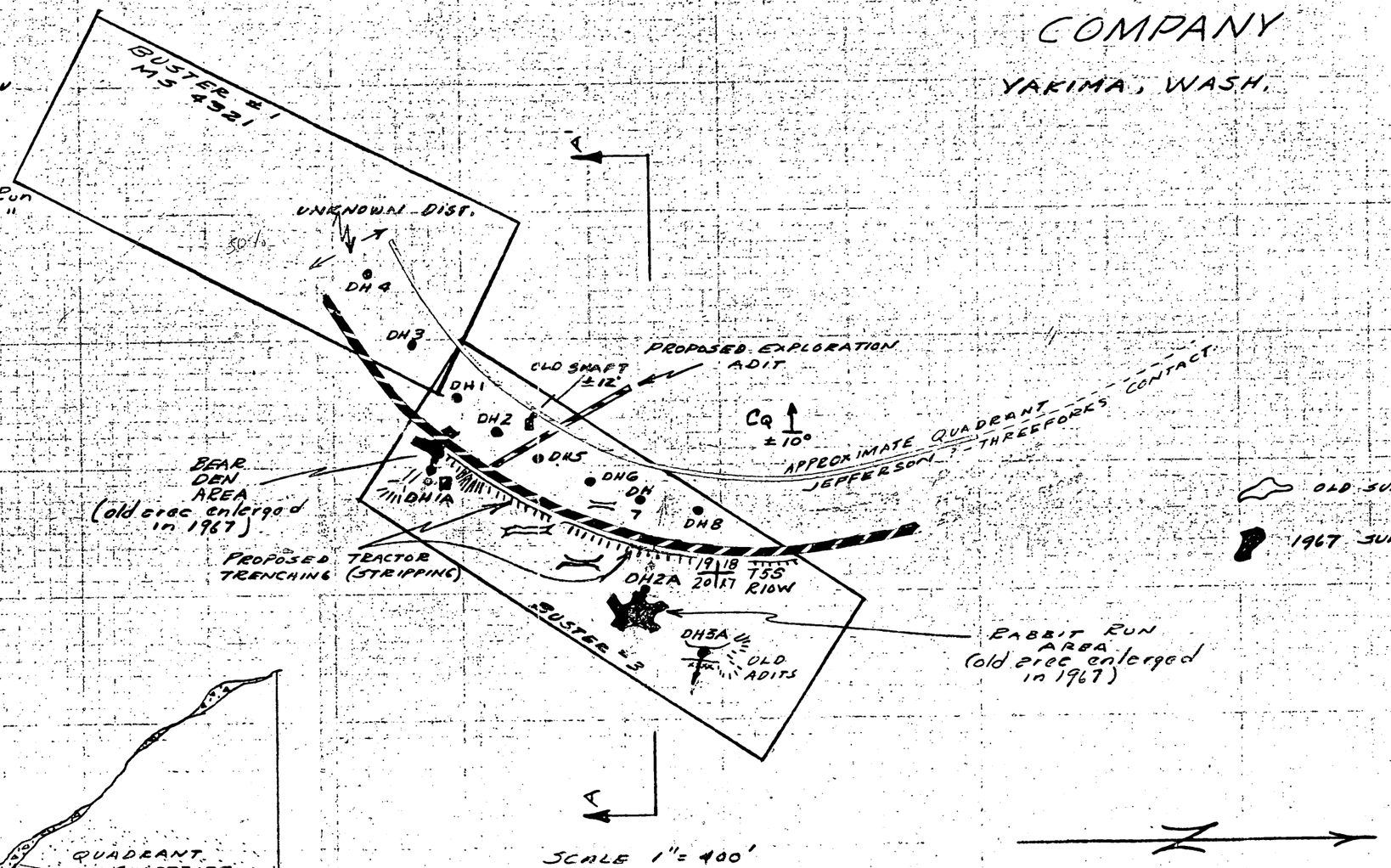
MODERN MINES DEVELOPMENT COMPANY

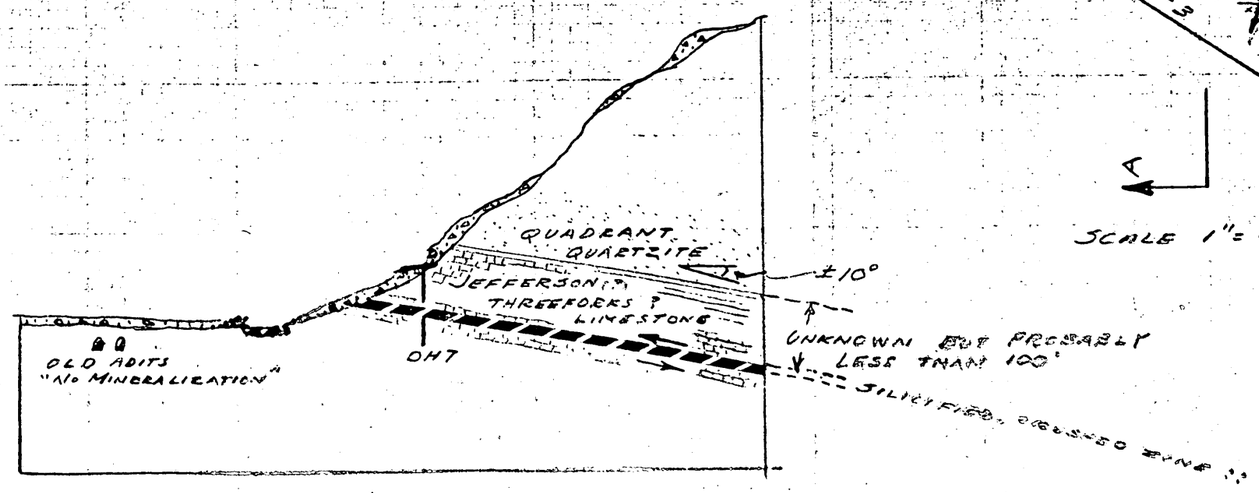
YAKIMA, WASH.

FLOAT-BOULDER SAMPLES

SAMPLE #	AREA/ LOCATION	OZ. Ag./ton	
1520	Rabbit Run	27.0	
1521	" "	52.4	
1522	Beer Den	11.6	
1523	" "	14.0	
1524	Rabbit Run	21.4	
6803	Beer Den	38.3	
6804	Rabbit Run	73.0	0.46 Au
6805	Beer Den	11.0	
6806	" "	10.4	
6807	Rabbit Run	96.4	
6808	OLD ADIT DUMP	0.3	(OMIT)
6809	" " "	0.3	(OMIT)
6810	" " "	1.4	
Hand Sample	1965 (Jarrard)	61.0	Rabbit Run
" "	1965 (Jarrard)	164.0	" "
ARITH. AVER.		44.8	

NOTE:
DHs 1A, 2A, 3A are to be drilled only in the event that they are necessary to delineate the ore-body.





SEC A-A'
No Scale

BUSTER No 1 - BUSTER No. 3
SEC. 17, 18, 19, 20
T5S, R10W
BEAVERHEAD COUNTY MONTANA

L. A. JARRARD

Modern Mines Development Co.

L. V. SIGMAN, PRESIDENT
2302 W. CHESTNUT
YAKIMA, WASHINGTON

JOHN F. CADIGAN, VICE PRESIDENT
207 LARSON-ANDREWS BUILDING
YAKIMA, WASHINGTON

W. S. DOYLE, SECRETARY-TREASURER
219 SOUTH 31ST AVENUE
YAKIMA, WASHINGTON

January 25, 1968

Yakima Valley Branch
Seattle First National Bank
101 N. Second Street
Yakima, Washington 98901

Att: Mr. Wayne Kestersen RE: Application for Loan

Gentlemen:

This letter is written with regard to the above company's obtaining a loan from your bank in the amount of $45,000.00.

Modern Mines Development Company has an interest in certain patented mining claims in Beaverhead County, Montana, and also holds leases on certain other properties which are potential mineral producing properties (silver and gold). The funds would be used by us as follows:

Drilling	$19,500.00
Drifting	17,000.00
Trenching & Roads	4,800.00
Sampling	525.00
Equipment Shed	500.00
Geological assistance	600.00
Miscellaneous possible additional costs	2,075.00
TOTAL	$45,000.00

Attached hereto is brochure of Modern Mines Development Company that is being used in the sale of stock of the company. This does not reflect any sales of stock in the interim period.

Very truly yours,

JOHN F. CADIGAN
Vice-President

JFC:w
Enc. as stated: 1

YAKIMA VALLEY BRANCH

SEATTLE-FIRST NATIONAL BANK

ESTABLISHED 1870

YAKIMA, WASHINGTON 98901

J. E. Ditter
Assistant Vice President

January 26, 1968

Modern Mines Development Company, Inc.
207 Larson Andrews Building
Yakima, Washington 98901

Gentlemen:

We regret to inform you that your company's application for a loan of $45,000.00 from this bank does not meet our lending requirements because of the financial resources of the company and the purposes for which the funds will be used.

We sincerely hope that you will be able to obtain the desired funds from other sources.

Yours very truly,

J. E. Ditter
Assistant Vice President

JED:TAB

Modern Mines Development Co.

L. V. SIGMAN, PRESIDENT
2302 W. CHESTNUT
YAKIMA, WASHINGTON

JOHN F. CADIGAN, VICE PRESIDENT
207 LARSON-ANDREWS BUILDING
YAKIMA, WASHINGTON

W. S. DOYLE, SECRETARY-TREASURER
219 SOUTH 31ST AVENUE
YAKIMA, WASHINGTON

January 25, 1968

National Bank of Washington
Yakima Valley Banking Center
202 W. Yakima Ave.
Yakima, Washington 98902

Att: Mr. Dietzen

RE: Loan Application

Gentlemen:

This letter is written with regard to the above company's obtaining a loan from your bank in the amount of $45,000.00.

Modern Mines Development Company has an interest in certain patented mining claims in Beaverhead County, Montana, and also holds leases on certain other properties which are potential mineral producing properties (silver and gold). The funds would be used by us as follows:

Drilling	$19,500.00
Drifting	17,000.00
Trenching & Roads	4,800.00
Sampling	525.00
Equipment Shed	500.00
Geological assistance	600.00
Miscellaneous possible additional costs	2,075.00
TOTAL	$45,000.00

Attached hereto is brochure of Modern Mines Development Company that is being used in the sale of stock of the company. This does not reflect any sales of stock in the interim period.

Very truly yours,

John F. Cadigan

JOHN F. CADIGAN
Vice-President

JFC:w
Enc. as stated:1

ESTABLISHED 1889

National Bank of Washington

YAKIMA VALLEY BANKING CENTER

J. H. DIETZEN
SENIOR EXECUTIVE & TRUST OFFICER

POST OFFICE BOX 137
YAKIMA, WASHINGTON 98901

January 26, 1968

Modern Mines Development Co.
207 Larson Andrews Building
Yakima, Washington 98901

Gentlemen:

We regret to advise that we are not interested in granting a loan of $45,000.00 to your corporation. We regret our inability to be of service in this connection.

Yours very truly,

J. H. DIETZEN
Senior Executive Officer
Trust Officer

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/6/68	Peterson	120
9/9/68	Kirkham	120
	Johnson	110
9/9	Kulsgaard	
9/9	Kepp	
		110
9/10	cal	220
		1231

AIRMAIL

Modern Mines Development Co.
207 Larsen-Andrews Building
Yakima, Washington 98901

Re: OME-6700 (Silver)
Modern Mines Development Company
Buster Nos. 1 and 2 Claims
Beaverhead County, Montana

Gentlemen:

A careful review of your application for financial assistance to explore the subject property and of other information available to us indicates that not enough geologic information has been furnished to identify with reasonable certainty the proposed exploration targets. Therefore, we must conclude that the probability of disclosing significant ore reserves on the property is not sufficiently promising to justify Government participation in the proposed work. Accordingly, we regret to inform you that your application for assistance is denied.

We regret the necessity for this action, which, however, is taken without prejudice to the property. Should you perform additional work on the property which would establish the existence of a specific target that warrants exploration, we shall be pleased to consider a new application at that time.

We wish to thank you for your interest in the minerals exploration program and for bringing your property to our attention.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region I
Mr. Peterson
130

ECPeterson/bsl 9/6/68

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/6/68		120
		120
9/9	[illegible]	110
		220
		120M

September 6, 1968

Memorandum

To: The File

From: Edward C. Peterson

Subject: OME-6700 (Silver)
Modern Mines Development Company
Buster Nos. 1 and 2 Claims
Beaverhead County, Montana

Justification for Denial of Application

The report of the field examination of the property indicates that not enough geologic information is known about the project area to identify with reasonable certainty favorable exploration targets. Therefore, the proposed work is considered prospecting and not eligible for Government assistance.

Because of the possibility that targets which warrant exploration may exist on the property, as indicated by the sample and assay data furnished by the Applicant, the field examiner recommend's that the application for assistance be denied, without prejudice to the property. Should the Applicant perform additional work on the property which would establish the existance of a specific target of merit, the OME could consider a new application at that time.

I concur with the recommendation.

Edward C. Peterson

Edward C. Peterson

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

ECPeterson/bsl 9/6/68

OME

UNITED STATES
DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
August 30, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 3 1968
INITIALS | CODE
gla | 30
bal | 20
JJ | 10
ER | 120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Application Examination Report
OME-6700 (Silver)
Modern Mines Development Company
Buster Nos. 1 and 3 Claims
Beaverhead County, Montana

On-Site Exam Report

INTRODUCTION

The Buster Nos. 1 and 3 claims were visited June 23, 1968, in the company of W. S. Doyle, secretary-treasurer of the applicant company, and L. D. Jarrard, geologist and owner of a one-quarter interest in the Buster No. 1 claim. About 3 hours were spent on the property examining trenches and cuts in two areas and an adit in one of the areas.

It is concluded that there is little evidence of a definite or specific target and that this introduces a large element of prospecting in any proposed work. On this basis it is also concluded as of now that the chance of making a significant discovery of silver ore is no better than fair.

It is recommended that the application be denied without prejudice.

PROPERTY, LOCATION, AND ACCESSIBILITY

The property consists of two claims, Buster Lode (Patent 26438) and Buster No. 3 (Unpatented). The correct name of the patented claim was furnished by the Bureau of Land Management. The claims are located near the corner common to secs. 17, 18, 19, and 20, T. 5 S., R. 10 W., about midway between the Argenta and Utopia Mining Districts, Beaverhead County, Montana.

To reach the property from Dillon proceed northerly on U. S. Highway 10 for about 10 miles. Turn left on the Birch Creek road and proceed westerly for about 11 miles to the Thief Creek turnoff. Here turn left, cross Thief Creek and about 50 yards beyond the bridge turn right. Follow the Thief Creek road for about 2.5 miles to the applicant's camp. The claims are about 1.5 miles farther south and just east of the Argenta road.

GEOLOGY

Rocks in the vicinity of the claims are Precambrian light-colored quartzite of the Belt series, Pilgrim dolomite of Cambrian age, Jefferson dolomite of Devonian age, Amsden dolomite and Quadrant quartzite both of Pennsylvanian age. An angular unconformity and possible fault separates the Precambrian quartzite and the Pilgrim dolomite, and a disconformity separates the Pilgrim dolomite and the Jefferson dolomite. The Amsden dolomite and the Quadrant quartzite have been overthrust atop the Jefferson dolomite. A quartz monzonite pluton of Paleocene to Oligocene age is exposed about 4 miles west, 4 miles north and 1 mile east of the property (Myers, 1952, pl. 1).

Elsewhere in the area the rocks have been overturned, but on the claims most strata strike in a general northerly to northeasterly direction and dip 30°-35° westerly; at one place in an old tunnel the dip was 12° easterly. The thrust fault that has pushed the Amsden and Quadrant beds over the Jefferson dolomite was not exposed, but from Myers' map it nearly coincides in strike and dip with the beds.

No workings were seen on the Buster No. 1 (lode) claim. On Buster No. 3 there are many old shallow trenches and one shallow caved winze. In some of the trenches and in the remnants of muck piles about them there are pieces of dark jaspery to mottled granular material, some of which contain low values in silver; in other trenches there are pieces of siliceous dolomite with blue to green patches and specks of iron oxide in some of which silver values range from 11.6 to 96.4 ounces silver per ton. There are similar pieces in widely scattered float. Apparently, old timers dug trenches, sank shallow shafts, and drove at least two adits in an unsuccessful attempt to locate the source of the silver-bearing dolomite. The applicant believes that the source of the mineralized material is a silicified crushed zone representing a thrust fault near the top of the Jefferson dolomite. Myers (1952, pl. 1) has mapped this fault between the Jefferson dolomite and the Amsden-Quadrant beds. The mapped location of the fault on the claims is on a steep slope covered by fairly thick overburden. To explore the fault area by bulldozing would require excessively deep and long trenches.

In two areas, shown on the applicant's map as Bear Den and Rabbit Run, the applicant during 1967 deepened and enlarged old surface pits. In the Bear Den area the rock is Jefferson dolomite in which are exposed two apparently small lenticular bodies of siliceous dolomite with blue and green stains and specks of iron oxide. One lens is in the east wall of the pit where it appears to be about 6 feet long and not more than a foot thick. As nearly as

could be determined it strikes easterly and dips 10°-15° northerly. The second lens had only been partially uncovered for a length of about 5 feet and appeared to be 12 to 16 inches thick; its attitude could not be determined. A chip sample taken by the examiner at several places in the exposed area assayed 0.18 ounce gold and 20.2 ounces silver per ton and 0.26 percent copper.

In the Rabbit Run area the rock is Pilgrim(?) dolomite in the northeasterly part of Buster No. 3, probably overlain in the northwesterly half by Jefferson dolomite. Both formations are similar in general appearance, but the Pilgrim is a little more sugary and in two trenches small cherty lenses were seen.

The applicant deepened 2 trenches and bulldozed a rather large open cut removing the first few feet of 2 old adits. One trench exposed two lenses of dense jaspery material limited in size and sparsely stained with blue and green minerals similar to those in the Bear Den trench. One adit was nearly closed at the portal by the dozer work and was not entered. The other adit has been driven 140 feet from the present portal at a bearing of S. 25° W. The beds in the tunnel strike N. 30°-35° E. and dip 12° SW. There was no evidence of silver-bearing material. Although is was not entered, the other tunnel trends southerly for a few feet and then turns southeasterly.

Apparently, the early day trenching was done with the hope of finding the bed or beds from which the silver-bearing float came. In the process the better grade material in the overburden was apparently hand cobbed and shipped. The tonnage and grade of the shipped material is not known. Assay certificates submitted with the application indicate that 13 samples of random float boulders have an average grade of 0.10 ounce gold and 27.5 ounces silver per ton.

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

In summary, various size float boulders containing ore-grade silver can be found on the surface. Many trenches have been excavated in an unsuccessful attempt to locate the source of the ore-bearing boulders. A trench in the Bear Den area has exposed one definitely small lens and one apparently small lens of ore-grade material and another trench in the Rabbit Run area has exposed small lenses of silver-bearing material. These limited exposures of silver-bearing material suggest that they or similar lenses may be the source of the residual mineralized float boulders, but this is only a possibility and is not a conclusive refutation of the applicant's theory that the boulders are remnants of "the eroded portion of an ore deposit and that such an ore deposit may be found in place as indicated on the attached illustrations, etc."

The Bear Den area is almost flat, but a few feet to the west there is a steep hillslope with thick overburden. Westerly from the Rabbit Run the slope is moderately steep down to a northerly flowing water course that starts about two-thirds of the way to the Bear Den area. The slope west of the water course is steep and covered with thick overburden. Trenching to bedrock on these slopes would be difficult and would require moderately deep cuts.

It is concluded that there is evidence of ore-grade material in float but that the original source of the float may be lenses in the Jefferson dolomite similar to those seen in the Bear Den and Rabbit Run areas, or it may be, as the applicant contends, in a more thoroughly mineralized zone stratigraphically higher than the trenched areas. There is only slight evidence that the former possibility is correct and no evidence that the latter one is. Thus, it is concluded that no definite target area for exploration has been established and that the work necessary to establish such an area is prospecting.

If the mineralized boulders are erosional remnants of irregular silver deposition in the underlying beds, it is concluded that the chance of making a significant discovery is poor. If the applicant's theory as to the source of the boulders is correct, it is concluded that the chance of making a significant discovery may be better than fair.

Considering the available information and the above possibilities, it is recommended that the application be denied without prejudice. Should additional prospecting indicate the location of a potential target area and should the applicant submit a new application based on that work, it is recommended that another inspection be made.

D. R. MacLaren

D. R. MacLaren

Distribution:
OME
USGS(SRO)
Docket
MacLaren

BIBLIOGRAPHY

Myers, W. B., 1952, Geology and mineral deposits of the northwest quarter Willis quadrangle and adjacent Brown's Lake area, Beaverhead County, Montana: U. S. Geol. Survey, Mineral Deposits Branch, Open File.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/12/68	Peterson	120
3/14/68	Kirkemo	120
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3/12	Cal	220
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AIRMAIL

MAR 12 1968

Modern Mines Development Co.
207 Larson-Andrews Building
Yakima, Washington 98901

Re: OME-6700 (Silver)
Modern Mines Development Company
Buster Nos. 1 and 2 Claims
Beaverhead County, Montana

Gentlemen:

Your application for exploration assistance has been reviewed in our Washington Office and referred to Mr. D. R. MacLaren, Field Officer, Region I, U. S. Geological Survey, U. S. Courthouse, Room 656, West 920 Riverside Avenue, Spokane, Washington 99201.

Mr. MacLaren will notify you if he requires additional information and to arrange for an on-site examination of the property, if necessary.

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 3/12/68

MME Form 7
(2/63)

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Date	Surname	Code
3/12/68	Peterson	120
3/12/68	Kiebesmo	120
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MAR 12 1968

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6700 (Silver)
Modern Mines Development Company
Buster Nos. 1 and 2 Claims
Beaverhead County, Montana

We are referring the subject application to you for further consideration, a field examination if warranted, and recommendations.

The application lacks much of the geologic evidence to support the view that significant ore reserves would be discovered by the proposed work. Although the assay data furnished indicates several interesting silver values, it appears that these samples were carefully selected and a few may have been from mill concentrates. In addition, some of the work may not qualify for OME assistance. The proposed stripping and drifting operations subsequent to the initial core drilling may be considered development, depending upon the drilling results.

If a contract is recommended, the Applicant should be requested to furnish a statement clarifying the ownership and names of the two claims involved. We note that some documents submitted refer only to the Buster lode, while other material refer to the Buster No. 1 and Buster No. 3 Claims.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Peterson
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ECPeterson/bsl 3/12/68

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

February 29, 1968

OFFICIAL COPY O. M. E. RECEIVED MAR 4 1968	
INITIALS	CODE
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To be Assigned

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: New Application (Silver-Gold)
Modern Mines Development Company 6700
Buster 1 and 3 Claims
Beaverhead County, Montana

This application was forwarded February 26, 1968, under separate cover.

The applicant owns $\frac{1}{2}$ interest in Buster 1 and controls by lease $\frac{1}{4}$ interest vested in Bufford Miles and $\frac{1}{4}$ in L. D. Jarrard. He states he has co-ownership of Buster 3 with Bufford Miles, but I can find no document transferring to the applicant Bufford Miles' interest.

The application was delivered to the Spokane office by W. S. Doyle along with an aerial photograph. The latter actually contributed little information, if any, not shown on the sketch and was returned to Doyle.

The problem of deep trenching was explained to Doyle and it was pointed out that, in any case, if the proposed drilling were approved and were successful, subsequent trenching did not appear to be warranted.

Doyle was advised of the necessity of including assayer's reports and drillers' bids which were found to be lacking. They were furnished February 26, 1968. Apparently there is some lead but unfortunately no assays were run for that metal.

D. R. MacLaren

D. R. MacLaren

February 28, 1968

Modern Mines Development Company
207 Larson-Andrews Building
Yakima, Washington 98901

Subject: OME-6700

Gentlemen:

Your application for exploration assistance, dated February 19, 1968, submitted to our office at Spokane, Washington, has been assigned Docket No. OME-6700.

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

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region I