MME Form 40
(Revised Nov. 71)

Form approved
Budget Bureau No. 42-R1368

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED DEC 21 1973 O.M.E. WASH.

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.)*

William J.(Bill) Wheeler
Wheeler Village Office
Missoula, Mt., 59801

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6888

DATE RECEIVED: Dec 28, 1973

REGION: I

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE

STATE IN WHICH FIRM IS ORGANIZED: Montana

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

ESTIMATED COST OF PROJECT: $166,000.00

PROPERTY NAME	LOCATION COUNTY	STATE
The Midnight #8519	Jefferson	Montana
The Morning #8518	Jefferson	Montana

Sec. 7 Township 7 NR5W

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. II). 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 Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, 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.

December 19, 1973
DATED

William J. Wheeler
BY *(Signature)*

Owner
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

(submit on accompanying pages)

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 (1) *true copies of your letters to credit sources* which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) *true copies of 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 signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

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.

(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) 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. State your reasons for expecting to find ore.

(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, address, and telephone number 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 on maps also the relation of the proposed work to any existing mine workings and to *claim 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 time and materials *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 price 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 and mobilization charge. 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, and materials.

(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).]

WHEELER VILLAGE
MISSOULA, MONTANA 59801
BILL WHEELER, OWNER
(406) 549-3111

RECEIVED
DEC 21 1973
O. M. E.
SPOKANE, WASH.

TO WHOM IT MAY CONCERN:

Two application for federal assistance for exploration of mineral reserves are applied for.

To insure that exploration charges will be distributed equitably between the individual Morning-Midnight and Vindicator Properties. The owners require that the two properties be applied for individually, although the ultimate goal is to develop them jointly.

The applications, each representing $167,000.00 of work to explore the Vindicator and Morning-Midnight at properties are attached.

Sincerely

William J. Wheeler

William J. (Bill) Wheeler

The Morning-Midnight Property, where an earlier attempt by the Western American Company to gain federal assistance through the Defense Mineral Exploration Agency (D.M.E.A.) for their proposed exploration work was successful, has been presented again to obtain federal assistance, but this time through the Office of Mineral Exploration (O.M.E.) because of the favorable outlook for silver prices.

While the plans (Plate I & II) developed by Western Mineral were sound, the more recent plan, as equally desirable, would explore the mineralized structure one thousand to six hundred feet below the apex of the Morning-Midnight vein through the existing proposed exploration drift being driven on the lower portal of the Vindicator Mine.

This Plan offers some distinct advantages over those plans presented earlier by Western America to the D.M.E.A.:

(a) The projection of the 60° dip of the vein from the surface with the 7200' plane may make it accessable through a x-cut having a length of less than 400 ft.

(b) Deep and relatively inexpensive exploration of the mineralized structure would be afforded.

(c) The mine could be de-watered through the Vindicator workings.

The past shipping records and probable reserves, 43% immediately accessable, having a gross value of around $400,000.00* should undoubtedly be of interest to the government, but future of the property lies in the systematic development of large mill grade tonnage in the sulfide zone.

In addition the property controls about 6000 feet of apex and exhibts widths up to 30' along the structure trend. Indiviual cut samples assaying up to 30 ounces are not unknown and a small shipment (Lot No. 2413 p. 10) of corbonate ore assayed 64 ounces of silver per ton.

Favorable lead-silver ration, good structural environment, and a vein assemlege similar to mines in the area with records of important silver production make it an attractive silver prospect.

* Based on Au @ $100/oz. and Ag @ $3.00/ounce.

Because of the highly speculative nature of mining, commercial bank loans and private financing are almost impossible to obtain, even when the venture is backed by sound management with proven ability. Our failure to obtain financing from these sources is no exception. The letters, which apply for financail assistance and accompaning letters of denial appear on the following pages.

WHEELER VILLAGE
MISSOULA, MONTANA 59801
BILL WHEELER, OWNER
(406) 549-3111

November 23, 1973

Robert C. Runke
Western Montana National Bank
248 No. Higgins Ave.
Missoula, Mt., 59801

Dear Mr. Runke:

I believe you will recall our brief discussion of the Morning-Midnight, a mining property adjacent to our Sleeper 1-7 claims, another property I have selected for exploration that will require financial assistance.

I am aware that you were not interested in our exploration project on the Vindicator Mine, however with the known reserves on the Morning-Midnight Claims valued at somewhere in the neighborhood of $400,000.00, we felt that this project might be more attractive to you.

The terms of repayment and security will be the same as those made for the Vindicator Project. The dollar amount will be the same, $125,000.00, which I will match with $40,000.00 to yield the required $165,000.00 to adequately finance the proposed exploration work.

Like the similar loan I requested earlier; that I projected to be paid back within five years at a rate of 10% of the gross earnings with interest at 9%. I am also offering to repay the loan at a rate that will not represent a burden to me of $1,500.00 per month in the event the project is not fruitful.

I am hopeful this project will be more appealing to you.

Sincerely

Bill Wheeler

Bill Wheeler

WHEELER VILLAGE
MISSOULA, MONTANA 59801
BILL WHEELER, OWNER
(406) 549-3111

November 27, 1973

Mr. Pat McDonald
First National Bank
101 E. Front
Missoula, Mt., 59801

Dear Mr. McDonald:

I mentioned to you earlier that we were interested in exploring another property adjacent to our Sleeper 1-7 claims, the Morning-Midnight Property.

Although you were not interested in financing the exploration project on the Vindicator, we feel that the reserves developed by an earlier exploration project valued at somewhere in the neighborhood of $400,000.00 would make the Morning-Midnight property a more attractive opportunity to your bank.

The terms of repayment and security will be the same as those made for the Vindicator Project. The dollar amount will be the same, $125,000.00, which I will match with $40,000.00 to yield the required $165,000.00 to adequately finance the proposed exploration work.

Like the similar loan I requested earlier; that I projected to be paid back within five years at a rate of 10% of the gross earnings with interest at 9%, I am also offering to repay the loan at a rate that will not represent a burden to me of $1,500.00 per month in the event the project is not fruitful.

I am hopeful this project will be more appealing to you.

Sincerely

Bill Wheeler

Bill Wheeler

WHEELER VILLAGE
MISSOULA, MONTANA 59801
BILL WHEELER, OWNER
(406) 549-3111

November 21, 1973

Ed Hollenbach
First State Bank
Superior, Mt., 59872

Dear Mr. Hollenbach:

I believe you are aware of our interest in exploring a property adjacent to our Sleeper 1-7 Claims, the Morning-Midnight Property.

While you were not interested in the Vindicator Property exploration project, proposed for the Vindicator Mine, I felt that because the Morning-Midnight had reserves valued in the neighborhood of $400,000.00 that you might be a great deal more interested in this loan opportunity.

The terms of repayment and security will be the same as those made for the Vindicator Project. The dollar amount will be the same, $125,000.00, which I will match with $40,000.00 to yield the required $165,000.00 to adequately finance the proposed exploration work.

Like the similar loan I requested earlier; that I projected to be paid back within five years at a rate of 10% of the gross earnings with interest at 9%, I am also offering to repay the loan at a rate that will not represent a burden to me of $1,500.00 per month in the event the project is not fruitful.

I am hopeful this project will be more appealing to you.

Sincerely

Bill Wheeler

Bill Wheeler

MEMBER First Bank SYSTEM

Western Bank WESTERN MONTANA NATIONAL BANK

December 5, 1973

Mr. Bill Wheeler
P. O. Box 707
Missoula, Montana 59801

Re: Morning-Midnight Mine
Jefferson County, Montana

Dear Mr. Wheeler:

You have, at this time, received our earlier letter regarding your loan application for funds in the development of the Vindicator Mine and reasons that we gave to you for declining to grant your loan request.

Again, we must state in relation to your loan request in the development of the Morning-Midnight Mine, we are not in a position to act favorably on your loan request in this instance due to continuing tight money conditions.

Sincerely yours,

R. C. Runke
Senior Vice President

RCR:bw

248 NORTH HIGGINS AVENUE ▪ MISSOULA, MONTANA 59801 ▪ TELEPHONE: (406) 543-7101

NO. 2106

THE FIRST NATIONAL BANK
OF MISSOULA
MONTANA'S OLDEST BANK
ESTABLISHED 1873

MISSOULA, MONTANA

December 10, 1973

PATRICK G. McDONALD
ASSISTANT VICE PRESIDENT

Mr. William Wheeler Sr.
Box 707
Missoula, Montana 59801

RE: Loan Application

Dear Mr. Wheeler:

We recently received your formal loan applications for the exploration and development of the two mining properties. I realize you have had many years of experience in the mining field; however, because such ventures as these are very risky, we feel we cannot become involved. Therefore, we must decline your applications for these two ventures.

Thank you.

Sincerely yours,

Patrick G. McDonald

Assistant Vice President

PMcD:lb

1st of Missoula 2 Century

ENTERING OUR SECOND CENTURY OF BANKING 1873-1973

1ST STATE BANK
of Mineral County
SUPERIOR, MONTANA 59872

December 6, 1973

Bill Wheeler
Box 707
Missoula, Montana 59801

Dear Bill:

Pursuant to your letter of November 21, 1973, I again would not be interested in a mining type loan as we do have a shortage of loanable funds and also we are not interested in making mining loans. As I had indicated in my last letter, I am not aware of any available sources of funds for mining loans, but if I do hear, I would be more than pleased to pass the information on to you. I would have to participate out any loan that I would make on your line of credit from here on out, therefore, this would be the type of loan I'm sure I could not justify to my lending outlets. Our past experience with you has always been very excellent and if it was for such a venture that we were knowledgeable about we could possibly help you, but due to the circumstances and type of loan, I would have to turn it down on that basis. If we can be of any service to you please feel free about contacting me here at the bank and I'll be happy to help you in any way I can.

Thankyou.

Very truly yours,

Edward J. Hollenback

Edward J. Hollenback
President

EJH/dk

The funds that will be included with O.M.E. financing will be derived primarily from three sources:

(a) Trailer Park

(b) Farming

(c) Trucking

A financial statement has been included on the following pages.

DEGUIRE AND TUCKER
CERTIFIED PUBLIC ACCOUNTANTS
199 WEST PINE STREET
MISSOULA, MONTANA 59801
William G. DeGuire, C.P.A. · Darrell D. Tucker, C.P.A.

June 7, 1973

Mr. William J. Wheeler
Missoula, Montana

Dear Mr. Wheeler:

We have prepared your personal Financial Statement as of May 31, 1973 from information submitted to us, and from certain information verified by us as explained under the Notes to the Financial Statement.

Since the examination of your personal Financial Statement was limited in its scope, and normal auditing procedures were not performed, and because certain assets are reflected at their "fair market value" as submitted to us, rather than at actual cost, we are unable to render an opinion on the accompanying financial statement.

Respectfully submitted,

DeGuire & Tucker

DeGuire and Tucker
Certified Public Accountants

WILLIAM J. WHEELER
Missoula Montana
STATEMENT OF FINANCIAL POSITION
AS OF MAY 31, 1973
(UNAUDITED)

ASSETS

Current Assets:		
Cash on hand		$ 972.00
Cash in banks: (Note #1)		
Western Mont. Nat'l Bank	$ 2,348.05	
First Nat'l Bank of Missoula	(86.20)	
First State Bank of Mineral County-Superior	925.62	3,187.47
Receivables:		
Trailer space rents receivable (Note #2)	$ 2,347.29	
M & S Construction Co. - gravel(Note #3)	3,600.00	
Missoula County - gravel	4,680.00	
A.S.C. - wheat certificates (estimated)	8,000.00	
Internal Revenue Service - prior year's tax refund	2,784.00	
Dean I. Simon, Contractor - gravel (Note #3)	7,200.00	28,611.29
Inventories: (Estimated)		
Wheat (4,000 bushel @ $2.00)	$ 8,000.00	
Cattle (100 head @ $250.00)	25,000.00	
Alfalfa seed (3,000 lbs. @ 98¢)	2,940.00	
550 acres of unharvested winter wheat (Note #4)	--	
150 acres of unharvested barley (Note #4)	--	35,940.00
Total current assets		$ 68,710.76

Fixed Assets:			
Depreciable assets: (Note #5)	Cost	Accumulated Depreciation	Book Value
Farm machinery & buildings	$112,580.00	$ 40,254.00	$ 72,326.00
Mining equipment	3,443.00	372.00	3,071.00
Wheeler Village-trailer spaces	548,649.00	36,286.00	512,363.00
Wheeler Village-machinery and equipment	65,501.00	7,719.00	57,782.00
	$730,173.00	$ 84,631.00	$645,542.00

Real Estate: At Estimated F.M.V. (Note #5)		
1,400 acres (near Superior)	$ 250,000.00	
850 acres (west of Missoula)	2,975,000.00	
20 acres (personal residence	50,000.00	
Total fixed assets		3,920,542.00

Other Assets:		
Contract receivable-M & S Construction Co. non-current portion (Note #3)	$ 500.00	
Contract receivable-Dean I. Simon, Contractor non current portion (Note #3)	43,200.00	
Federal Land Bank - stock (240 shares @ $5.00)	1,200.00	
Western Mont. P.C.A. - class B stock (3,400 shares @ $5.00)	17,000.00	
Cash surrender value-insurance policies (Note #6)	11,730.22	
Total other assets		73,630.22
		$4,062,882.98

WILLIAM J. WHEELER
Missoula Montana
STATEMENT OF FINANCIAL POSITION
AS OF MAY 31, 1973
(UNAUDITED)

LIABILITIES AND NET WORTH

Current Liabilities:	
Accounts payable (Note #7)	$ 20,858.65
Accrued interest payable (estimated)	8,500.00
Notes and mortgage payable-current portion (see below)	237,691.19
Total current liabilities	$ 267,049.84
Long Term Liabilities: (See Below)	373,776.93
Total liabilities	$ 640,826.77
Net Worth - William J. Wheeler	3,422,056.21
	$4,062,882.98

Signed: William J. Wheeler
William J. Wheeler

Schedule of Notes and Mortgages Payable (Note #8)

	Current	Long Term	Total
Western Mont. P.C.A.	$150,403.32	$ 18,450.00	$168,853.32
Western Mont. Nat'l Bank	16,000.00	--	16,000.00
Hamilton Escrow (W.M.N.B.)	1,203.00	22,729.58	23,932.58
First Nat'l Bank of Msla	12,433.40	64,132.91	76,566.31
Bassman Escrow (F.S.B. of Mineral County)	3,150.00	6,774.24	9,924.24
Prudential Ins. Co. of Amer.	2,100.00	62,000.00	64,100.00
1st State Bank of Mineral County	43,479.00	91,300.00	134,779.00
Mont. Nat'l Bank of Butte	7,797.47	64,977.22	72,774.69
New Holland Co.	--	29,409.05	29,409.05
Federal Land Bank	1,125.00	14,003.93	15,128.93
	$237,691.19	$373,776.93	$611,468.12

WILLIAM J. WHEELER
Missoula Montana
NOTES TO STATEMENT OF FINANCIAL POSITION
AS OF MAY 31, 1973

Note # 1:
Bank balances were provided by the reconciled balances as computed by W. J. Wheeler.

Note #2:
Receivable balances relative to trailer space rentals were obtained from the records of W. J. Wheeler and were not confirmed with the tenants. Trailer space rentals during 1973 should exceed $115,000.00 based on the average collections for the first five months of 1973. Potentially over $130,000.00 could be received based on 100% occupancy. There are now 277 trailer spaces available for renting. Trailer spaces rent for $40.00 per month and an excellent occupancy percentage has been enjoyed over the past year. A contract dated April 30, 1973 with Richard Klatt, dba Wheeler Village Mobile Homes Sales, Inc. was signed to lease five trailer spaces at a guaranteed monthly rate of $400.00 or twice the normal rental rate. Also 6% of the gross trailer sales in excess of $6,666.67 in any one month will be paid to Wheeler for the use of the lessor's name.

Note #3:
W. J. Wheeler has a signed contract with M & S Construction Co. of Missoula, Montana for the removal of gravel from Wheeler's land. The contract dated January, 1969 guarantees Wheeler $300.00 per month for a ten year period. Every two years M & S Construction Co. has the right to terminate the agreement, but only after a set amount of $20,000.00 has been paid to W. J. Wheeler. A balance of $4,100.00 remains payable by M & S Construction on this $20,000.00 guarantee. W. J. Wheeler also has a signed contract with Dean I. Simon of Missoula, Montana for the removal of gravel. The contract dated April 25, 1973 guarantees Wheeler $600.00 per month for a seven year period. If the contractor (Simon) fails to meet any monthly payment and proper notice has been given, the $600.00 for the seven year period or $50,400.00 then becomes payable and due to W. J. Wheeler. This amount would be reduced by each monthly payment which had previously been paid by Dean I. Simon, Contractor.

Because of location W. J. Wheeler sells gravel to the State of Montana, County of Missoula and City of Missoula. Overall gravel sales to all customers for the past four years were as follows:

1969	$ 18,043.05
1970	10,029.27
1971	6,515.90
1972	9,493.00

The above figures were taken from the federal income tax return of W. J. Wheeler.

Note # 4:
After conferring with the Western Montana P.C.A. on crop valuations and the current agricultural problems of the Missoula area caused by a lack of moisture, it was determined that no value should be placed on unharvested crops. This could change, but in the interest of presenting Mr. Wheeler's financial position on a conservative basis the above stated determination was made.

Note # 5:

More details on fixed assets may be obtained by reference to the attached depreciation schedules. These schedules are copies of the schedules which will be updated and used for the 1973 tax returns of William J. Wheeler.

The real estate area of the statement is shown at fair market value. These figures were provided entirely by William J. Wheeler. Backing up W. J. Wheeler's claim to the fair market value of various portions of the land are two appraisals prepared by Roy Rodenberger, Realtor/Appraiser.

Appraisal # 1 dated June 28, 1971 consists of 378 acres of bare land located in Missoula County for $1,512,000.00, or $4,000.00 per acre.

Appraisal # 2 dated February 26, 1972 consists of 100 acres. (55 acres developed for trailer spaces and 45 acres undeveloped) This same land is included in the 378 acres previously mentioned. Appraisal of this 100 acres was at $700,000.00.

W. J. Wheeler also has a valid offer, from Mr. John H. Stiegler, President of Mobile Home Show and Sales, Inc. of Missoula, of $100,000.00 for 10 acres of W. J. Wheeler's land located on the west corner of Grant Creek Road and Interstate # 10. This offer was substantiated by a letter of offer dated May 11, 1972, and by telephone call on October 17, 1972 with John H. Stiegler.

Note # 6:

William J. Wheeler has life insurance with a face value in excess of $500,000.00. The following is a detail on cash surrender values of value policies:

Kansas City Life	$ 1,487.58
Mutual Benefit Life	3,665.29
National Ins. Co. of America	2,450.05
United of Omaha	2,310.50
Knights of Columbus	664.30
Occidental Life Ins. Co. of Cal.	1,152.50
	$ 11,730.22

The above stated cash surrender values were not updated to May 31, 1973. They are the same figures as shown on William J. Wheeler's statement dated September 30, 1972. Although this does not present an updated correct figure, it does present the values on a conservative basis.

Note # 7:

Accounts payable were taken from invoices and statements provided by W. J. Wheeler. Mr. Wheeler stated that to his knowledge these amounts payable were all that he owed at May 31, 1973.

Note # 8:

All notes and mortgages payable were verified with the lending institution. William J. Wheeler stated that all notes and mortgages payable by him are shown on this statement. William J. Wheeler is contingently liable on notes payable to the First National Bank of Missoula for $37,898.05 which are payable by his sons. This amount is not included above. The discounted or installment notes payable to the First State Bank of Mineral County are stated at estimated payoff figures as of May 31, 1973.

SCHEDULE OF DEPRECIATION

NAME William J. Wheeler

ADDRESS FARM

YEAR ENDING 12/31/73

PROPERTY	DATE ACQUIRED	COST OR OTHER BASIS	TAX CREDIT	FIRST YEAR 20% DEPREC. NEAREST $	SALVAGE VALUE NEAREST $	NET DEPREC. BASIS	PRIOR YEARS' DEPREC.	REMAINING COST	METHOD	YEARS OR %	DEPRECIATION
Grain Bins	1957	1,000				1,000	560	440	SL	25yrs	40
Shop	1959	2,500				2,500	1,400	1,100	SL	25yrs	100
Welder	1963	279				279	279	—			—
Disc	1964	1,250				1,250	1,062	188	SL	10yrs	125
Welder	1964	450				450	382	68	SL	10yrs	45
Grader	1964	3,000			600	2,400	2,400	—			
Irrigation Pipe	4/65	1,175				1,175	901	274	SL	10yrs	118
Grain Drill	4/65	600				600	460	140	✓	✓	60
Bale Acc.	4/65	550				550	422	128	✓	✓	55
Fuel & Mix	4/65	3,833				3,833	2,938	895	✓	✓	383
Dump Box	2/66	1,500				1,500	1,037	463	✓	✓	150
AC Tractor	2/66	2,140				2,140	1,480	660	✓	✓	214
Trailer	2/66	1,800				1,800	1,245	555	✓	✓	180
Farm Bldgs	2/66	5,000				5,000	1,729	3,271	SL	20yrs	250
Tractor	1967	8,942				8,942	5,365	3,577	SL	10yrs	894
Plow	1967	2,240				2,240	1,344	896	✓	✓	224
Harrow	1967	1,500				1,500	900	600	✓	✓	150
59 Cadillac	12/70	900				900	753	147	SL	3yrs	147
59 Peterbilt	5/70	2,600				2,600	2,312	288	✓	✓	288
Building	1970	1,100				1,100	132	968	SL	25yrs	
Combine	8/71	21,190				21,190	2,296	18,894	SL	10yrs	2,119
Swather	6/71	10,589				10,589	1,677	8,912	✓	✓	1,059
Bale Wagon	7/71	10,920				10,920	1,638	9,282	✓	✓	1,092
Compressor	4/71	300				300	53	247	✓	✓	30
Baler	7/71	10,220				10,220	1,533	8,687	✓	✓	1,022
Irrigation Pump	5/72	5,000				5,000	417	4,583	SL	8yrs	625
NH Baler	7/12/72	8,502				8,502	531	7,971	✓	✓	1,063
61 Int'l Truck	4/72	1,500				1,500	225	1,275	SL	5yrs	300
Loadboy	4/72	2,000				2,000	188	1,812	SL	8yrs	250
Subtotals 12/31/72		112,580			600	111,980	35,659	76,321			11,027
							Deduct (7/12) 1973 DEPR.				(6,432)
TOTALS							1973 Depreciation To 5/31/73				4595

METHOD S.L. – STRAIGHT LINE
D.B. – DECLINING BALANCE

FORM NO. 116
STANDARD STUDENT FORMS CO.

SCHEDULE OF DEPRECIATION

NAME William J Wheeler

ADDRESS Mining Equipment

YEAR ENDING 12/31/73

PROPERTY	DATE ACQUIRED	COST OR OTHER BASIS	TAX CREDIT	FIRST YEAR 20% DEPREC. NEAREST $	SALVAGE VALUE NEAREST $	NET DEPREC. BASIS	PRIOR YEARS' DEPREC.	REMAINING COST	METHOD	YEARS OR %	DEPRECIATION
1973 - Power Plant	5/15/73	691				691	46	645	SL	10yrs	69
1973 - HD6 Cat	5/15/73	2,752				2,752	183	2,569	SL	10yrs	275
Subtotals m/p/p		3,443				3,443	229	3,214			344
							Deduct (7/12)	1973 DEPR			(201)
							1973 Depreciation to 5/31/73				143
TOTALS											

METHOD S.L. - STRAIGHT LINE
D.B. - DECLINING BALANCE
S.D. - SUM OF DIGITS

SCHEDULE

FORM NO. 116
STRAMSLUCENT FORMS CO.

SCHEDULE OF DEPRECIATION

NAME William J. Wheeler

ADDRESS Wheeler Village

YEAR ENDING 12/31/73

PROPERTY	DATE ACQUIRED	COST OR OTHER BASIS	TAX CREDIT	FIRST YEAR 20% DEPREC. NEAREST $	SALVAGE VALUE NEAREST $	NET DEPREC. BASIS	PRIOR YEARS' DEPREC.	REMAINING COST	METHOD	YEARS OR %	DEPRECIATION
Trailer Spaces	1970	29,096				29,096	2,425	26,671	SL	25yrs	1,164
Trailer Spaces	1971	155,704				155,704	15,570	140,134	SL	20yrs	7,785
Trailer Spaces	1972	304,131				304,131	7,603	296,528	SL	20yrs	15,207
SubTotal: 12/31/72		488,931				488,931	25,598	463,333			24,156
Trailer Spaces	1973	59,718				59,718	—	59,718	SL	20yrs	(1/2) 1,493
		548,649				548,649	25,598	523,051			25,6[illegible]
Building	4/70	4,794				4,794	445	4,349	SL	25yrs	192
Shader	11/71	2,612				2,612	305	2,307	SL	10yrs	261
Aluminum Pipe	5/71	2,238				2,238	373	1,865	SL	10yrs	224
Office Bldg	1972	1,629				1,629	40	1,589	SL.	20yrs	81
Grocery Store Bldg (not complete)	1972	2,057				2,057	—	2,057			—
Trailer ~~(Equipment)~~ Rental	9/72	1,090				1,090	36	1,054	SL	10yrs	109
Fences	Aug 72	541				541	27	514	✓	✓	54
School Improvements	9/72	4,810				4,810	160	4,650	✓	✓	481
Trailer Rental	11/72	3,858				3,858	64	3,794	✓	✓	386
HD 21 AC Cat	5/72	7,500				7,500	625	6,875	SL	8yrs	938
Blue City Drag Line	5/72	7,500				7,500	625	6,875	✓	✓	938
Backhoe Loader	9/72	19,821				19,821	826	18,995	✓	✓	2,47[illegible]
Scout	2/72	4,559				4,559	1045	3,514	SL	4yrs	1,140
SubTotal: 12/31/72		63,009				63,009	4,571	58,438			7,282
Office Furniture	4/73	757				757	—	757	SL	10yrs	(1/2) 57
Office Carpeting	4/73	1,140				1,140	—	1,140	SL	5yrs	(1/2) 171
Adding Machine	4/73	130				130	—	130	SL	10yrs	(1/2) 10
12 Filing Cabinets	4/73	288				288	—	288	SL	10yrs	(1/2) 22
Typewriter	4/73	177				177	—	177	SL	10yrs	(1/2) 13
		65,501				65,501	4,571	60,930			7,555
											33,294
							Deduct (7/12) 1973 Depr.				(19,368)
TOTALS							1973 Depreciation		To 5/31/73		13,926

FORM NO. 116
TRANSLUCENT FORMS CO.

METHOD S.L. – STRAIGHT LINE
D.B. – DECLINING BALANCE

Western Montana Production Credit Association

PHONE 406-543-3822 • P.O. BOX 1484 • MISSOULA, MONTANA 59801
406-543-3391
PHONE 406-756-9393 • P.O. BOX 785 • KALISPELL, MONTANA 59901

TO WHOM IT MAY CONCERN:

William J. Wheeler, Route #2, Missoula, Montana has been a PCA borrower since 1945. He owns and operates 2,200 acres of dded and 5,200 acres of leased land. He had a net worth of $1,296. in 1945. His financial statement as of February 14, 1973 showed a net worth of $3,611,020. We have had satisfactory to excellent credit relations with Mr. Wheeler over the years he has dealt with us. We know him to be honest, industrious, and we believe his integrity is beyond reproach. Further information will be provided upon request.

Royal A. McConkey, Manager
Western Montana PCA
P.O. Box 1484
Missoula, Montana 59801

The Morning Midnight property is presently controlled under purchase contract agreement by Bill Wheeler of Missoula, Montana.

No liens, mortgages or other emcumbraces bind the property in any manner. The unpatented quartz lode claims have been recorded at the county seat in Boulder, Jefferson County, Cataract unorganized Mining District, State of Montana. The book and page number of the patented claims are given below:

MIDNIGHT QUARTZ LODE MINING CLAIM

Survey No. 8519; United States Patent in Book I of patents page 257.

MORNING QUARTZ LODE MINING CLAIM

Survey No. 8518; United States Patent in Book I of patents page 257.

Two copies of a purchase and sub-purchase contract appear on the following pages. A claim map showing the Morning Midnight property and its relation to the Vindicator has also been provided.

A G R E E M E N T

THIS AGREEMENT, Made and entered into this 15 day of Nov, 1973, by and between ARTHUR E. BENSON, a single man, of 1000 California, Butte, Montana, hereinafter referred to as "Seller", and WILLIAM J. WHEELER of Wheeler Village, Missoula, Montana, hereinafter referred to as "Buyer;"

W I T N E S S E T H :

1. Property Description

The Buyer agrees to buy, and the Seller agrees to sell, upon the express terms and conditions hereinafter stated, the following described property situated in the County of Jefferson, State of Montana, particularly described as follows:

THE MIDNIGHT QUARTZ LODE MINING CLAIM, Survey No. 8519, situate in Jefferson County, Montana, in Township Seven (7) North, Range Five (5) West, M.P.M. (United States Patent in Book I of Patents at Page 257, Records of County Clerk and Recorder's Office of Jefferson County, Montana); Also

THE MORNING QUARTZ LODE MINING CLAIM, Survey No. 8518, situate in Township Seven (7) North, Range Five (5) West, M.P.M. in Jefferson County, Montana. (United States Patent in Book I of Patents at Page 257, Records of County Clerk and Recorder's Office of Jefferson County, Montana); Also

Including all water and water rights situate on said Mining Claims or incident thereto; also

All of the following-described Unpatented Quartz Lode Mining Claims situate in Cataract Unorganized Mining District, County of Jefferson, State of Montana, to-wit:

MORNING EXTENSION; MIDNIGHT EXTENSION; CINDY NO. 1; CINDY NO. 2; CINDY NO. 3; CINDY NO. 4; CINDY NO. 5; and CINDY NO. 6;

The CINDY NO. 1 and CINDY NO. 2 being suitable and desirable for Millsite or Millsites; together with all water and water rights situate on any

portion of the above-described premises or incident to any thereof or thereto.

Situate in Township Seven (7) North, Range Five (5) West, M.P.M., Jefferson County, Montana.

2. Purchase Price

The agreed purchase and sale price for the above described property is Ninety-eight Thousand and No/100 Dollars ($98,000.00), which shall be paid as follows:

A. The sum of Three Hundred and No/100 Dollars ($300.00) on or before the execution of this Agreement, receipt of which is hereby acknowledged.

B. The sum of Seventy-eight Thousand and No/100 Dollars ($78,000.00) by the Buyer assuming, and agreeing to pay according to its terms, that certain Contract, dated 15 Nov, 1973, wherein DOUGLAS A. DUBOIS and wife, CATHERINE DUBOIS, and ANNE FRANCES HOLSHUE and GILBERT C. HOLSHUE are Sellers, and ARTHUR E. BENSON, is the Purchaser, said Contract providing for the purchase and sale of the same property as described above.

C. The balance of the purchase price, which balance is Nineteen Thousand Seven Hundred and No/100 Dollars ($19,700.00) shall be paid as follows:

The sum of Three Hundred Thirty-three and No/100 Dollars ($333.00) on the 15th day of December, 1973, and a like sum of Three Hundred Thirty-three and No/100 Dollars ($333.00) on or before the 15 day of each month thereafter until the principal balance has been paid in full; PROVIDED, however, that the Buyer agrees to pay to the Seller on each said payment date an amount equal to five percent (5%) of Net

Smelter Returns from any and all ores or concentrates shipped from the claims described above for any month in which five percent (5%) of said Net Smelter Returns exceeds the sum of Three Hundred Thirty-three and No/100 Dollars ($333.00) in lieu of said Three Hundred Thirty-three and No/100 Dollars ($333.00) payment and all such payments, whether in the amount of Three Hundred Thirty-three and No/100 Dollars ($333.00) or in the amount of five percent (5%) of said Net Smelter Returns are to be credited to the balance of said purchase price remaining from time to time unpaid. It is specifically understood by the parties hereto that in no event shall the payment provided herein be less than Three Hundred Thirty-three and No/100 Dollars ($333.00) on each payment date.

All payments received shall be credited to principal; there shall be no interest. All payments shall be made to the Escrow Agent hereinafter named.

3. Prepayment

The Buyer shall have the right and privilege of accelerating payments upon the unpaid balance of the purchase price, and shall have the right to pay without penalty any part or all of the unpaid principal balance of the purchase price, at any time during the continuance of this Agreement.

4. Deeds

The Seller agrees to execute good and sufficient Deeds to said real property, in favor of Buyer, which Deeds shall be deposited with the Escrow Agent, to be delivered by said Escrow Agent to Buyer, together with any other documents deposited with

said Escrow Agent, upon payment of the entire purchase price.

5. Possession

The Buyer shall be entitled to immediate possession of the property.

6. Escrow Agent

An executed copy of this agreement, together with the Deeds, shall be deposited with The First Metals Bank and Trust Company, Butte, Montana, which is hereby designated the Escrow Agent of the parties for this Agreement. Seller agrees to pay the escrow charge for establishing the escrow and to pay all subsequent escrow charges. Seller further agrees to pay all escrow charges of any kind incurred in connection with the DUBOIS and HOLSHUE to BENSON Contract above described.

If the Buyer shall make all payments herein required and keep and perform all other requirements by him to be kept and performed hereunder, the Escrow Agent is authorized to deliver to the Buyer the said Deeds and all other documents deposited herewith and which may later come into its possession in connection with this Agreement. If the Buyer shall default in the performance of the terms and provisions of this Agreement, and the same is declared forfeited and cancelled by the Seller, said Escrow Agent shall return all papers deposited herewith to the Seller without the necessity of obtaining any release or consent thereto from the Buyer.

7. Default

It is understood and agreed that time is of the essence of this Agreement. If the Buyer shall default or fail to perform fully and promptly any of the terms of this Agreement,

and such default or failure shall continue for a period of ninety (90) days, after written notice specifying the default is deposited in the United States Mails addressed to the Buyer at Wheeler Village, Missoula, Montana, 59801, Certified Mail, Return Receipt Requested, or such other address as Buyer shall provide to Seller from time to time, without being completely remedied, satisfied and discharged, the Seller may, at his option, declare this Agreement to be forfeited and all the rights, privileges and interest of the Buyer to be null, void and at an end. In such event, the Seller may thereupon, without further notice, immediately take possession of the above described property and the Buyer hereby covenants and agrees that he will immediately surrender possession of said property to the Seller and will vacate the same promptly and peaceably.

In the event of such forfeiture and cancellation, as provided above, all sums paid hereunder by the Buyer and all improvements made on the property by the Buyer shall become the property of the Seller and shall be deemed to be the stipulated rental for the occupancy and use of the property by the Buyer and as liquidated damages for the breach of this Agreement.

8. Attorney's Fees and Court Costs

In case suit or action is instituted to enforce compliance with any of the terms, covenants, or conditions of this Agreement there shall be paid to the prevailing party in such suit or action by the other party the prevailing party's costs and such further sum as the Court may adjudge as reasonable attorney's fees and in the event any appeal is taken from any judgment or decree in such suit or action the prevailing party on such appeal shall likewise recover from the other party costs and reasonable attorney's fees on such appeal.

9. Benefit

This Agreement shall be binding upon the heirs, administrators, executors, personal representatives, successors and assigns of the parties hereto.

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

SELLER	BUYER
Arthur E. Benson	William J. Wheeler
Arthur E. Benson	William J. Wheeler

Original

Copy

11/26/73

CONTRACT FOR DEED AND ESCROW AGREEMENT

THIS INDENTURE, made and executed at Butte, Montana, this 15th day of November, 1973, by and between DOUGLAS A. DUBOIS and wife, CATHERINE DUBOIS, both of Clancy, Jefferson County, State of Montana; ANNE FRANCES HOLSHUE of 850 Zarelda Street, Butte, Silver Bow County, State of Montana; and GILBERT C. HOLSHUE of 2651 Placer Street, Butte, Silver Bow County, State of Montana, hereinafter called the SELLERS, and ARTHUR E. BENSON, 1000 California, Butte, Silver Bow County, State of Montana, hereinafter called the PURCHASER, WITNESSETH:

The Sellers for and in consideration of the sum of Two Thousand Dollars and no/100 ($2,000.00) lawful money of the United States in hand paid by the Purchaser, receipt whereof is hereby acknowledged, and the payment of the remainder of the purchase price to be paid, with no interest, as hereinafter provided, and the full performance of the terms and conditions of this Contract by the Purchaser, do hereby agree to sell unto the said Purchaser, for the sum of Eighty Thousand and no/100 dollars ($80,000.00), including the sum of Two Thousand and no/100 dollars ($2,000.00), in hand paid, receipt whereof is hereby acknowledged, that certain property situate in the County of Jefferson, State of Montana and more particularly described as follows; to-wit:

THE MIDNIGHT QUARTZ LODE MINING CLAIM, Survey No. 8519, situate in Jefferson County, Montana, in Township 7N, R5W, M.P.M. (United States Patent in Book I of Patents at page 257, Records of County Clerk and Recorder's Office of Jefferson County, Montana); Also

THE MORNING QUARTZ LODE MINING CLAIM, Survey No. 8518, situate in Township 7N, R5W, M.P.M. in Jefferson County, Montana. (United States Patent in Book I of Patents at page 257, Records of County Clerk and Recorder's Office of Jefferson County, Montana); Also

Including all water and water rights situate on said Mining Claims or incident thereto; Also

All of the following-described Unpatented Quartz Lode Mining Claims situate in Cataract Unorganized Mining District, County of Jefferson, State of Montana, to-wit:

MORNING EXTENSION; MIDNIGHT EXTENSION; CINDY NO. 1; CINDY NO. 2; CINDY NO. 3; CINDY NO. 4; CINDY NO. 5; and CINDY NO. 6;

The Cindy No. 1 and Cindy No. 2 being suitable and desirable for Millsite or Millsites; together with all water and water rights situate on any portion of the above-described permises or incident to any thereof or thereto.

Situate in Township 7N, R5W, M.P.M., Jefferson County, Montana.

The Purchaser agrees to purchase said real property and to pay unto the Sellers in addition to the sum of Two Thousand and no/100 dollars ($2,000.00), heretofore paid, the further sum of Seventy-eight Thousand and no/100 dollars ($78,000.00), with no interest. The sum of Two Thousand and no/100 dollars ($2,000.00) to be paid on or before the 15th day of February, 1974, and thereafter the sum of Two Thousand and no/100 dollars ($2,000.00) every three months until the balance of said purchase price is paid; PROVIDED, however, that the Purchaser agrees to pay to the Sellers on each said payment date an amount equal to five percent (5%) of Net Smelter Returns from any and all ores or concentrates shipped from the claims described above for any three-month period in which five percent (5%) of said Net Smelter Returns exceeds the sum of Two Thousand and no/100 dollars ($2,000.00) in lieu of said Two Thousand and no/100 dollars ($2,000.00) payment, and all such payments, whether in the amount of Two Thousand and no/100 dollars ($2,000.00) or in the amount of five percent (5%) of said Net Smelter Returns to be credited to the balance of said purchase price remaining from time to time unpaid.

IT IS SPECIFICALLY UNDERSTOOD by the parties hereto that in no event shall the payment provided herein be less than Two Thousand and no/100 ($2,000.00) on each payment date.

The date upon which the payments provided herein shall be due and payable shall be the 1st day of the particular month called for by this agreement. Payments when received shall be credited to principal.

The Purchaser shall be entitled to possession of said real property on Nov. 15, 1973, and shall at all times during the term of this agreement conduct any and all mining and related operations in a good and miner-like manner for the maximum utilization and development of the ores and minerals located upon and under the property described herein, and in accordance to all mining laws of the State of Montana.

Purchaser agrees to pay all taxes, assessments, and monies due under the laws of the State of Montana, upon said real property as the same become due and before the same become delinquent. Taxes for the year 1973 shall be paid by the Sellers as well as all taxes for all prior years. Taxes for all subsequent years during the life of this agreement shall be paid by the Purchaser.

Original

The term taxes shall include all Real and Personal Property Taxes and Special Assessments of every kind and character levied upon or against the property herein described, as well as all fees of every kind and character levied in accordance with the laws of the State of Montana. The Purchaser agrees and shall do all assessment work required by the laws of the State of Montana and the United States Government for the year 1974.

The Sellers agree to furnish abstracts of title to said real property continued to date showing good and marketable title to said real property in the Sellers, free and clear of all liens and encumbrances unless hereinafter otherwise expressly provided.

The Purchaser shall have fifteen (15) days after said abstract or abstracts are furnished within which to procure examination thereof, and if title to said real property is found defective, so that it is not marketable, the Sellers agree to make said title marketable and shall have not more than six (6) months within which to do so, and upon failure to make title marketable within such time, the Purchaser shall have the right, if the Purchaser so elects, to rescind this Contract, in which event, the Purchaser shall be entitled to receive all money paid hereunder, and the Sellers agree to execute and deliver in escrow good and sufficient Deeds to said real property and all thereof, to and in favor of Sellers, which said Deeds, copy of this Contract, abstract or abstracts of title, tax receipts, when received, shall be placed in escrow in First Metals Bank & Trust Company, Butte, Montana, herein designated as escrow holder, to be delivered to the Purchaser upon full performance of the terms and conditions of this Contract. Escrow charges shall be paid as follows: The Purchaser shall pay all escrow fees required to be paid upon deposit of escrow and all escrow charges accruing when installments on the escrow are paid.

Time is of the essence of this agreement, and a failure on the part of the Purchaser to pay one or more of the installments agreed to be paid when the same shall become due and/or to keep and perform any of the other covenants of this agreement, by the Purchaser to be kept and performed, promptly when the duty to do so arises, shall, at the election of the Sellers, work a forfeiture of this agreement provided, however, the Purchaser shall be entitled to receive thirty five (35) days' notice in writing from the Sellers of intention to declare a forfeiture

Original

upon breach hereof, fully stating the breach which is claimed has occurred; and if the Purchaser shall not fully comply with this Contract as to the terms and conditions thereof alleged to be breached within thirty five (35) days after receipt of said notice, this Contract shall be at an end and all of the rights of the Purchaser hereunder shall be forfeited and all monies paid by the Purchaser upon principal and interest, or taxes, or any other charges, shall be forfeited to the Sellers as liquidated damages for the breach hereof and as agreed rentals for the use of the premises. Thereupon the Purchaser shall have no further right or interest in the premises and shall surrender immediate, quiet and peaceable possession thereof to the Sellers.

Service of any notice required to be made pursuant to the terms of this Contract may be made by mailing such notice addressed to the person, to be notified, at the last address shown on the records of the escrow holder, registered with return receipt requested. Time for compliance with such notice shall run from the day the same is received by the person to be notified, unless such person has left the State of Montana, in which event service of notice shall be complete upon mailing as above required. The Purchaser may at any time pay this Contract in full, without penalty; and upon full payment of this Contract, the Purchaser shall be entitled to receive, and said escrow holder is hereby authorized to deliver to said Purchaser, the Deed, abstract or abstracts of title, tax receipts and any and all documents placed in escrow hereunder.

Upon breach of this Contract by the Purchaser and after notice of default has been given, as hereinbefore specifically provided, and upon failure to remedy such breach, said escrow holder shall be authorized to deliver all papers held hereunder to the Sellers.

The First Metals Bank & Trust Company, Escrow Holder, shall be in no way obligated to collect any sum due or to become due hereunder or in any other manner obligated, save to receive the money payable hereunder and to pay the same to the Sellers.

Until the full purchase price agreed to be paid, with interest, if any, shall have been paid and the covenants of this Contract fully performed, title to the real property hereindescribed, shall remain and vested in the Sellers.

Original

IN WITNESS WHEREOF, these presents have been executed in triplicate by the Sellers and the Purchaser the day and year in this instrument first above written.

Douglas A. DuBois
DOUGLAS A. DUBOIS

Catherine DuBois
CATHERINE DUBOIS

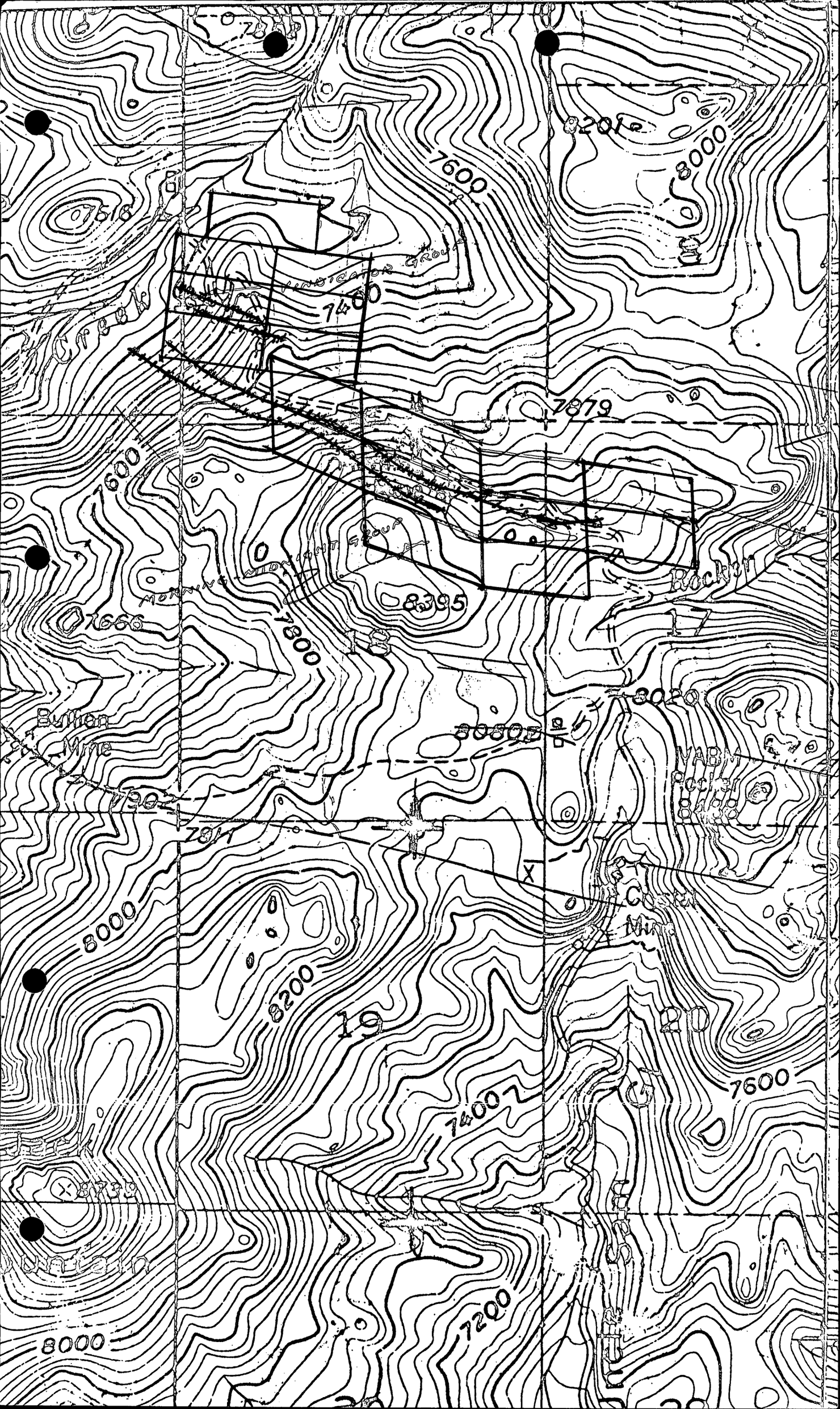
Anne Frances Holshue
ANNE FRANCES HOLSHUE

Gilbert C. Holshue
GILBERT C. HOLSHUE

SELLERS

Arthur E. Benson
ARTHUR E. BENSON

PURCHASER


7600
8201
8000
7618
Creek
Indicator Group
7400
7879
7600
Morning Midnight Group
8395
Rockin
7666
7800
17
18
8020
Button
Mine
8080
YABM
7900
7811
X
Cooper
Mt
8000
8200
19
20
7600
7400
8739
7200
8000

A legal description of the Morning-Midnight Group held under purchase contract is given below:

> Two patented quartz lode mining claims: Morning and Midnight, Survey No. 8518 & 8519 respectively, situated in Township (7) North, Range (5) West M.P.M. (United States Patent in Book I of Patents at Page 257, Records of County Clerk and Recorder's Office of Jefferson County, Montana); Also
>
> Eight unpatented quartz lode mining claims: Morning Extension; Midnight Extension; Cindy No. 1; Cindy No. 2; Cindy No. 3; Cindy No 4; Cindy No. 5; and Cindy No. 6;
>
> Situate in Township Seven (7) North, Range Five (5) West, M.P.M., Jefferson County, Montana.

In addition, the Vindicator Group or Sleeper 1-7, where exploration is presently being conducted is given below:

> Seven unpatented quartz lode claims lying in section 7, Township 7 North, Range 5 West, and are in the North half Southwest quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$) of said Section 7 in the Cataract mining district, Jefferson County, Montana, same being part of the Vindicator mining Group.

Lien and subordination agreements that protect the governments interest in the project have been furnished by the owners: Doug Dubois, Catherine Dubois, Anne Holshue, and Gil Holshue and also; seller: Art Benson.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

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

described as follows:[2] The Midnight - Patent #8519, The Morning - Patent #8518

Midnight Extension - Unpatented, The Morning Extension - Unpatented

Cindy 1 to 6 - Unpatented, Sec. 7, Township 7 NR5W

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William J. (Bill)Wheeler [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]

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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.)

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

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

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

Dated this 3rd day of December, 1973.

Douglas A. DuBois (Seal)	P. O. Box 105 (Street) Clancy Mt 59634 (City & State)	
Catherine DuBois (Seal)	P. O. Box 105 (Street) Clancy Mt 59634 (City & State)	
Anna Frances Holshue (Seal)	850 Zaralda (Street) Butte, MT 59701 (City & State)	
Gilbert L. Holshue (Seal)	(Street) 2651 Placer (City & State) Butte, Mont. 59701 (Street)	
_____ (Seal)	(City & State)	
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I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____ (Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

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

described as follows:[2] The Midnight - Patent #8519, The Morning - Patent #8518

Midnight Extension - Unpatented, The Morning Extension - Unpatented

Cindy 1 to 6 - Unpatented, Sec. 7, Township 7 NR5W

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Catherine DuBois (Seal)	P.O. Box 105 (Street) Clancy Mt 59634 (City & State)	
Anna Frances Holshue (Seal)	850 Zarelda (Street) Butte, MT 59701 (City & State)	
Gilbert L. Holshue (Seal)	(Street) 2651 Placer (City & State) Butte, Mont. 59701 (Street)	
_____ (Seal)	(City & State)	
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Dated this 4th day of December, 19 73.

Arthur E. Benson	(Seal)	1000 California ave Butte Mont.	(Street) (City & State)
	(Seal)		(Street) (City & State)
	(Seal)		(Street) (City & State)
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INT.-GOV. SEC., WASH., D.C. 21103

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	(Seal)		(Street) (City &) (State)
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Contract No. 14-23-090 –
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LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Jefferson, State of Montana, described as follows:[2] The Midnight - Patent #8519, The Morning - Patent #8518 Midnight Extension - Unpatented, The Morning Extension - Unpatented Cindy 1 to 6 - Unpatented. Sec. 7 Township 7 NR5W.

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

William J. (Bill) Wheeler[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.)

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

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

Dated this 4th day of December, 19 73.

Arthur E. Benson	(Seal)	1000 California ave Butte Mont	(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)

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

_____
(Corporate Seal)

INT.-DOP. SES., WASH., D.C. 21103

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]

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described as follows:[2] The Midnight - Patent #8519, The Morning - Patent #8518

Midnight Extension - Unpatented, The Morning Extension - Unpatented

Cindy 1 to 6 - Unpatented. Sec. 7, Township 7 NR5W

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	(Seal)		
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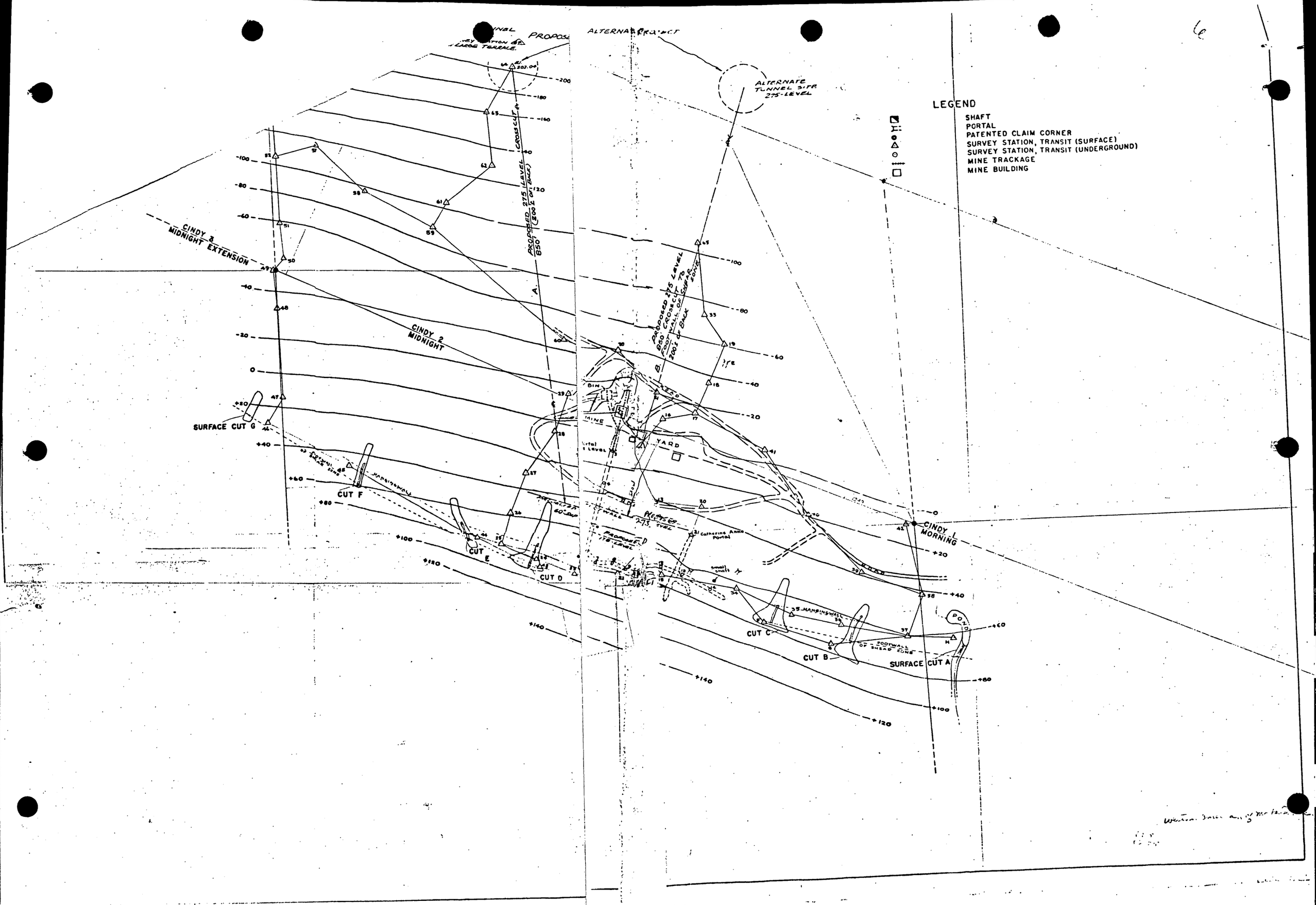
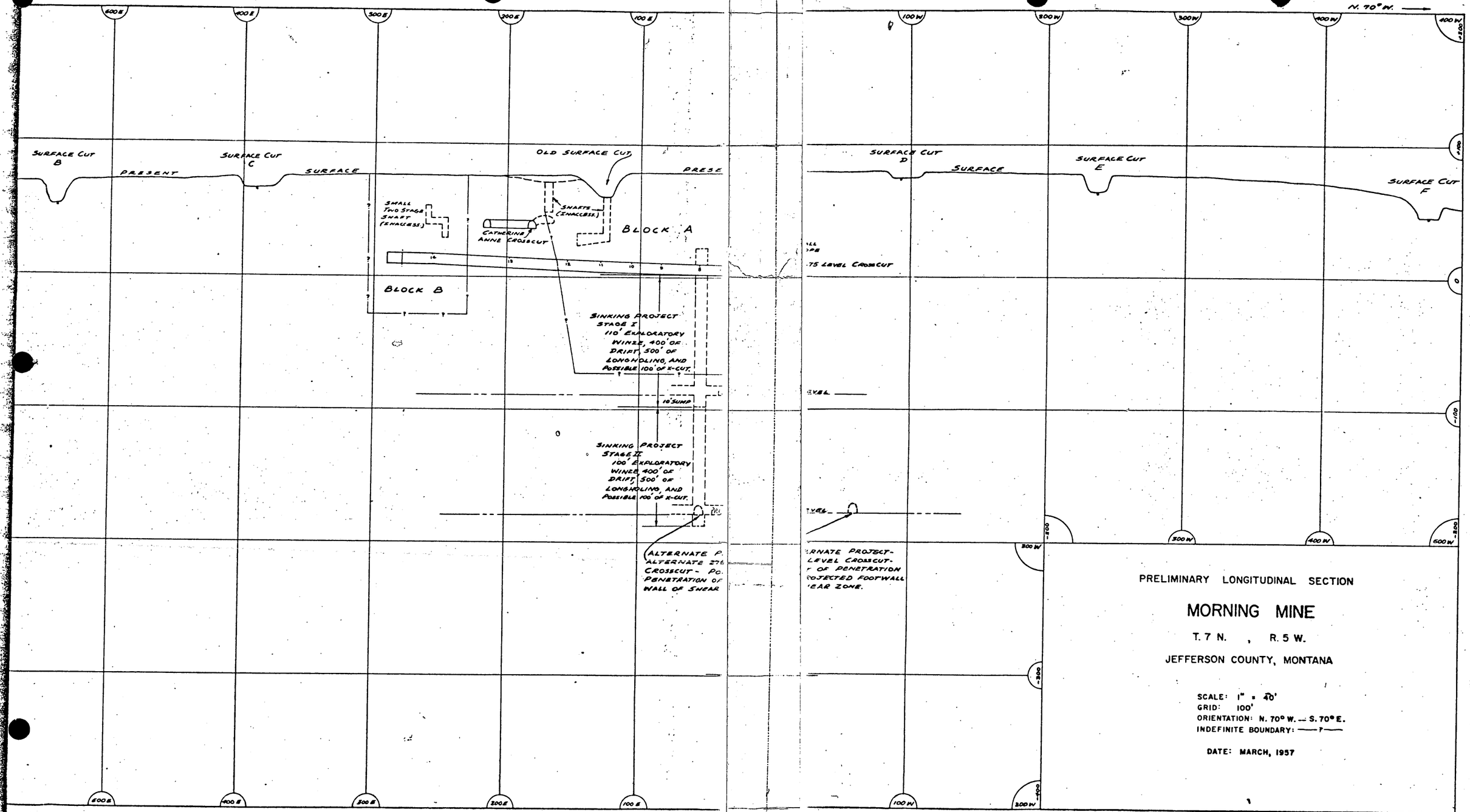
INT.-GOV. SEC., WASH., D.C. 21103

A report by Mr Miller, a geologist with the Anaconda Company, adequately describes the Morning Midnight property. The report is thourgh and should satisfy inquires to all parts of Item III. Please refer to SUPPLEMENTAL INFORMATION; ITEM III, part (g).

Plates I & II show the proposed exploration plan prepared by Western America. It should be helpful in showing existing mine workings and exploration cuts.


LEGEND
SHAFT
PORTAL
PATENTED CLAIM CORNER
SURVEY STATION, TRANSIT (SURFACE)
SURVEY STATION, TRANSIT (UNDERGROUND)
MINE TRACKAGE
MINE BUILDING
ALTERNATE TUNNEL SITE 275-LEVEL
CINDY 3 MIDNIGHT EXTENSION
CINDY 2 MIDNIGHT
CINDY 1 MORNING
SURFACE CUT G
CUT F
CUT E
CUT D
CUT C
CUT B
SURFACE CUT A
HANGINGWALL
FOOTWALL OF SHEAR ZONE
MINE
YARD
BIN
POND
PROPOSED 275 LEVEL 850' CROSSCUT TO 200' WALL OF SHEAR ZONE 200' OF BACK
PROPOSED 275 LEVEL CROSSCUT A 850' (800' ON BACK)
Collaring Ammo Portal
Small shaft



PRELIMINARY LONGITUDINAL SECTION

MORNING MINE

T. 7 N. , R. 5 W.

JEFFERSON COUNTY, MONTANA

SCALE: 1" = 40'
GRID: 100'
ORIENTATION: N. 70° W. — S. 70° E.
INDEFINITE BOUNDARY: —?—

DATE: MARCH, 1957

Owner of the mine under purchase-contract agreement. Using our own machinery and mining skills we wish to undertake an exploration program on the Morning Midnight property.

quartz mineralization in the surface trenches locally contains weak relict pyrite, galena, and some lead carbonate. Very strong indications of vein mineralization and brecciation were disclosed in the surface cuts approximately 100 and 240 feet west, respectively (surface cuts D and E, Plate 1, enclosed), of the point at which the 75-level crosscut penetrates the Morning structure and in an interval as yet untested by underground workings.

PAST PRODUCTION

All production to date from the Morning property has come from above the 75-level and from within the zone of partial to complete oxidation of sulfide-bearing vein material. This production, totalling approximately 300 tons, has been valued primarily for lead, silver, and gold, subordinately for copper and zinc, and has come only from development headings on and above the 75-level. Continuous stoping of ore-grade intervals disclosed in development work has not been performed. Production figures for the years prior to 1942 are unknown, but total amount of extracted ore must have been very small. Complete records of all shipments since 1942 are available and have been summarized and tabulated below. All of the shipments were treated at the A.S. & R. refinery in East Helena, Montana. For reference purposes, the gross value of the individual shipments has been calculated at average metal prices quoted in the December, 1968, E. & M. J., which were:

gold----------$35.00/oz
silver---------- $1.96/oz
lead----------13.000¢/lb
copper----------41.715¢/lb
zinc----------13.500¢/lb

Production From Development Headings, Morning Mine

Shipper: Frank Soll, Basin, Montana

Lot No.	Dry Tons	oz/Au	oz/Ag	%Pb	Gross Value/ton	Working Place, Type of ore, Block No.	Year
1552	5.82	0.59	11.5	7.4	$62.43	2-stage shaft, Carbonate ore, Block 5	1942
1723	7.62	0.42	8.3	5.4	$45.01	"	"
1918	12.18	0.48	6.3	3.0	$36.95	"	"
2082	4.09	0.265	9.4	6.6	$44.86	"	"
2039	11.45	0.205	6.4	6.1	$35.58	"	1947
1992	34.20	0.450	11.5	5.4	$52.33	"	1949
2412	17.45	0.695	9.5	2.6	$49.70	"	"
2413	1.50	0.730	64.1	47.9	$275.73	"	"
	94.31	0.472	9.57	5.51	$49.60/ton	Avg. value	

Shipper: G. Holshue and D. DuBois, Basin, Montana

Lot No.	Dry Tons	oz/Au	oz/Ag	%Pb	%Zn	Gross Value/ton*	Working Place, Type of ore, Block No.	Year
1444	31.80	0.255	5.2	1.7	-	$23.537	Inclined shaft, Carbonate ore, Block 1	-
1723	8.28	0.230	14.3	6.7	-	$53.498	Vert. shaft, Carbonate ore, Block 1	-
44	27.20	0.170	0.85	3.6	5.65	$16.976		-
51	27.00	0.155	4.65	1.275	1.90	$17.854	"	-
	94.28	0.200	4.59	2.57		$22.678/ton	Avg. value	*w/o Zn
50	14.36	0.06	5.95	1.675	1.30	$18.117	Dump low-grade sulfide material, 75-level drift. Sta. 7 Blocks 1 and 2	

Shipper: Western America, Inc., Helena, Montana

Lot No.	Dry Tons	oz/Au	oz/Ag	%Pb	%Zn	%Cu	Gross Value/ton w/o Zn & Cu	Working Place, Type of ore etc.	Year
1599	6.72	0.0675	7.45	2.5	3.15	0.20	$23.464	75-level, Sta. 7 & Sta. 10. Sulfide ore, Blocks 1 & 2	-
1911	31.50	0.115	15.5	4.2	3.2	1.30	$45.325	75-level, Sta. 14 +20'E. Sulfide ore, Blocks 5 & 6	-

Shipper: D. DuBois, Basin, Montana

Lot No.	Dry Tons	oz/Au	oz/Ag	%Pb	%Zn	Gross Value/ton w/o Zn	Working Place, Type of ore, Block No.	Year
712	53.67	0.050	6.15	1.2	-	$16.924	75-level Drift, Low Grade Sulfide Ore	1968

ORE RESERVES

Exploratory drifting on the 75-level of the Morning shear zone has disclosed two significant ore shoots (Plate 1, enclosed) consisting of quartz-sulfides surrounded by some ore grade oxidized vein material, each further encased in leached and oxidized low-grade vein material and altered wall rock. The two small ore shoots do not represent the full potential of the property, as only a very small part of the Morning structure has been explored to date. Additional drifting to both the east and west should delineate other similar quartz-sulfide ore shoots, as surface trenching has disclosed important quartz mineralization with relict sulfides beyond the small zone explored by present underground workings.

The first and largest ore shoot disclosed by shallow development work commences at the west end of the present 75-level drift (Sur. Sta. 6) and continues for 160 feet to the east. The ore shoot which has an average width of 4.9 feet and a maximum width of 9.0 feet, contains a 50 foot-long zone of leaner vein material at its east end. A second and shorter ore shoot of higher grade commences 18 feet east of the low-grade zone, and continues for at least 76 feet beyond with a maximum width of about 7 feet and an average width of 4.6 feet. Each ore shoot is completely intact below drift level except for a small underhand stope east of Sta. 14 (part of Western America, Inc., shipment, Lot. 1911), and perhaps for the aggregate 190 tons of production from various small working places above the 75-level. Because of the width of the Morning shear zone, however, the small early working places might be on different segments of vein and not from the 75-level ore shoots.

Ore reserves have been recalculated for the ore shoots in question, using assay data from the earlier report on the Morning Mine (Miller, 1957), and metal prices as of December, 1968. These reserves, which have been summarized separately for the vein segments above and below the 75-level drift, must be considered as <u>probable reserves</u> because the vertical extent of important mineralization has not been substantiated by raises, winzes, or consecutive levels of development. The gross value per ton has been calculated only on the basis of gold, silver, and lead assays. Some additional credit for contained copper and zinc should be expected, particularly in ore from below the zone of leaching and oxidation.

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., [illegible] 19__

Our Lot No. [illegible]

Bought of [illegible] Mine [illegible]

Mine Lot No. 2

Class [illegible] Shipping Point [illegible]

Wire Bar / Cathode Copper [illegible]

Quotations of [illegible] Silver [illegible] Lead [illegible]

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	0.1[illegible]												
[illegible]	0.1[illegible]												
Umpire [illegible]	[illegible]												
Settlement	[illegible]												

Car Number	Weight	VALUES PER TON			DEDUCTIONS PER TON	
		Gold [illegible] @ [illegible]	[illegible]		Base for % Lead	
		Silver 95% @	12.95			
		Lead Less 90% @	[illegible]			
		Copper, Less @	[illegible]			
		Total Au. & Ag.	[illegible]			
					Insoluble % @	
					Zinc % @	
					Arsenic % @	
					Antimony % @	
					Bismuth % @	
Weight of Lot					Debit	
Weight of Sacks					Iron Lbs. @	
Wet Weight					Total Deductions	
Less Moisture %		Less Total Deduction	[illegible]			

Dry Weight [illegible] Pounds @ 12.17 Per Ton $ [illegible]

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @	$	
Royalty [illegible] 1/2 [illegible]	[illegible]	
[illegible]	$ [illegible]	
[illegible] 1/2 [illegible]	$ [illegible]	
Advances: [illegible]	$	
Umpire [illegible]	$	
Sampling When Less Than 10 Tons		

Date of B/L

Date of Arrival [illegible]

Checked [illegible]

Correct

TOTAL $ [illegible] $ [illegible]

NET PROCEEDS $ [illegible]

Rates except on contract, subject to change without notice.

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

AUG 16 1968

8 36

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

Form No. 1

Shipper: D. DUBOIS
Mine: MORNING
Class: CRUDE Shipping Point: BASIN, MONT.
Smelter Lot. No. 712 Mine Lot No: 1

Assays	Gold Oz. Per Ton	Silver Oz. Per Ton	Wet Lead %	Copper %	Zinc %	Arsenic %	Antimony %	Bismuth %
A.S.& R.Co.	2.000	6.15	1.2	0.65	0.5	.36	1.63	
Shipper								
Umpire								
Settlement								

73483 5.5 113940

Assay Deduction	Percent Pay	METAL	Pay Quotation	Quotation Deduction
	[illegible]	Gold	[illegible]	
[illegible]	[illegible]	Silver	[illegible]	[illegible]
		Lead		
		Copper		

20	Wet Weight	Dry Weight	Dry Tons	Wet Tons
5.00	113940	107331	53665	56970
113940	107331	53665	56970	

Date of Arrival: AUGUST 1, 1968

ement Assay		Total Content	Assay Ded.		Percent Pay		Pay Content	Pay Quotation	Quot. Ded.	Net to Shipper
5.00	Gold	2.68			91.14		2.45	[illegible]		[illegible]
615.00	Silver	330.04	100.00		100.00		276.38	[illegible]	10.00	611.35
120.00	Lead	1,207.98					60			
5.00	Copper	53.67					.00			

Special #2.50
Ore Bin 1.62
#4.12

Dry Tons X Total Contract Deductions #4.12	ST 6	53565.74S	4.12	706.75S
Sampling				221.10
Lbs. of Pb (Pay Content)				
Lbs. of Cu. (Pay Content)				
Tons of Pb & Cu X Bullion Frt. Act.	PR			
Tons of Pb & Cu X Bullion Frt. Cont.				485.65S
Sub-Total				76.91
Wet tons X Frt. Rate @ #1.35 + #5.68 Sub-t.	ST 5	56970.00S	1.35	[illegible]
Sub-Total				
Advances				
Hauling	ST 5			
Umpires				
Net Proceeds				400.06*

SHIPMENT FROM LONDON MINE, JEFFERSON COUNTY, MONTANA
TO THE AMERICAN SMELTING AND REFINING CO., EAST HELENA, MONTANA

Shipped from: [illegible] Basin, Montana
Shipper: [illegible] Western America of Montana, Inc.

Lot No.	Dry Weight Lbs.	Gold Oz.	Silver Oz.	Lead %	Copper %	Insol. %	Iron %	Zinc %	Mn %	As %	Sb %	CaO %	Date	Location
[illegible]	13,440	0.0275	7.5	2.5	0.10	77.0	7.7	0.40	0.0	0.15	0.40	0.1	0.0	9-11-57	25-level

Ton: [illegible]
Gross Assay Value/dry ton ----- [illegible]

Metal Prices Gross Assay Value Based On:

Gold, [illegible]/oz
Silver, [illegible]/oz
Lead, [illegible]/lb
Zinc, [illegible]/lb
Copper, [illegible]/lb

TABLE III
APPENDIX B

AMERICAN SMELTING AND REFINING CO.
EAST HELENA PLANT

East Helena, Mont., November 16, 1957

Bought of Western American of Montana, Inc. Mine Hamilton Our Lot No. 1911

Class Crude Shipping Point Helena, Montana Mine Lot No. 2

Quotations of Blue Vitriol Silver .2[illegible] Lead 13.5 Wire Bar [illegible] Cathode Copper [illegible]

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	0.105	1[illegible].0	1.2	1.25					3.2	2.50	0.1		
Shipper	0.125	1[illegible].0	1.2	1.25									
			Cost to [illegible]		cost for	gold [illegible]							
Umpire													
Settlement	0.1[illegible]	1[illegible].45	1.2	1.20					3.2	2.50	0.1		

Car Number	Weight	VALUES PER TON			DEDUCTIONS PER TON		
		Gold 1[illegible]	@ 2[illegible].1[illegible]	3.24	Base for [illegible]% Lead 1.0		
7[illegible]	[illegible]	Silver 95%	@ [illegible] -1.0	1[illegible].25			
		Lead Less 1.5 90%	@ [illegible]-3.0	1.9			
		Copper, Less 1.0	@ [illegible]-3.0	.05			
		Total Au. & Ag.		2[illegible].3			
							1[illegible].0
					Insoluble % @		
					Zinc % @		
					Arsenic 1.31 % @ .50		.66
					Antimony % @		
Weight of Lot					Bismuth % @		
Weight of Sacks					Debit		
Wet Weight					Iron Lbs. @		
Less Moisture [illegible] % [illegible]		Less Total Deduction		1[illegible]	Total Deductions		1[illegible]
Dry Weight	[illegible]7	Pounds	@	1[illegible].27	Per Ton		$ 3[illegible].60

	Freight Per Wet Ton @ (under 1[illegible]) 1[illegible].[illegible] [illegible] box	$ 7[illegible].2[illegible]	
	Hauling Per Wet Ton @	$	
	Royalty 1[illegible] 1/2 [illegible] [illegible]	$ 1.10	
	" 1[illegible] 1/2 [illegible] [illegible]	1[illegible].1	
Date of B/L	[illegible] mt. on 1[illegible] 2.[illegible] ton [illegible] tax	$ .7[illegible]	
Date of Arrival 10-[illegible]-7	Advances " " on 1[illegible] 2.[illegible] ton 2[illegible].[illegible]	$ 1.15	
Checked MCW	Umpire [illegible]	$ .50	
Correct	Sampling When Less Than 10 Tons	$	

Rates except on contract, subject to change without notice.
A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ 12[illegible].15 $ 12[illegible].15

NET PROCEEDS $ 2[illegible]3.25

Probable Reserves Above 75-level Drift (Accessible)

Block No.	Average Width	Tons	oz Au	oz Ag	% Pb	Gross value/ton
1	4.93	4200	0.073	6.06	2.20	$$20.16
3	2.70	400	0.152	3.97	0.81	$15.20
5	4.60	1700	0.075	9.11	3.12	$28.58 *
	Total--------	6300	.078	6.75	—	28.05

Probable Reserves Below 75-level Drift (Inaccessible)

Block No.	Average Width	Tons	oz Au	oz Ag	% Pb	Gross value/ton
2	4.93	6200	0.073	6.06	2.20	$20.16
4	2.70	850	0.152	3.97	0.81	$15.20
6	4.60	1300	0.075	9.11	3.12	$28.58
	Total--------	8350	.081	6.32	—	27.06

* Au: $100.00, Ag: $3.00

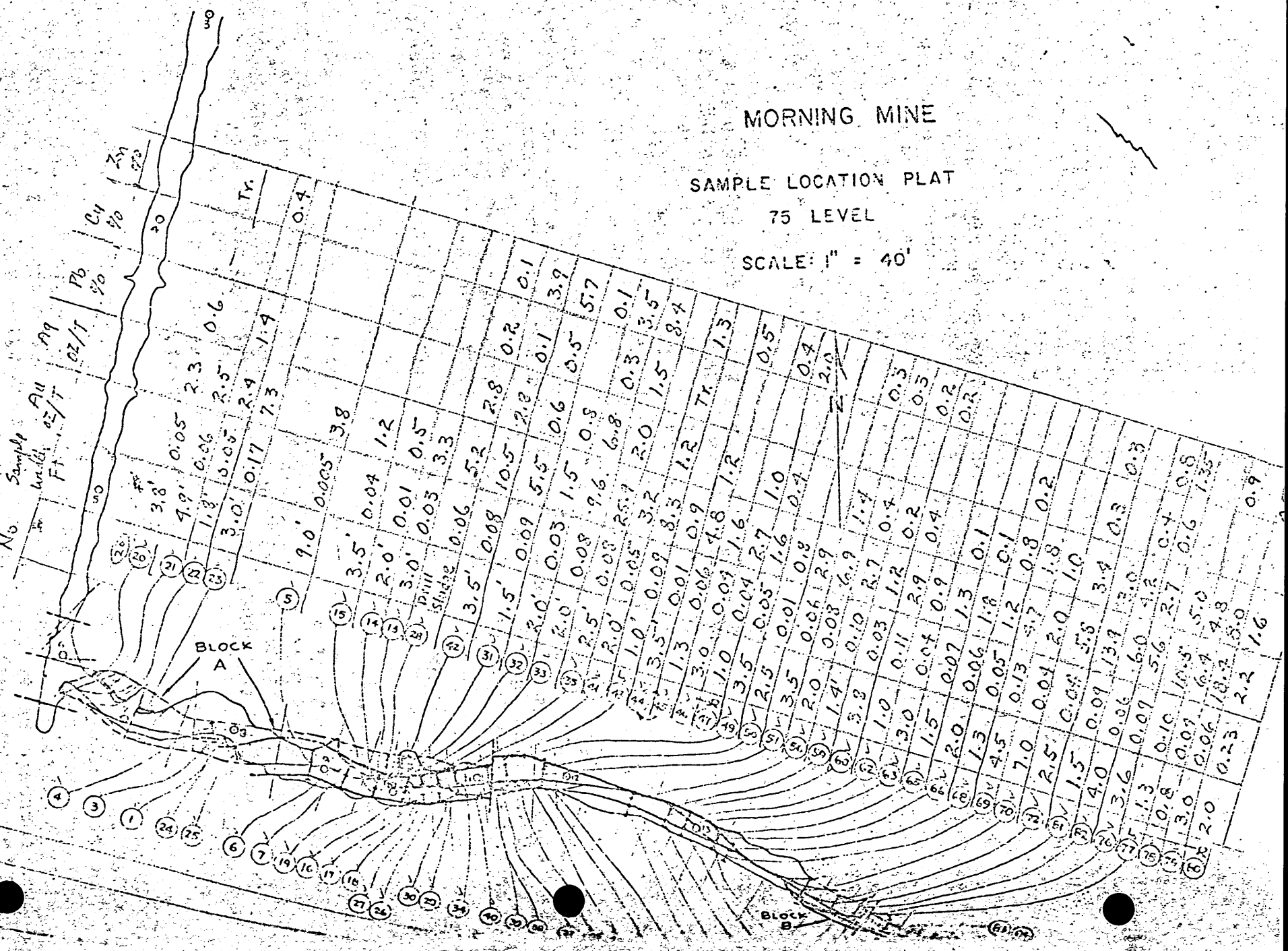
U.S. GOVERNMENT ASSISTANCE

Two applications for federal government assistance have been submitted on the orning Mine in past years. The first application, submitted by the owners to the efense Mineral Production Agency (DMPA) before 1957, was not approved because the roperty was considered a precious metal deposit and not a base metal deposit. The econd application was submitted in 1957 to the Defense Mineral Exploration Agency DMEA) by Western America, Inc., a Montana Corporation. This second application for ederal assistance was approved and an exploration contract offered, but because of he mineral recession in 1957 the applicant did not proceed and the contract was ubsequently voided.

The DMEA application consisted of two options: (1) a 210-foot 2-stage winze o be sunk on the footwall of the Morning shear zone from the 75-level (see plate), 1000 feet of sub-level drifting on structure at two levels, and 1000 feet of ong-holing for wall-testing purposes; (2) a 850 foot crosscut to penetrate the hear zone on the 275-level, with a raise on structure to the 175-level, 500 feet f sublevel drifting on the 175-level, 500 feet of drifting on the 275-level, and 0 feet of long-holing on each of the two levels. The total estimated cost (1957 ices) by the applicant was for (1) 210-foot winze etc., $89,000 and for (2) 850-oot crosscut etc., $81,000.

The details of the 1957 DMEA approved contract are not available, but a two-tage program was itemized and authorized. Surface diamond drilling to penetrate he Morning shear structure at the approximate depth of 275 feet was outlined as the first stage of the contract. This drilling was designed to delineate the ex-tent of structure and mineralization, but not necessarily to prove economic metal alues. Based on obtainment of positive data from stage 1, the second stage of the pproved contract provided for a crosscut to intersect the plane of intersection of the drill holes and the Morning shear zone. Cost of the approved contract (1957 rices) is believed to have been in excess of $60,000.

The property controls about 6000 feet of apex and exhibits widths up to 30'along the structure trend. The vein dips at 60 degrees to the North and cuts Butte quartz monzanite. An abundance of Galena, and Iron Sulfide were noted in quartz. Tetrahedrite, Chalcopyrite, Sphalerite also were present but in lesser amounts.


MORNING MINE
SAMPLE LOCATION PLAT
75 LEVEL
SCALE: 1" = 40'
No
Sample width Ft.
Au oz/T
Ag oz/T
Pb %
Cu %
Zn %
BLOCK A
BLOCK B
Drill Stope
N

An O.M.E. Representative may learn the location of the property by contacting:

Bill Wheeler

Wheeler Village Office
Missoula, Montana

1-406-549-3115

At present the portal that provides access to the east-west trending drift on the 75th level and the vein mineralization in tact is available for inspection.

Accessibility is by 12 miles of County, Forest Service and mine road extending northward from Basin near the mouth of Cataract Creek. The area is noted as an area of seasonably heavy snowfall, but a nearby mine in the area has been made accessible year around with normal winter maintenance of existing haul roads.

Butte and Helena are both towns of signifigant size and are both about thirty miles from Basin. Some initial shipments of ore would probably go to East Helena, which is 45 road miles from the Morning-Midnight Mine. Anaconda is about 70 road miles.

It is likely that a large precentage of any ore produced from the Morning-Midnight and related veins would be suitable for direct shipping to the smelter in East Helena or in Anaconda because of its high silica content, however, the future of the property depends on the success of the proposed exploration project to deliniate large reserves of mill grade ore in the sulfide zones.

A considerable amount of exploration has been concentrated in the near surface oxide zone. Thus far, no attempts have been made to penetrate the sulfide zone, although it has been established that the observed oxidation and resulting enrichment is superimposed over known sulfide concentrations. The proposed exploration project would utilize the future workings of the Vindicator as an advantage to de-water the vein, pierce the structure deep in the lower zones, and shorten the length of any crosscut to gain elevation on the vein. Some modifications to the plan may be in order, ex;diamond drilling, but a general view of the proposed exploration work is outlined below:

Phase	Size	Work Description	Length	(days) Progress
I	8'x9'	Drifting	1500	200
II	8'x9'	X-cuting	500	---
III	-----	long hole	3000	---
IV	8'x6'	raise	900	250

A generalized and more detailed sketch illustrating the scope of the plan appear on the following pages.

The estimated time for project completion could be expected in 450 days after 1500 feet of advance was made on the Vindicator project, assuming some of the work could be done simultaneously. Approximately five feet a day could be expected as an average rate of advance.

WILLIAM J. WHEELER

A successful Montana resident; for thirty years he has been self employed and active in farming, trucking, construction and mining.

During the past twenty years he has particapted in several mining ventures that covered a broad scope of mining activities: shaft sinking, drifting, diamond drilling, surface mining and milling.

Begining in 1954 on the Bi-Metallic property, Little White Tail park on Pipestone Pass near Butte, he and his brothers sunk on a six foot lead-silver vein. When development work was nearly complete a drastic decline in metal prices forced the mine to close.

The following two years were spent sporadically on the Kennedy Creek property in Mineral County, Montana. Six hundred feet of crosscuts and drifts were advanced. Mining operations were terminated when it was determined only marginal grade ore was developed.

In 1957, work began on the Contact Group Mining Claims, owned by the Wheeler Brothers in the Mineral Hill Mining District Limhi County, Idaho. Several hundred thousand tons of molybdenum ore were developed by surface sampling, trenching and diamond drilling.

Two thousand tons of 0.74% MoS_2 were mined from the surface there in 1964 and was shipped to a nearby mill below the North Fork of the Salmon River leased from D.B. Louis of Los Angles. Although his experience with machinery was instrumental in producing merchantable molydbenum concentrates, the milling operation was forced to shut down when the mill became tied up in litigation over ownership.

This past year, nearly ten thousand dollars was appropriated for diamond drilling and drill pad sites on the Contact Claims.

The latest project, spurred on by the range outlook for metal prices, involves exploration of several vein systems from the strike-drift of the Vindicator Vein where mining is active. Presently, Bartlett J. Hanford, a mining engineer, is permanently employed by Mr. Wheeler to manage the exploration work on the Sleeper 1-7 claims. His qualifications appear on the following page.

Western Montana Production Credit Association

PHONE 406-543-3822 • P.O. BOX 1484 • MISSOULA, MONTANA 59801
406-543-3391

PHONE 406-756-9393 • P.O. BOX 785 • KALISPELL, MONTANA 59901

TO WHOM IT MAY CONCERN:

William J. Wheeler, Route #2, Missoula, Montana has been a PCA borrower since 1945. He owns and operates 2,200 acres of dded and 5,200 acres of leased land. He had a net worth of $1,296. in 1945. His financial statement as of February 14, 1973 showed a net worth of $3,611,020. We have had satisfactory to excellent credit relations with Mr. Wheeler over the years he has dealt with us. We know him to be honest, industrious, and we believe his integrity is beyond reproach. Further information will be provided upon request.

Royal A. McConkey, Manager
Western Montana PCA
P.O. Box 1484
Missoula, Montana 59801

Bartlett J. Hanford:

Professional Degree, Engineer of Mines;
Colorado School of Mines
Research Engineer-Hazen Research
Metallurgical Engineer-Duval Corp.
Miner-Engineer-Crossbow Gold Corp.
Consultant-Bill Wheeler

Graduate of the Colorado School of Mines(1970) receiving Engineer of Mines Degree. Upon graduation he accepted employment as a research engineer with Hazen Research where he was employed one year as a techician before obtaining an engineering position. Extensive laboratory knowledge and pilot plant operating experience was learned during thee two years of employment in the fields of mineral processing, hydro and pyro-metallurgy.

To gain practical operating experience he took a position as metallurgist at Duval's Battle Mountain Concentrator, where he made signifigant contributions to their copper production.

Weekend prospecting tempted him to begin mining on his own. After one year and three months with Duval, he geban mining operations on a lead, silver, florite property with Crossbow Gold, Inc., a limited partnership. The drifts, ore mined and developed there was not sufficient to warrant mill construction. After eight months he accepted a contract to mine florspar and shipped four cars of hand sorted acid grade fluorspar to Foote Mineral in Exton, Pennsylvania.

For the last three months he has been consulting mining engineer to Bill Wheeler of Missoula, Montana and presently, he is supervising the exploration project on the Vindicator Mine.

Because of similarities the two properties exhibit in country rock and vein assembledge like contractors bids appear with both O.M.E. request for financial assistance. However, the price for the proposed exploration work on the Morning Midnight property has been increased to $56.00 to reflect the increased distance from the portal. The cost of the work is summarized below:

Cost per Foot = $56.00; Longholing = $1.50 per Foot

Phase	Size	Work Description	Length	Days Progress	Cost
I	8'x9'	Drifting	1500'	200	$ 84,000
II	8'x9'	X-Cuts	500'	---	$ 28,000
III	-----	Longhole	3000'	---	$ 4,500
IV	8'x6'	Raise	900'	250	$ 50,400
	Total		2900'	450	$166,900

Assuming the loan was approved for gold and silver the cost to the government would be $125,000 and the cost to Bill Wheeler would be around $41,700.

SALT LAKE OFFICE
34 CENTURY PARK-WAY
SALT LAKE CITY, UTAH 84115
TELEPHONE 801/487-5651

EUREKA OFFICE
P. O. BOX 290
EUREKA, UTAH 84628
TELEPHONE 801/433-6876

CENTENNIAL DEVELOPMENT COMPANY

MINING - CONTRACTING - ENGINEERING

November 28, 1973

REPLY TO:

Salt Lake

Mr. Bill Wheeler
Wheeler Village
Missoula, Montana 59801

Dear Mr. Wheeler:

Reference is made to your letter of November 20 and to our phone conversation of today.

I wish to confirm that we have estimated, for your budgeting purposes, that the cost of doing the underground development work as described in your letter would be about as follows:

(1)	Mobilization	$20,000
(2)	Drifting and Crosscutting	$125/ft.
(3)	Timbering of Drift	$50/ft.
(4)	Raises	$175/ft.

I hope the above information is adequate for your present purpose, however, should you have any questions please do not hesitate to contact us.

Thank you for your inquiry.

Very truly yours,

CENTENNIAL DEVELOPMENT CO.

W. E. Boggs

W. E. Boggs
Manager-Contract Services

WEB:dh

KOP-RAN DEVELOPMENT CORPORATION

Corporate Headquarters: P.O. Box 6217 / Albuquerque, N.M. 87107 / Telephone (505) 344-3542
Field Headquarters: 235 Redstone Drive / Reno, Nevada 89503 / Telephone (702) 786-2647

November 26, 1973

Mr. Tom Wheeler
Wheeler Village
Missoula, Montana

Dear Mr. Wheeler:

Please find the enclosed proposal as requested by your firm during our telephone conversation on November 19, 1973.

Our quotation is based on information received and on general cost figures of similar projects and should not be considered a final bid but is to serve as a basis for budget preparation.

We will be glad to inspect your property and furnish you with a bid, subject to acceptance, at any time or meet with you to discuss possible approaches for extraction of ore at your convenience.

We thank you for contacting our company and hope to be of service to you in the future.

Sincerely,

E. M. Koppen

Eckhardt M. Koppen
President

EMK:bbh
Encls.

SCOPE OF PROJECT

Cost Estimate

			Per ft.	Total
1.	1500' of adit excavation 8' x 9' clearance		$68.00	$102,000.00
2.	300' cross-cut excavation 8' x 9' clearance		$72.00	$ 21,600.00
3.	350' raise excavation 7' x 7' clearance	0 - 100	$62.00	$ 6,200.00
		100 - 200	$74.00	$ 7,400.00
		200 - 350	$88.00	$ 13,200.00
4.	300' raise excavation 7' x 7' clearance	0 - 100	$62.00	$ 6,200.00
		100 - 200	$74.00	$ 7,400.00
		200 - 300	$88.00	$ 8,800.00
5.	Installment of chutes			$ 4,000.00

The quotation includes all equipment and materials to excavate the drifts and raises but excludes any type of ground support as roof bolts, timber, shotcrete, etc.

Ground conditions are expected to be normal, meaning the rock has to be firm and dry, particularly in the raises.

The contractor reserves the right to use equipment and methods as he sees fit to execute the contract in the proper manner and within the time limits set in the contract provisions.

Our quotation is based on information received and on general cost figures of similar projects and should not be considered a final bid but is to serve as a basis for budget preparation.

Stratton Construction

NORTH TOWER STREET PHONE 543-7338
MISSOULA, MONTANA 59801

December 10, 1973

Mr. Bill Wheeler
Wheeler Village
Missoula, Mt., 59801

Dear Mr. Wheeler:

After inspecting your property on Jack Creek, Basin, Montana, I am sending you the estimated cost of doing the underground development work as you described.

(1) 1500' of adit excavation 8' x 9' xlearance		$71.50 per ft.	$107,250.00
(2) 300' cross cut excavation 8' x 9' clearance		$76.25 per ft.	22,875.00
(3) 350' raise excavation 7' x 7' clearance	0-100	64.50 per ft.	6,450.00
	100-200	77.00 per ft.	7,700.00
	200-350	91.50 per ft.	13,725.00
(4) 300' raise excavation 7' x 7' clearance	0-100	64.50 per ft.	6,450.00
	100-200	77.00 per ft.	7,700.00
	200-350	91.50 per ft.	13,725.00
(5) Installment of Chutes			4,800.00
(6) Mobilization			1,000.00

If you need any additional information please contact me.

Sincerely

STRATTON CONSTRUCTION

Gene Stratton
Owner

Gene Stratton

February 11, 1974

Mr. William J. Wheeler
Wheeler Village Office
Missoula, Montana 59801

Re: OME-6896 (Gold-Silver)
William J. Wheeler
Vindicator Mine
Jefferson County, Montana

and

OME-6699 (Gold-Silver)
William J. Wheeler
The Morning-Midnight Property
Jefferson County, Montana

Dear Mr. Wheeler:

This is to acknowledge receipt of your applications dated December 19, 1973, for financial assistance to explore the subject properties. The applications have been assigned the OME docket numbers indicated above. Please refer to these numbers in correspondence relating to your applications.

Certain additional regulations and requirements are described in the enclosed copies of Exhibit A, entitled "Notice to prospective Federally assisted construction contracts." These should be filed with your copies of the applications.

There has been no improvement in the funding situation for OME since our telephone conversation January 29, 1974. As I explained then, the balance of our funds for the current fiscal year is about $20,000, and this is being considered for use on a possible contract for a project proposed about a year ago, but delayed pending completion of rehabilitation work on the property.

The outlook for the next fiscal year beginning July 1, 1974, is that no new funds will be available for contracts.

In view of these circumstances, we are unable this year to consider your application for the amounts requested, and the next fiscal year offers no promise at all for assistance. For these reasons, we suggest that you

consider withdrawing the applications. If additional funds become available some time in the future, we would be pleased to resume considering the applications.

You mentioned that the balance of OME funds remaining in fiscal year 1974 would be welcome assistance if offered in a contract. We could not consider preparing a contract for less work than is required to adequately explore one or more exploration targets. Your proposals for 2 projects requiring a total of $249,000 in Government funds would not be assisted significantly with only $20,000.

Please advise us if you wish to withdraw the applications

We regret that we are unable to offer you assistance at this time.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosures (Exhibit A (2))

cc:
DKF
MR Rdg.
OME Rdg.
OME Files (2)
Mr. Kirkemo
Region I (2)

HKirkemo/gpw

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

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 28 1973
INITIALS | CODE

December 21, 1973

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Transmittal of two applications from William J. (Bill) Wheeler for the Morning-Midnight and the Vindicator mines, Jefferson County, Montana

Enclosed are two applications that were brought to my office yesterday by Mr. William J. (Bill) Wheeler, Missoula, Montana. These are for OME assistance to explore two adjacent mines about 6 miles north of Basin, Montana. The two properties are shown on the geologic map and discussed by Ruppel in U. S. Geol. Survey Bulletin 1151. The estimated cost of each exploration project is $166,000; the two total $332,000.

The Morning-Midnite mine was the subject property of docket DMEA-4732 and DMPA-1529. I do not know of any DMEA or OME dockets in which the Vindicator mine is the subject.

Both applications are well prepared. The Vindicator application contains a statement that "No formal report on the Vindicator has been written, but we expect to have one soon." Some assay data are included to indicate that the most important commodities at the mines are gold and silver, even though the DMEA exploration was for lead-zinc ore.

I explained our financial situation to Mr. Wheeler and gently tried to discourage him from seeking exploration funds in excess of what we have available. However, he said that any help would be appreciated.

The general plan of Mr. Wheeler's is to drift for several hundred feet along the Vindicator vein and then to crosscut to the Morning-Midnight vein, exposing the latter several hundred feet below the surface.

We have some information about the Morning-Midnight vein and Ruppel (in Bulletin 1151) devotes about a page of discussion to the Vindicator mine. The vein material contains complex ore of lead, zinc, and copper

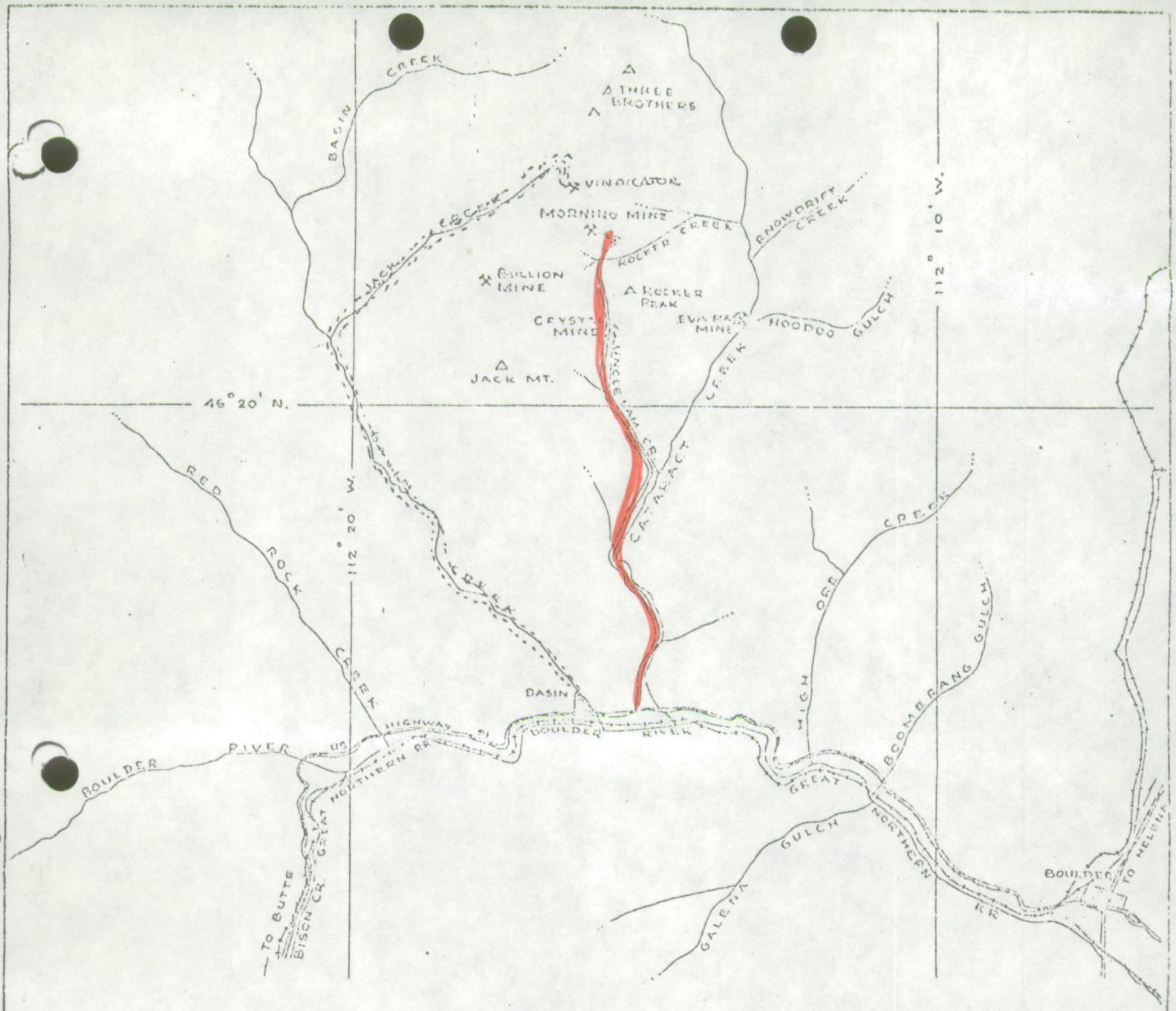
sulfides, including tetrahedrite and chalcopyrite, plus arsenopyrite. The former production came mainly from oxidized portions of the veins and we do not have much information about the veins at depth. All indications are that the veins are narrow but persistent along strike.

Mr. B. J. Hanford, a 1970 graduate of the Colorado School of mines, is now supervising work being done at the Vindicator mine and will be in charge of all the planned exploration work.

If we had sufficient funds to consider projects as large as those outlined in these applications, we could seriously consider them. Mr. Wheeler said that he'd appreciate any help, even though it might be for only 500 feet of drift. I'm not sure that we could consider this limited amount of work, as we do not know of any ore shoot that could be reached in the 500 feet; perhaps the promised formal report will outline such a possibility.

Willard P. Puffett

Willard P. Puffett,
Field Officer, Region I



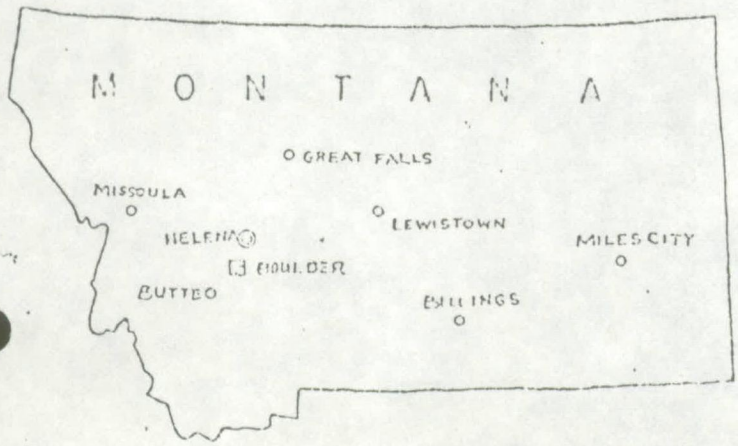
LOCATION MAP

MORNING MINE

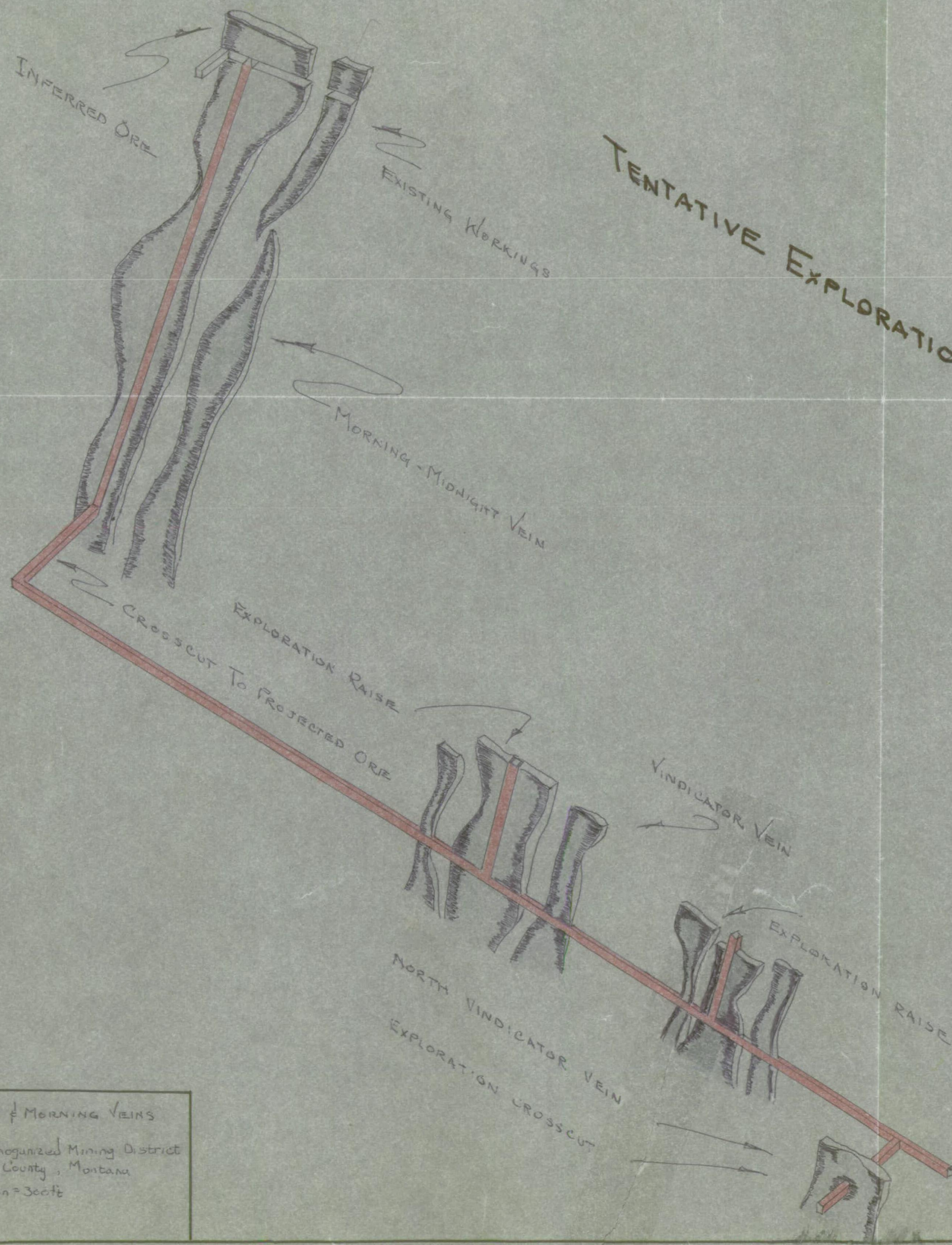
JEFFERSON COUNTY, MONTANA

SCALE 1" = 2 MILES

DATE : JULY, 1956



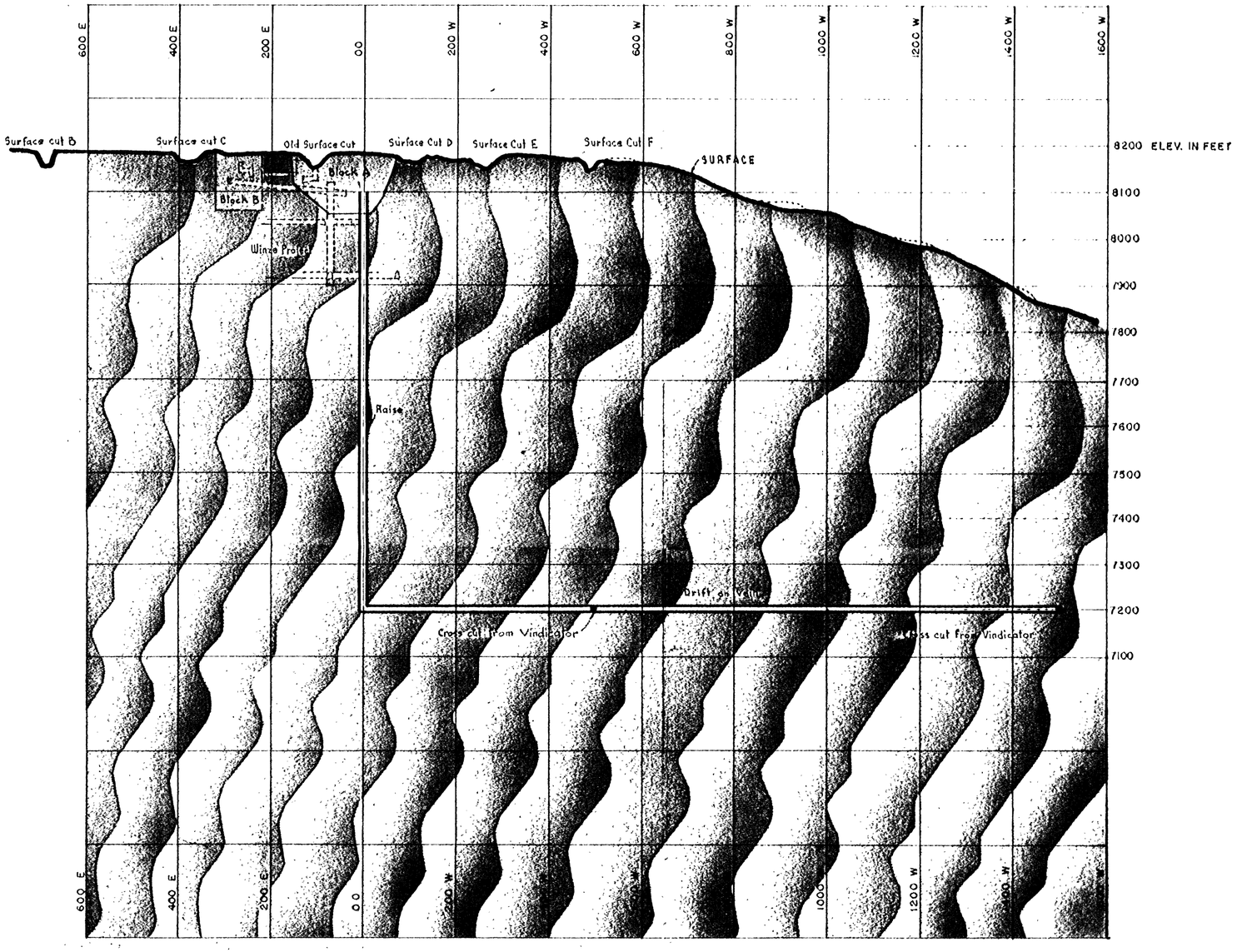
TENTATIVE EXPLORATION PLAN



VINDICATOR & MORNING VEINS

Cataract Unorganized Mining District
Jefferson County, Montana

SCALE: 1 in = 300 ft



INDEFINITE BOUNDARY ---------

PRELIMINARY LONGITUDINAL SECTION

MORNING MINE

T. 7 N., R. 5 W.

JEFFERSON COUNTY, MONTANA

SCALE: 1" = 200'

ORIENTATION N.10° W.-S.10° E.

DATE: DEC. 1973