MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. 2265 Docket No. 6697

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits 9/69
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [x] Assignment of Contract 4/18/69
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes dtd. 8/9/68
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semiannual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 5/16/68
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

72195-65

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/21/69	Emerick	120
		120
		220

OCT 24 1969

Bell Mountain Silver Mines, Inc.
40 Exchange Place
Suite 1914
New York, New York 10005

Re: OME-6697 (Gold-Silver)
Bell Mountain Silver Mines, Inc. (Assignee)
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Gentlemen:

Reference is made to the completed exploration project with the Government.

We sincerely regret that the work performed did not result in a certification of possible production under the provisions of the contract. In the absence of such certification the Government retains no claim or lien against the property described in the contract or any future production therefrom.

Your attention is called to the provisions of the contract which requires the Operator to keep and preserve certain records for the periods indicated.

We appreciate your interest and participation in the OME exploration program.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to: Mr. Claude B. Lovestedt
Box 1496
Carson City, Nevada 89701

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Br. Budget & Finance
OME REgion II
Mr. Emerick
130

WLEmerick/bsl 10/22/69

I-C-DC-OME-25-69
Government's copy

UNITED STATES
DEPARTMENT OF THE INTERIOR

Office of Survey and Review

Audit Operations

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 2 1969
INITIALS | CODE
130
120
120
120

Report of Review-Contract 2265
Docket No. OME-6697 (Gold and Silver)
Bell Mountain Silver Mines, Inc., (Operator)
Homestake Group and Edith Claims
Churchill County, Nevada

Report of Review

Washington, D.C.
August 1969

We reviewed the contract files of the Office of Minerals Exploration (OME) pertaining to their minerals exploration contract No. 2265 with Claude B. Lovestedt, and examined the related disbursement records in the Branch of Budget and Finance, Administrative Division, Geological Survey. The contract was assigned to Bell Mountain Silver Mines, Inc., (Operator) a Nevada Corporation, by assignment of contract effective November 12, 1968. The review was made at Washington, D.C., during August 1969.

The contract was awarded on August 9, 1968, for $37,640, total estimated costs of the project with OME participation on a 75-percent basis or not in excess of $28,230. The purpose of the contract was to explore by drifting from an existing portal site near the west end of the Homestake No. 6 claim and by long-hole drilling from the drift for silver-gold bearing ore bodies along the footwall portion of the Nevada Bell Mountain mineralized fault zone which is 30-60 feet wide in rhyolite of Tertiary Age. All splits of samples were to be analyzed for gold and silver.

Repayment of disbursed Federal funds plus interest at 7½ percent was to be made on the basis of established royalties of all minerals and metals produced during the exploratory operations and for a period of 10 years from the date of the contract should a certification of possible production be made by OME. Work under the contract began on August 20, 1968, and was to be completed within 12 months or by August 20, 1969.

The land, including all rights thereto, consists of six unpatented lode mining claims in the Fairview Mining District, Churchill County, Nevada.

Interim inspection reports were made of the Bell Mountain Silver Mines, Inc., and ten vouchers were approved by the Field Officer, OME Region II Office.

At the time of our review $200 was being withheld by OME pending receipt of the Operator's final report.

The units of work authorized and paid under the contract are summarized on Exhibit I. We believe that the claimed and accepted costs of $37,640, and the OME participation on a 75-percent basis for $28,230, were proper under the terms of the contract.

C. D. Baer
Regional Director

Exhibit I

Summary of Contract Terms, Accepted Costs and Unexpended Balance

Fixed Unit Costs[a/]	Authorized Amounts	Accepted Costs	Unexpended Balance
Drifting and crosscutting 650 feet at $40/ft.	$26,000	$29,000	$(3,000)
Timbering, including portal sets, 100 feet at $7/ft.	700	259	441
Long-hole drilling, 485 feet at $2/ft.	970		970
Sampling and assaying for gold and silver, 350 samples at $3.20/sample	1,120	426	694
Supervision and technical services 10 months at $850/mo.	8,500	7,650	850
Office expense, 10 months at $35/mo.	350	305	45
Total Costs	$37,640	$37,640	$ -
Government Participation at 75%	$28,230	$28,230[b/]	$ -

a/ The Government retains no equity in any of the equipment or materials used.

b/ Less $200 pending receipt of the Operator's final report.

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

April 15, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
APR 16 1969

INITIALS	CODE
HK	120
	130
bof	120M

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6697 (Gold-Silver)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Assignment of Contract

Enclosed are the original and three copies of the proposed Assignment of Contract, properly executed by the Assignor and Assignee.

H. K. Stager

Enclosures

THOMAS A. COOKE
BRUCE D. ROBERTS

COOKE AND ROBERTS
ATTORNEYS AND COUNSELORS AT LAW
ONE EAST FIRST STREET, SUITE 1400
P. O. BOX 2229
RENO, NEVADA
89505

AREA CODE 702
TEL. 329-1766

April 14, 1969

Mr. H. K. Stager
Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME - 6697
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Dear Mr. Stager:

Enclosed find original and three copies of Assignment of Contract between Claude B. Lovestedt and Bell Mountain Silver Mines, Inc.

Sincerely yours,

Thomas A. Cooke

TAC:h
Encs.
cc: Claude B. Lovestedt

RECEIVED
APR 15 1969
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Government's copy

ASSIGNMENT OF CONTRACT

WHEREAS, the United States of America, acting through the Department of the Interior, U. S. Geological Survey, (hereinafter called the "Government"), and Claude B. Lovestedt, an individual (hereinafter called the "Assignor"), entered into Exploration Contract 2265 (OME-6697), dated August 9, 1968, (hereinafter called the "Contract"); and

WHEREAS, Bell Mountain Silver Mines, Inc., a Nevada Corporation, (hereinafter called the "Assignee"), has acquired the Assignor's interest in the land which is the subject of the contract and the Assignee desires to complete the work under the Contract:

NOW THEREFORE, effective November 12, 1968, the Assignor, subject to acceptance by the Assignee and the consent of the Government in consideration of one dollar ($1.00) and other good and valuable consideration received from the Assignee, does hereby sell, assign, and transfer to the Assignee all of his right, title, and interest in the Contract; Provided, That the Government shall be and is hereby released by the Assignor from all claims under the Contract.

The Assignor consents to all future amendments (including a termination agreement) and assignments of the Contract and waives notice thereof.

Dated this 21 day of March, 1969.

CLAUDE B. LOVESTEDT
(Assignor)

By Claude B. Lovestedt

ASSIGNEE'S ACCEPTANCE

The Assignee hereby accepts the above assignment and agrees to be bound by the terms, provisions, and conditions of the Contract. The Assignee expressly assumes and agrees to pay to the Government any royalty that may have accrued and remain unpaid on the effective date of this assignment and that may accrue thereafter under the provisions of the Contract.

Dated this 2nd day of April, 1969.

BELL MOUNTAIN SILVER MINES, INC.
(Assignee)

By Richard W. Holland
Richard W. Holland, President

I, Robert J. Harrell, certify that I am the _____, secretary of the corporation named herein; that Richard Holland signed this instrument on behalf of the corporation, was then President of said corporation, that said instrument was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Robert J. Harrell /Corporate Seal/

GOVERNMENT'S CONSENT

The Government this 18 day of April, 1969, hereby consents to the above assignment without releasing the Assignor, Claude B. Lovestedt, from any of the terms, provisions, and conditions of the Contract.

THE UNITED STATES OF AMERICA

By Harold Kisbemo
Chief, Office of Minerals Exploration

Long
App'd. Sol. Off.
Emerick

ADDENDUM AGREEMENT

THIS AGREEMENT made this 9th day of DECEMBER, 1968, by and between NEVADA BELL MOUNTAIN GOLD CORPORATION, a Delaware Corporation, hereinafter called "NEVADA BELL", and CLAUDE B. LOVESTEDT, of Carson City, Nevada, hereinafter called "LOVESTEDT",

W I T N E S S E T H:

WHEREAS, the parties hereto entered into a lease and option to purchase agreement dated January 11, 1968 and recorded in Miscellaneous Book 26, page 517, Official Records of Churchill County, Nevada, and in which Nevada Bell granted to Lovestedt a lease together with an option to purchase the following described unpatented contiguous lode mining claims situated in the Fairview Mining District, Churchill County, Nevada, to-wit: Homestake 1, Homestake 4, Homestake 6, Homestake 7, Homestake 8, Edith; and

WHEREAS, Nevada Bell is also an owner of an interest in and to the following described unpatented claims which are contiguous to the aforesaid claims in said district, county and state, to-wit: Homestake 2, Homestake 3, Homestake 5, Nevada Gold, Pat 11; and

WHEREAS, Lovestedt desires that said property be made subject to the lease and option agreement of January 11, 1968 and Nevada Bell is willing to execute this agreement for that purpose under the following terms and conditions,

NOW, THEREFORE, in consideration of Lovestedt's payment to Nevada Bell of the sum of Ten Dollars and other valuable consideration, the receipt whereof being hereby acknowledged, it is agreed that the lease and option agreement between the parties dated January 11, 1968 be and the same hereby is amended to provide that the Homestake 2, Homestake 3, Homestake 5, Nevada Gold and Pat 11 mining claims shall be included as part of the property described in said lease and option agreement, the same

Recd. with 12/24/68 letter
Cooke and Roberts

COOKE & ROBERTS
ATTORNEYS
RENO, NEVADA

as though originally set forth therein.

Except as hereinabove specifically modified and amended, all of the remaining terms of said lease and option agreement of January 11, 1968, shall continue in full force and effect.

This addendum agreement and all of its terms and provisions shall extend to and bind the heirs, assigns, successors and personal representatives of the parties hereto respectively.

IN WITNESS WHEREOF the parties hereto have executed this agreement the day and year first above written.

NEVADA BELL MOUNTAIN GOLD CORPORATION

By Clement K. Quinn
President

(SEAL)

By G. R. Nelson
Secretary

Claude B. Lovestedt
CLAUDE B. LOVESTEDT

:OOKE & ROBERTS
ATTORNEYS
RENO, NEVADA

STATE OF CALIFORNIA)
) SS:
COUNTY OF VENTURA)

On this 10 day of DECEMBER, 1968, personally appeared before Audrey J. Murphy a notary public in and for said County of VENTURA, CLEMENT K. QUINN known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they executed the same, freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in the County of VENTURA, the day and year in this certificate first above written.

Audrey J. Murphy
NOTARY PUBLIC

STATE OF NEVADA)
) SS:
COUNTY OF WASHOE)

On DECEMBER 9, 1968 personally appeared before me, a notary public, CLAUDE B. LOVESTEDT, who acknowledged that he executed the above instrument.

HELEN E. HARPER
NOTARY PUBLIC

COOKE & ROBERTS
ATTORNEYS
RENO, NEVADA

AGREEMENT

THIS AGREEMENT, made this 12th day of November, 1968, by and between CLAUDE B. LOVESTEDT, of Carson City, Nevada, First Party, and BELL MOUNTAIN SILVER MINES, INC., a Nevada corporation, Second Party,

W I T N E S S E T H:

1. First Party, for and in consideration of the sum of Ten Thousand Dollars ($10,000.00) paid by Second Party, receipt whereof is hereby acknowledged, and in consideration of Second Party's covenant to pay the additional consideration set forth in paragraph 2 hereof, has sold and by these presents does grant, convey, sell, assign, transfer and set over to Second Party all of his right, title and interest in and to that certain lease and option agreement dated January 11, 1968, a copy of which is attached hereto and marked Exhibit A, made and executed by NEVADA BELL MOUNTAIN GOLD CORPORATION, a Delaware corporation, of Duluth, Minnesota, as Lessor, and First Party as Lessee, of certain unpatented lode mining claims situated in the Fairview Mining District, Churchill County, Nevada, and more particularly described as follows: Homestake No. 1, Homestake No. 4, Homestake No. 6, Homestake No. 7, Homestake No. 8 and Edith, together with all and singular, the premises therein mentioned and buildings thereon, with appurtenances thereunto belonging.

In addition to the above mentioned claims specifically set forth in the aforesaid lease and option agreement, First Party has performed the annual labor required by Federal law for the assessment year ending August 31, 1968, on the following described lode mining claims situate in said Fairview Mining District, Churchill County, Nevada, and belonging to the aforesaid lessor, and adjacent to the claims above described, to wit: Nevada Gold,

Rec'd with 12/24/68 letter
Cooke & Roberts

Pat No. 11, Pat No. 12, Homestake No. 2, Homestake No. 3 and Homestake No. 5,

And with respect to these claims, First Party does hereby sell, assign, transfer and set over unto Second Party all of First Party's right, title and interest in and to said claims under and by virtue of the aforementioned lease and option agreement of January 11, 1968.

Subject to the provisions hereof, Second Party, its successors and assigns are to have and to hold the aforedescribed mining claims and property for and during all of the rest, residue and remainder of the term of the lease and the renewal or renewals thereof yet to come, as mentioned in the lease and option agreement.

2. First Party represents to Second Party that he has performed all of the terms and complied with all of the conditions of said lease and option and the same is in full force and effect; that he is not in default of any of the provisions thereof, and that he has made no prior transfers or assignments of his interest therein, and has a right to assign and transfer same to Second Party. First Party further represents to Second Party that the lessor is the owner of said property, subject only to the paramount title of the United States, and that there are no liens or encumbrances against the same; that all of the aforementioned claims are now in good standing, and that the annual labor required to be performed thereon by Federal law for the Federal assessment year ending August 31, 1968 has been performed and completed, and that proofs of labor for same have been filed in the office of the County Recorder of Churchill County, Nevada, for said period in accordance with the laws of the State of Nevada.

3. The total purchase price to be paid to First Party by Second Party for this assignment shall be the sum of Three Hundred Thousand Dollars ($300,000.00). As indicated in paragraph 1 hereof, the sum of $10,000.00 has been paid by Second Party to First Party and the parties agree that the balance of the purchase

price shall be paid as follows, viz:

(a) $25,000.00 cash on or before December 1, 1968;

(b) $65,000.00 cash to be paid to First Party on or before one week after Second Party makes the first public offering of its capital stock, pursuant to and in accordance with the Securities Act of 1933, as amended, and the applicable rules and regulations of the Securities and Exchange Commission;

(c) $200,000.00 shall be paid by Second Party's delivery to First Party of Second Party's capital stock issued as fully paid up and non-assessable, and of the value of $200,000.00 at the public offering price. The amount and number of shares shall be determined by the public offering price at the time the stock is first offered to the public and after the Securities and Exchange Commission has qualified the stock for public sale. This stock will be issued to First Party for investment purposes, and not for resale and distribution by First Party, and the certificate or certificates of stock so issued and delivered to First Party shall contain a proviso to this effect. It is further agreed however, that at any time after six months from the date of the first public offering that First Party desires to sell all or any part of said stock, Second Party will at that time and at First Party's request, and once only promptly file an appropriate Letter of Notification with the Securities and Exchange Commission under Regulation A for the purpose of authorizing and allowing the public sale of all or such part of said stock by First Party, as he may direct at the expense of the Second Party.

4. Second Party hereby accepts this assignment, and it agrees that it will be bound by and perform and observe all of the terms, covenants and conditions of the lease and option agreement on the part of the lessee therein named to be performed and observed, and that it will particularly and promptly comply with the provisions of paragraph 3 thereof which requires the payment of a minimum monthly royalty.

5. It is specifically agreed that in event Second Party should, for any reason whatever, during the term of said lease decide to abandon the property or surrender the lease to the lessor, the Second Party will first advise First Party of such determination in writing at least 30 days prior to giving lessor a notice of such surrender, in order that First Party may, if he so desires, take over the lease and option on the property for the remainder of the term thereof.

Second Party's right to terminate or surrender the lease and option and property to either the lessor or to First Party is conditioned upon its not being in default of any of the terms hereof or of the lease and option agreement, and all bills and obligations incurred by it or its agents in the operation or use of said property being paid in full. If First Party notifies Second Party within said 30 day period by a notice in writing that he wants the lease and option agreement and property re-assigned to him, then Second Party shall comply with the provisions hereof and deliver or cause to be delivered to First Party, its quitclaim deed or release and reconveyance, conveying all of its right, title and interest in and to said lease and property to First Party. In the event First Party does not so notify Second Party as aforesaid within the time hereinabove limited, then Second Party may terminate said lease as provided in paragraph 14 of said lease agreement, and shall make, execute and deliver to lessor its quitclaim deed of release and reconveyance.

In case of any such termination as herein provided, it is agreed that First Party shall be entitled to retain any and all sums of money, stock or other consideration received by him from Second Party, as consideration and rental for Second Party's use and occupation of the property.

If this agreement and assignment is terminated or cancelled for any reason, Second Party further agrees that it will deliver, or cause to be delivered, to First Party or to lessor, as the case

COOKE & ROBERTS
ATTORNEYS
RENO, NEVADA

may be, copies of all drill logs, engineering and geological reports, maps and other data pertaining to said property that Second Party may have caused to be prepared for its use in connection with the development and operation of said mining property.

6. Second Party covenants and agrees that it will forthwith proceed with all due diligence to obtain the approval of the Securities and Exchange Commission for the issuance and public offering of Second Party's stock, and that it will as soon as practicable file with the Securities and Exchange Commission a registration statement with respect to the qualification for public sale for shares of its stock, and that it will proceed without delay to take any further or additional steps which may be required to obtain the qualification of said stock for public sale.

7. In the event the Securities and Exchange Commission for any reason fails or refuses to approve and qualify Second Party's shares of stock for public sale by December 31, 1969, then First Party shall have the right and option to terminate this agreement which shall be done by a notice in writing to Second Party on or before January 31, 1970, if First Party does not so cancel the agreement as herein provided, then this agreement and assignment shall continue in full force and effect so long as Second Party complies with the terms hereof and the lease and option agreement.

In the event First Party elects to cancel as aforesaid, he shall deliver to Second Party on demand, any and all shares of stock issued to him pursuant to this agreement that he may then have in his possession, provided, however, that First Party shall be entitled to keep and retain any and all sums of money paid to him by Second Party hereunder. Second Party, on receipt of First Party's notice of cancellation as herein provided, shall forthwith cause its quitclaim deed to the above described property to be deposited in escrow pursuant to the provisions of paragraph 8 hereof, to be delivered to First Party.

8. Contemporaneously with the execution hereof, Second Party shall make, execute, acknowledge and deliver to the First National Bank of Nevada as escrow holder, its quitclaim deed conveying all of its right, title and interest in and to the aforedescribed lease and option and the property covered thereunder to First Party, with instructions to hold and deliver said deed in accordance with the following escrow instructions, and concurrently with the delivery of said deed to said escrow holder, there shall be delivered to the escrow holder a copy of this agreement. The escrow instructions are as follows:

(a) Upon receipt of written notice signed by First Party that he has elected to cancel the agreement pursuant to paragraph 7 hereof, the quitclaim deed covering the lease and option and property described therein and herein shall be delivered to First Party.

(b) Upon receipt of a notice of cancellation by Second Party as provided in paragraph 5, it shall forthwith deliver the quitclaim deed to First Party.

(c) Upon receipt of a notice of cancellation by First Party as provided in paragraph 11 for Second Party's default, it shall deliver said deed to First Party after the time allowed to cure the same has expired, unless notified by First Party that the same has been cured.

(d) In the event the escrow holder does not receive a notice of cancellation from First Party or Second Party on or before January 31, 1970, it shall thereupon deliver the aforesaid deed to Second Party and said escrow shall be closed. The cost of the escrow shall be paid by Second Party.

9. This agreement, and the assignment by First Party as hereinabove set forth is expressly made subject to that certain Exploration Contract, Docket OME 6697, dated August 9, 1968 between the United States of America acting through the Department of Interior, U. S. Geological Survey, and First Party, and also that

certain Lien and Subordination Agreement to the United States of America being contract No. 14-23-090/dated August 9, 1968 covering the aforedescribed property and lease and option and signed by the Nevada Bell Mountain Gold Corporation on May 29, 1968. Copies of said agreements are annexed hereto and marked Exhibit B. First Party represents to Second Party that the aforesaid agreement, in exchange for a Government loan, subjects the property herein covered, to a five percent royalty in favor of the United States on the gross proceeds from the production sold, in the form sold, at the point of delivery, except that charges of a buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheet, shall be allowed as deductions in arriving at "gross proceeds" as that term is used in said agreement. In accordance with the provisions of the aforesaid Exploration Contract, First Party as "operator" and Second Party as his assignee agree that the Government's right to a royalty on production and its lien for the payment thereof is expressly reserved, and the same shall be binding on Second Party the same as though it was an original signatory party to the aforesaid Exploration Contract with the United States.

10. Second Party agrees to furnish promptly to First Party, duplicate copies of the proofs of labor filed by it for the current assessment year.

11. At any time prior to January 31, 1970 that Second Party fails to comply with the provisions hereof or of the lease and option agreement, First Party may cancel this agreement and the assignment herein made by giving Second Party a notice in writing specifying such default or defaults, and if the same is not cured within 20 days from and after the day said notice is deposited in the United States mail, registered or certified postage thereon prepaid, and addressed to Second Party, this agreement and assignment shall be terminated and cancelled, and the escrow established pursuant to paragraph 8 shall terminate and the escrow holder is

directed to deliver the quitclaim deed deposited with it to First Party, and Second Party agrees to execute any additional instructions or directions to said escrow holder as may be required to authorize such action.

12. Second Party agrees to hold First Party free and harmless from any and all loss or liability by reason of any of its operations or activities in, on or about the property covered by this agreement, or by reason of its failure to comply with the provisions hereof or of said lease and option agreement.

13. The parties agree to execute such further or additional instruments as may be necessary to carry out or implement the foregoing.

14. Any notice contemplated to be served on the parties shall be in writing and shall be deposited in the United States mail, postage prepaid, registered or certified, and addressed to the party as follows:

FIRST PARTY:	Claude B. Lovestedt P. O. Box 1496 Carson City, Nevada 89701
SECOND PARTY:	Bell Mountain Silver Mines, Inc. 729 North Carson Street Carson City, Nevada 89701

or at such other address as the parties may from time to time designate in writing to the other party hereto. Service shall be deemed effective and complete on mailing same as herein provided. Personal service of written notice shall be deemed sufficient service and no mailing of notice shall be necessary in that case.

15. If First Party owns, locates or otherwise acquires mining claims or valuable deposits of minerals or materials or interests therein intervening between the individual mining claims comprising the property covered by this agreement or situate within one-half mile from the nearest exterior boundary of any of said claims, the same shall be subject to all the terms and conditions hereof and be included hereunder as if the same were fully set forth and described herein.

All cross and parallel lodes, veins, spurs or mineral deposits whatsoever which may be discovered on the property covered by this agreement and which are located in or under property belonging to or claimed by First Party, shall be included herein and shall be subject to this agreement the same as though specifically set forth herein.

This agreement and all of its terms and provisions shall extend to and bind the heirs, assigns, successors and personal representatives of the parties hereto respectively.

IN WITNESS WHEREOF the parties hereto have executed this agreement the day and year first above written.

Claude B. Lovestedt
CLAUDE B. LOVESTEDT

FIRST PARTY

BELL MOUNTAIN SILVER MINES, INC.

(SEAL)

By [illegible]

ATTEST:

_____

SECOND PARTY

STATE OF NEVADA)
) SS.:
COUNTY OF WASHOE)

On December 16, 1968, personally appeared before me, a Notary Public, CLAUDE B. LOVESTEDT, who acknowledged to me that he executed the above instrument.

Helen E. Harper
NOTARY PUBLIC

HELEN E. HARPER
Notary Public — State of Nevada
Washoe County
My Commission Expires June 12, 1969

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this 12th day of December, 1968, before me personally came RICHARD W. HOLLAND, to me known, who, being by me duly sworn did depose and say that he resides at 176 East 71st Street, New York, New York; that he is the President of Bell Mountain Silver Mines, Inc. the corporation described in and which executed the above instrument; that he knows the corporation seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

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

Elizabeth V. Black
NOTARY PUBLIC

ELIZABETH [illegible] BLACK
Notary [illegible] New York
[illegible]
Qualified [illegible] County
Certificate [illegible] New York County
Commission Expires March 30, 1969

[illegible] AND OPTION

THIS AG[illegible], entered into this 11th day of January, 1968 between NEVA[illegible] MOUNTAIN GOLD CORPORATION, a Delaware Corporat[illegible] of Duluth, Minnesota, [illegible]er called NEVADA BELL, and CLAUDE B. LOVESTEDT, of Minden, Ne[illegible]da, hereinafter called LOVESTEDT

WITNESSETH

WHEREAS, NEVADA BELL is the owner of the following described mining claims situate in Fairview mining district, Churchill County, Nevada:

Homestake No. 1	Homestake No. 7
Homestake No. 4	Homestake No. 8
Homestake No. 6	Edith

as recorded and described more fully in the office of the County Recorder of said Churchill County, Nevada,

AND WHEREAS, LOVESTEDT is desirous of obtaining a lease for the purpose of developing and mining said claims,

NEVADA BELL, in consideration of the agreements on the part of LOVESTEDT to be performed, does hereby demise and lease to LOVESTE DT for a period of twenty (20) years from the date hereof the above described mining claims.

IN CONSIDERATION of said lease, LOVESTEDT covenants and agrees as follows:

1. To enter upon the lease premises within ninety (90) days from the date hereof and to work same in a good and minerlike fashion as is common to the area so as to take out the greatest amount of ore possible with due regard to the development and preservation of the mine and mining premises as a workable mining property.

2. To [illegible] NEVADA BELL a royalty of ten percent (10%) of the net [illegible] [illegible]elter returns, less hauling to mint or smelter, on all production of ores from the property. Said royalty shall be payable on or before the fifteen[illegible] [illegible]y of each month

C.B.L. [illegible]

EXHIBIT A

[illegible] by LOVESTEDT of said returns and shall be accompanied by duplicates of mint or smelter returns, or certificates [illegible] are.

3. During one (1) year from the date of this agreement it is agreed there shall be a minimum royalty totalling six thousand dollars ($6,000.00) per year which shall be paid by monthly payments of at least $500.00. When the total royalties due NEVADA BELL from shipments made in any one month do not total $500.00, then LOVESTEDT shall make up and pay the difference, provided, however, that LOVESTEDT may credit any royalty in excess of $500.00 in any one month against any other month in said year in which royalties are less than said $500.00. Said monthly payments are to be made within thirty days after the last day of the calendar month for which the royalty is due.

4. LOVESTEDT agrees to furnish to NEVADA BELL, on the 15th of the month following each quarterly period, a detailed report of work done with sampling and assays of same.

5. NEVADA BELL or its agents may enter upon the premises at any reasonable time for the purpose of examining any mine workings, LOVESTEDT will facilitate in every way such inspection.

6. To occupy and hold as the property of NEVADA BELL all cross and parallel lodes, spurs and mineral deposits of every kind which may be uncovered, disclosed or discovered within said leased ground by LOVESTEDT or any person or persons under or in privity with him, with privilege of LOVESTEDT to work and mine the same as part and parcel of said premises.

7. Locations of mining claims adjacent or contiguous to the claims herein demised or upon the same lode or strike of any vein apexing within any claim herein demised shall be made by LOVESTEDT in the name of NEVADA BELL and any claims so located shall be included within the terms of this lease.

8. LOVESTEDT shall post and keep posted in three prominant places upon the demised premises notices of non-responsibility of

C.B.L.

[illegible] furnished by NEVADA BELL, for any labor or materials [illegible] LOVESTEDT, and LOVESTEDT shall cause to be filed with the [illegible] Recorder of Churchill County, Nevada affidavits of non-responsibility of NEVADA BELL.

9. LOVESTEDT agrees to perform the annual assessment work upon the property herein demised as required by the laws of the United States [illegible] make and execute and deliver to NEVADA BELL affidavits of such performance, having been properly filed.

[illegible] shall comply at all times with the industrial insurance laws of the State of Nevada and shall carry public liability insurance and pay all taxes that may be levied or assessed against the premises or any improvements or equipment thereon.

11. LOVESTEDT agrees that all building, gallows frames and timbering placed on the above described premises by him or his assigns be deemed affixed to said premises, and they shall remain the property of NEVADA BELL in the event of the termination of this agreement.

12. NEVADA BELL agrees that all mining and milling equipment such as motors, machinery, all tools, blocks, ropes, cables, chains, hoists, or any other mining or milling appliances, trucks, engines, compressors, orecars, etc., placed on the premises be deemed the property of LOVESTEDT or his assigns, and he shall have the right to remove all such equipment at any time during the term of this agreement.

13. LOVESTEDT shall have the right to renew this lease for a like period of twenty (20) years by sixty (60) days written notice to NEVADA BELL prior to the expiration of the term hereof and provided that LOVESTEDT be not then in default in the performance of any of the terms and conditions hereof.

14. LOVESTEDT may terminate this agreement at any time upon sixty (60) days written notice to NEVADA BELL provided that he

C.B.A.

[illegible] the payment of any royalties provided for [illegible] provided that all debts incurred by LOVESTEDT in [illegible] of the premises are then paid in full.

15. If [illegible]DT [illegible]lts in the performance of any conditions of thi[illegible] such default continue for a period [illegible] (3[illegible] written notice of such default given by NEVADA BEL[illegible]VESTEDT, then this lease shall immediately terminate an[illegible] may enter said premises and take posses-[illegible]rates or other forms of metals and minerals [illegible] premises and whether the same be on said [illegible] away from said premises.

16. In [illegible] event LOVESTEDT be not in default in the payment of any royalties herein provided for, he shall have a period of six (6) months after the termination of this lease, for any cause, in which to remove from the premises all equipment, machinery and tools placed by him on said premises and not affixed to said premises. Any machinery or equipment and tools not so removed shall become the property of NEVADA BELL without any claim thereto by LOVESTEDT.

17. LOVESTEDT shall be excused from performing the conditions and terms of this agreement, except as to payment of any taxes that are required to be paid by Lovestedt, and the minimum monthly royalty payments during such period or periods as he shall be prevented from operating by acts of [illegible]d, war, public enemy, civil disorders, strikes, riots, labor shortages [illegible] disturbances, breakdown, storm, floods, fire, orders or directives of state or public authority, and other causes whether similar or dissimilar, not reasonably within the control of LOVESTEDT; provided, however, that any such suspension of operations shall be excused only during the period of emergency and any obligations hereunder [illegible]ll be promptly resumed upon a cessation of the emergency.

18. NEVADA BELL does further hereby give and grant to

[illegible]

[illegible] and option of purchasing said [illegible]ances, at the agreed price of Nine hun[illegible] ($900,000.00) payable in cash or by royalties [illegible] [illegible]sions of Section 2 pages 1 and 2, [illegible] the purchase price, but in any event [illegible] $900,000 [illegible] paid on or before twenty (20) years from the [illegible] above written, namely the effective date of this lease, [illegible] to continue in force as long as LOVESTEDT faithfully [illegible] requirements called for in this instrument to be perf[illegible].

19. [illegible] have the right to assign and transfer [illegible] rights and privileges arising [illegible] whole or in part, upon written notice to NEVADA BELL, either served personally on said party or by certified or registered mail to the address herein designated, together with name or names of LOVESTEDT'S assignee or assignees. Any further assignments or transfers by assignees of LOVESTEDT shall likewise comply with the provisions of this paragraph. LOVESTEDT retains all responsibility for all terms and conditions of this lease.

20. It is LOVESTEDT'S intension to install a mill for the property provided sufficient water can be developed, and to explore by tunnel or drilling Homestake No. 1.

21. Any notice contemplated herein to be served upon NEVADA BELL or LOVESTEDT shall be in writing and shall be sufficiently given if deposited in the United States mail, postage prepaid, registered or certified, and addressed to the party as follows:

NEVADA BELL:

Nevada Bell Mountain Gold Corporation
Clement K. Quinn, President
1500 Alworth Building
Duluth, Minnesota 55802

LOVESTEDT:

Claude B. Lovestedt
Box 265
Minden, Nevada 89423

[illegible] of the parties may from time to [illegible] other party hereto. Service of [illegible] effective and complete upon [illegible] posting [illegible] mailed hereto. Personal service of notice shall [illegible] service of notice and/or mailing of notice shall [illegible] in that case.

[illegible] its terms and provisions shall [illegible] to and [illegible] bind, assigns, successors and personal [illegible] parties hereto respectively.

IN [illegible] the parties hereto have executed this [illegible] above written.

NEVADA BELL MOUNTAIN GOLD CORPORATION,
a Delaware Corporation

[illegible]

(Seal)

[illegible]
CLAUDE B. LOVESTEDT

STATE OF CALIFORNIA, }
County of Ventura } ss.

On this 11th day of January, A.D. one thousand nine hundred and Sixty Eight personally appeared before B. A. LAWRENCE a notary public in and for said County of VENTURA CLEMENT K. QUINN & CLAUDE B. LOVESTEDT known (or proved) to me to be the persons described in and who executed the annexed instrument, who acknowledged to me that they executed the same, freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in the County of Ventura, the day and year in the Certificate first above written.

[illegible]
B. A. Lawrence

Notary Public in and for the County of Ventura, State of California.
My commission expires 9/5/69

[illegible]

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6697	Gold and Silver		Churchill	Nevada

1968

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Claude B. Lorenzetti, an individual

,

whose mailing address is Box 1496, Carson City, Nevada 89702, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before August 20, 1968 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 37,640.00 The Government will contribute 75 percent of the total fixed unit costs of the work performed, not in excess of $ 28,230.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of 7-½ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

See Annex I

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

See Annex I

EXHIBIT B

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

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

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

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

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

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

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 AUG 9 1968

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Churchill, State of Nevada, described ~~as follows~~: 2/ in a lease and option dated January 11, 1968, and recorded in Book 26 (Miscellaneous), Page 517, official records of said county.

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

Claude B. Lovestedt 3/

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 27th day of May, 19 68.

NEVADA BELL MOUNTAIN GOLD CORPORATION

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

President

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

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

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

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

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

I, G. R. Nelson (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that Clement K. Quinn (Name), who signed this agreement was then President (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.

G. R. Nelson
(Corporate Seal)

ARTICLE 14. Changes and added provisions.--

Executed in quadruplicate the day and year first above written.

Claude B. Lovestedt
(Operator)

By Claude B. Lovestedt

Title

THE UNITED STATES OF AMERICA

By Director, U.S. Geological Survey

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

CORPORATE SEAL

ADDENDUM AGREEMENT

THIS AGREEMENT made this 9th day of DECEMBER, 1968, by and between NEVADA BELL MOUNTAIN GOLD CORPORATION, a Delaware Corporation, hereinafter called "NEVADA BELL", and CLAUDE B. LOVESTEDT, of Carson City, Nevada, hereinafter called "LOVESTEDT",

W I T N E S S E T H:

WHEREAS, the parties hereto entered into a lease and option to purchase agreement dated January 11, 1968 and recorded in Miscellaneous Book 26, page 517, Official Records of Churchill County, Nevada, and in which Nevada Bell granted to Lovestedt a lease together with an option to purchase the following described unpatented contiguous lode mining claims situated in the Fairview Mining District, Churchill County, Nevada, to-wit: Homestake 1, Homestake 4, Homestake 6, Homestake 7, Homestake 8, Edith; and

WHEREAS, Nevada Bell is also an owner of an interest in and to the following described unpatented claims which are contiguous to the aforesaid claims in said district, county and state, to-wit: Homestake 2, Homestake 3, Homestake 5, Nevada Gold, Pat 11; and

WHEREAS, Lovestedt desires that said property be made subject to the lease and option agreement of January 11, 1968 and Nevada Bell is willing to execute this agreement for that purpose under the following terms and conditions,

NOW, THEREFORE, in consideration of Lovestedt's payment to Nevada Bell of the sum of Ten Dollars and other valuable consideration, the receipt whereof being hereby acknowledged, it is agreed that the lease and option agreement between the parties dated January 11, 1968 be and the same hereby is amended to provide that the Homestake 2, Homestake 3, Homestake 5, Nevada Gold and Pat 11 mining claims shall be included as part of the property described in said lease and option agreement, the same

COOKE & ROBERTS
ATTORNEYS
RENO, NEVADA

Rec'd with 12/11/68 letter Cooke and Roberts

as though originally set forth therein.

Except as hereinabove specifically modified and amended, all of the remaining terms of said lease and option agreement of January 11, 1968, shall continue in full force and effect.

This addendum agreement and all of its terms and provisions shall extend to and bind the heirs, assigns, successors and personal representatives of the parties hereto respectively.

IN WITNESS WHEREOF the parties hereto have executed this agreement the day and year first above written.

NEVADA BELL MOUNTAIN GOLD CORPORATION

By CLEMENT K. QUINN

(SEAL)

By

Claude B. Lovestedt
CLAUDE B. LOVESTEDT

OOKE & ROBERTS
ATTORNEYS
RENO, NEVADA

STATE OF CALIFORNIA)
) SS:
COUNTY OF VENTURA)

On this 10 day of DECEMBER, 1968, personally appeared before Audrey J. Murphy a notary public in and for said County of VENTURA, _____ CLEMENT K. QUINN known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they executed the same, freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in the County of VENTURA, the day and year in this certificate first above written.

Audrey J. Murphy
NOTARY PUBLIC

STATE OF NEVADA)
) SS:
COUNTY OF WASHOE)

On DECEMBER 9, 1968 personally appeared before me, a notary public, CLAUDE B. LOVESTEDT, who acknowledged that he executed the above instrument.

Helen E. Harper
NOTARY PUBLIC

COOKE & ROBERTS
ATTORNEYS
RENO, NEVADA

AGREEMENT

THIS AGREEMENT, made this 9th day of DECEMBER, 1968, by and between JAMES W. STOCKTON and FRANCES JOY FOBES, a married woman, both of Bakersfield, California, First Parties, and NEVADA BELL MOUNTAIN GOLD CORPORATION, a Delaware corporation, Second Party:

W I T N E S S E T H:

WHEREAS, First Parties are the owners of a one-tenth interest in and to the following described contiguous unpatented lode mining claims situated in the Fairview Mining District, Churchill County, Nevada, to-wit: Homestake 1, Homestake 2, Homestake 3, Homestake 4, Homestake 5, Homestake 6, Homestake 7, Homestake 8, Edith, Nevada Gold, Pat 11, ~~Pat 12~~ JWS F.J.F.; and

WHEREAS, Second Party, on January 11, 1968, as owner of an undivided nine-tenths interest in and to all of said claims, save and except Pat No. 12, entered into a lease and option to purchase agreement with Claude B. Lovestedt, of Carson City, formerly Minden, Nevada, in which it granted a twenty year lease to said Lovestedt together with an option to purchase its interest in the following described unpatented claims in said group, to-wit: Homestake 1, Homestake 4, Homestake 6, Homestake 7, Homestake 8, Edith; and

WHEREAS, thereafter and on DECEMBER 9, 1968, Second Party and said Claude B. Lovestedt executed an addendum agreement to said lease and option agreement in which Second Party agreed that its interest in and to the remaining claims in said group, to-wit: Homestake 2, Homestake 3, Homestake 5, Nevada Gold, Pat 11 also would be subject to said lease and option agreement the same as though originally set forth therein; and

WHEREAS, said Claude B. Lovestedt has requested that the parties hereto execute an agreement in which First Parties'

right, title and interest in and to all of the claims of said group will be subject to and bound by all of the terms of said lease and option agreement, and that said interest be also subject to the terms of his OME loan contract with the United States; and

WHEREAS, the parties hereto are willing to execute such an agreement,

NOW, THEREFORE in consideration of the payment by Second Party to First Parties of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt whereof being hereby acknowledged, the parties hereto do hereby agree as follows:

1. First Parties each agree that all of his and her right, title and interest in and to all of the above mentioned mining claims shall be, and is subject to and bound by all of the terms, covenants and obligations of the lease and option agreement of January 11, 1968 between Second Party and Claude B. Lovestedt, and the addendum thereto dated DECEMBER 9, 1968, the same as though they were each original signatory parties thereto as joint owners with Second Party. As such joint owners, First Parties further confirm, ratify and approve said agreement and the addendum thereto on behalf of themselves, their heirs and assigns, and agree to observe and perform the terms and covenants therein contained and they do hereby grant to said Claude B. Lovestedt a lease and option to purchase the aforesaid property, ~~and the Pat No. 12 unpatented lode mining claim contiguous thereto~~ JWS F.J.F., including their interest in said claims, on the terms and conditions set forth in the lease and option agreement of January 11, 1968 and the addendum thereto dated DECEMBER 9, 1968.

2. First Parties agree to subordinate their interest in said property to the United States of America, Department of Interior, Office of Minerals Exploration, in the same manner and to the same extent as Second Party has heretofore done on August 9, 1968; said subordination agreement being executed

COOKE & ROBERTS
ATTORNEYS
RENO, NEVADA

for the purpose of granting the United States a lien on the owners right, title and interest in the land and upon any production of minerals therefrom to secure payment to the Government of its loan advanced for the purpose of exploring and developing said property and for payment of its royalties on production of minerals therefrom as provided in its contract with Claude B. Lovestedt, OME-6697.

3. The parties hereto also agree to execute any and all further or additional instruments, subordination agreements, deeds or other documents as may be required by the lease and option agreement or the Department of Interior, or as may be necessary and appropriate to carry out the foregoing.

This agreement and all of its terms and provisions shall extend to and bind the heirs, assigns, successors and personal representatives of the parties hereto respectively.

IN WITNESS WHEREOF the parties hereto have executed this agreement the day and year first above written.

James W. Stockton
JAMES W. STOCKTON

Frances Joy Fobes
FRANCES JOY FOBES

FIRST PARTIES

NEVADA BELL MOUNTAIN GOLD CORPORATION, a Delaware corporation

By Clement K. Quinn

(SEAL)

By

STATE OF CALIFORNIA)
) SS:
COUNTY OF KERN)

On this 10th day of DECEMBER, 1968, personally appeared before ELSIE L. CRAIN, a notary public in and for said County of KERN, JAMES W. STOCKTON known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same, freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in the County of KERN, the day and year in this certificate first above written.

ELSIE L. CRAIN
NOTARY PUBLIC

STATE OF CALIFORNIA)
) SS:
COUNTY OF Los Angeles)

On this 10th day of DECEMBER, 1968, personally appeared before THE UNDERSIGNED, a notary public in and for said County of Los Angeles, FRANCES JOY FOBES known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that she executed the same, freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in the County of Los Angeles, the day and year in this certificate first above written.

MYRA de PASZTHORY
NOTARY PUBLIC

STATE OF CALIFORNIA)
) SS:
COUNTY OF VENTURA)

On this 10 day of DECEMBER, 1968, personally appeared before Audrey J. Murphy a notary public in and for said County of VENTURA, CLEMENT K. QUINN known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they executed the same, freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in the County of VENTURA, the day and year in this certificate first above written.

Audrey J. Murphy
NOTARY PUBLIC

DOKE & ROBERTS
ATTORNEYS
RENO, NEVADA

PAGE 1) LINE 2

ADD CONTRACT NO.

-2265

WILL CORRECT LEASE p.) L.2

SENDING L+S AGREEMENTS FOR

10% OWNED BY STOCKTON HEIRS

WILL GET LETTER FROM NEW. BELL

ON ASSETS (O??) OF CO.

AGREEMENT

THIS AGREEMENT, made this _____ day of November, 1968, by and between CLAUDE B. LOVESTEDT, of Carson City, Nevada, First Party, and BELL MOUNTAIN SILVER MINES, INC., a Nevada corporation, Second Party,

W I T N E S S E T H:

1. First Party, for and in consideration of the sum of Ten Thousand Dollars ($10,000.00) paid by Second Party, receipt whereof is hereby acknowledged, and in consideration of Second Party's covenant to pay the additional consideration set forth in paragraph 2 hereof, has sold and by these presents does grant, convey, sell, assign, transfer and set over to Second Party all of his right, title and interest in and to that certain lease and option agreement dated January 11, 1968, a copy of which is attached hereto and marked Exhibit A, made and executed by NEVADA BELL MOUNTAIN GOLD CORPORATION, a Delaware corporation, of Duluth, Minnesota, as Lessor, and First Party as Lessee, of certain unpatented lode mining claims situated in the Fairview Mining District, Churchill County, Nevada, and more particularly described as follows: Homestake No. 1, Homestake No. 4, Homestake No. 6, Homestake No. 7, Homestake No. 8 and Edith, together with all and singular, the premises therein mentioned and buildings thereon, with appurtenances thereunto belonging.

In addition to the above mentioned claims specifically set forth in the aforesaid lease and option agreement, First Party has performed the annual labor required by Federal law for the assessment year ending August 31, 1968, on the following described lode mining claims situate in said Fairview Mining District, Churchill County, Nevada, and belonging to the aforesaid lessor, and adjacent to the claims above described, to wit: Nevada Gold,

Recd. with 12/3/68 letter
Thomas A. Cooke

COOKE & ROBERTS
ATTORNEYS
RENO, NEVADA

Pat No. 11, Pat No. 12, Homestake No. 2, Homestake No. 3 and Homestake No. 5,

And with respect to these claims, First Party does hereby sell, assign, transfer and set over unto Second Party all of First Party's right, title and interest in and to said claims under and by virtue of the aforementioned lease and option agreement of January 11, 1968.

Subject to the provisions hereof, Second Party, its successors and assigns are to have and to hold the aforedescribed mining claims and property for and during all of the rest, residue and remainder of the term of the lease and the renewal or renewals thereof yet to come, as mentioned in the lease and option agreement.

2. First Party represents to Second Party that he has performed all of the terms and complied with all of the conditions of said lease and option and the same is in full force and effect; that he is not in default of any of the provisions thereof, and that he has made no prior transfers or assignments of his interest therein, and has a right to assign and transfer same to Second Party. First Party further represents to Second Party that the lessor is the owner of said property, subject only to the paramount title of the United States, and that there are no liens or encumbrances against the same; that all of the aforementioned claims are now in good standing, and that the annual labor required to be performed thereon by Federal law for the Federal assessment year ending August 31, 1968 has been performed and completed, and that proofs of labor for same have been filed in the office of the County Recorder of Churchill County, Nevada, for said period in accordance with the laws of the State of Nevada.

3. The total purchase price to be paid to First Party by Second Party for this assignment shall be the sum of Three Hundred Thousand Dollars ($300,000.00). As indicated in paragraph 1 hereof, the sum of $10,000.00 has been paid by Second Party to First Party and the parties agree that the balance of the purchase

price shall be paid as follows, viz:

(a) $25,000.00 cash on or before December 1, 1968;

(b) $65,000.00 cash to be paid to First Party on or before one week after Second Party makes the first public offering of its capital stock, pursuant to and in accordance with the Securities Act of 1933, as amended, and the applicable rules and regulations of the Securities and Exchange Commission;

(c) $200,000.00 shall be paid by Second Party's delivery to First Party of Second Party's capital stock issued as fully paid up and non-assessable, and of the value of $200,000.00 at the public offering price. The amount and number of shares shall be determined by the public offering price at the time the stock is first offered to the public and after the Securities and Exchange Commission has qualified the stock for public sale. This stock will be issued to First Party for investment purposes, and not for resale and distribution by First Party, and the certificate or certificates of stock so issued and delivered to First Party shall contain a proviso to this effect. It is further agreed however, that at any time after six months from the date of the first public offering that First Party desires to sell all or any part of said stock, Second Party will at that time and at First Party's request, and on behalf of First Party, promptly file an appropriate letter of notification to the Securities and Exchange Commission under Regulation A for the purpose of authorizing and allowing the sale of all or such part of said stock by First Party, as he may direct.

4. Second Party hereby accepts this assignment, and it agrees that it will be bound by and perform and observe all of the terms, covenants and conditions of the lease and option agreement on the part of the lessee therein named to be performed and observed, and that it will particularly and promptly comply with the provisions of paragraph 3 thereof which requires the payment of a minimum monthly royalty.

COOKE & ROBERTS
ATTORNEYS
RENO, NEVADA

5. It is specifically agreed that in event Second Party should, for any reason whatever, during the term of said lease decide to abandon the property or surrender the lease to the lessor, the Second Party will first advise First Party of such determination in writing at least 30 days prior to giving lessor a notice of such surrender, in order that First Party may, if he so desires, take over the lease and option on the property for the remainder of the term thereof.

Second Party's right to terminate or surrender the lease and option and property to either the lessor or to First Party is conditioned upon its not being in default of any of the terms hereof or of the lease and option agreement, and all bills and obligations incurred by it or its agents in the operation or use of said property being paid in full. If First Party notifies Second Party within said 30 day period by a notice in writing that he wants the lease and option agreement and property re-assigned to him, then Second Party shall comply with the provisions hereof and deliver or cause to be delivered to First Party, its quitclaim deed or release and reconveyance, conveying all of its right, title and interest in and to said lease and property to First Party. In the event First Party does not so notify Second Party as aforesaid within the time hereinabove limited, then Second Party may terminate said lease as provided in paragraph 14 of said lease agreement, and shall make, execute and deliver to lessor its quitclaim deed of release and reconveyance.

In case of any such termination as herein provided, it is agreed that First Party shall be entitled to retain any and all sums of money, stock or other consideration received by him from Second Party, as consideration and rental for Second Party's use and occupation of the property.

If this agreement and assignment is terminated or cancelled for any reason, Second Party further agrees that it will deliver, or cause to be delivered, to First Party or to lessor, as the case

COOKE & ROBERTS
ATTORNEYS
RENO, NEVADA

may be, copies of all drill logs, engineering and geological reports, maps and other data pertaining to said property that Second Party may have caused to be prepared for its use in connection with the development and operation of said mining property.

6. Second Party covenants and agrees that it will forthwith proceed with all due diligence to obtain the approval of the Securities and Exchange Commission for the issuance and public offering of Second Party's stock, and that it will forthwith file with the Securities and Exchange Commission a registration statement with respect to the qualification for public sale for shares of its stock, and that it will proceed without delay to take any further or additional steps which may be required to obtain the qualification of said stock for public sale.

7. In the event the Securities and Exchange Commission for any reason fails or refuses to approve and qualify Second Party's shares of stock for public sale by December 31, 1969, then First Party shall have the right and option to terminate this agreement which shall be done by a notice in writing to Second Party on or before January 31, 1970, if First Party does not so cancel the agreement as herein provided, then this agreement and assignment shall continue in full force and effect so long as Second Party complies with the terms hereof and the lease and option agreement.

In the event First Party elects to cancel as aforesaid, he shall deliver to Second Party on demand, any and all shares of stock issued to him pursuant to this agreement that he may then have in his possession, provided, however, that First Party shall be entitled to keep and retain any and all sums of money paid to him by Second Party hereunder. Second Party, on receipt of First Party's notice of cancellation as herein provided, shall forthwith cause its quitclaim deed to the above described property to be deposited in escrow pursuant to the provisions of paragraph 8 hereof, to be delivered to First Party.

8. Contemporaneously with the execution hereof, Second Party shall make, execute, acknowledge and deliver to the First National Bank of Nevada as escrow holder, its quitclaim deed conveying all of its right, title and interest in and to the aforedescribed lease and option and the property covered thereunder to First Party, with instructions to hold and deliver said deed in accordance with the following escrow instructions, and concurrently with the delivery of said deed to said escrow holder, there shall be delivered to the escrow holder a copy of this agreement. The escrow instructions are as follows:

(a) Upon receipt of written notice signed by First Party that he has elected to cancel the agreement pursuant to paragraph 7 hereof, the quitclaim deed covering the lease and option and property described therein and herein shall be delivered to First Party.

(b) Upon receipt of a notice of cancellation by Second Party as provided in paragraph 5, it shall forthwith deliver the quitclaim deed to First Party.

(c) Upon receipt of a notice of cancellation by First Party as provided in paragraph 11 for Second Party's default, it shall deliver said deed to First Party after the time allowed to cure the same has expired, unless notified by First Party that the same has been cured.

(d) In the event the escrow holder does not receive a notice of cancellation from First Party or Second Party on or before January 31, 1970, it shall thereupon deliver the aforesaid deed to Second Party and said escrow shall be closed. The cost of the escrow shall be paid by Second Party.

9. This agreement, and the assignment by First Party as hereinabove set forth is expressly made subject to that certain Exploration Contract, Docket OME 6697, dated August 9, 1968 between the United States of America acting through the Department of Interior, U. S. Geological Survey, and First Party, and also that

certain Lien and Subordination Agreement to the United States of America being contract No. 14-23-090-2265 dated August 9, 1968 covering the aforedescribed property and lease and option and signed by the Nevada Bell Mountain Gold Corporation on May 29, 1968. Copies of said agreements are annexed hereto and marked Exhibit B. First Party represents to Second Party that the aforesaid agreement, in exchange for a Government loan, subjects the property herein covered, to a five percent royalty in favor of the United States on the gross proceeds from the production sold, in the form sold, at the point of delivery, except that charges of a buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheet, shall be allowed as deductions in arriving at "gross proceeds" as that term is used in said agreement. In accordance with the provisions of the aforesaid Exploration Contract, First Party as "operator" and Second Party as his assignee agree that the Government's right to a royalty on production and its lien for the payment thereof is expressly reserved, and the same shall be binding on Second Party the same as though it was an original signatory party to the aforesaid Exploration Contract with the United States.

10. Second Party agrees to furnish promptly to First Party, duplicate copies of the proofs of labor filed by it for the current assessment year.

11. At any time prior to January 31, 1970 that Second Party fails to comply with the provisions hereof or of the lease and option agreement, First Party may cancel this agreement and the assignment herein made by giving Second Party a notice in writing specifying such default or defaults, and if the same is not cured within 20 days from and after the day said notice is deposited in the United States mail, registered or certified postage thereon prepaid, and addressed to Second Party, this agreement and assignment shall be terminated and cancelled, and the escrow established pursuant to paragraph 8 shall terminate and the escrow holder is

directed to deliver the quitclaim deed deposited with it to First Party, and Second Party agrees to execute any additional instructions or directions to said escrow holder as may be required to authorize such action.

12. Second Party agrees to hold First Party free and harmless from any and all loss or liability by reason of any of its operations or activities in, on or about the property covered by this agreement, or by reason of its failure to comply with the provisions hereof or of said lease and option agreement.

13. The parties agree to execute such further or additional instruments as may be necessary to carry out or implement the foregoing.

14. Any notice contemplated to be served on the parties shall be in writing and shall be deposited in the United States mail, postage prepaid, registered or certified, and addressed to the party as follows:

FIRST PARTY:	Claude B. Lovestedt P. O. Box 1496 Carson City, Nevada 89701
SECOND PARTY:	Bell Mountain Silver Mines, Inc. 729 North Carson Street Carson City, Nevada 89701

or at such other address as the parties may from time to time designate in writing to the other party hereto. Service shall be deemed effective and complete on mailing same as herein provided. Personal service of written notice shall be deemed sufficient service and no mailing of notice shall be necessary in that case.

This agreement and all of its terms and provisions shall extend to and bind the heirs, assigns, successors and personal representatives of the parties hereto respectively.

IN WITNESS WHEREOF the parties hereto have executed this

agreement the day and year first above written.

Claude B. Lovestedt
CLAUDE B. LOVESTEDT

FIRST PARTY

BELL MOUNTAIN SILVER MINES, INC.

(SEAL)

By_____

ATTEST:

_____

SECOND PARTY

STATE OF NEVADA)
) SS:
COUNTY OF WASHOE)

On November 12, 1968, personally appeared before me, a Notary Public, CLAUDE B. LOVESTEDT, who acknowledged to me that he executed the above instrument.

HELEN E. HARPER
Notary Public -- State of Nevada
Washoe County
My Commission Expires June 12, 1969

Helen E. Harper
NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this _____ day of November, 1968, before me personally came _____, to me known, who, being by me duly sworn did depose and say that he resides at _____ _____, New York; that he is the _____ of Bell Mountain Silver Mines, Inc., the corporation described in and

which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

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

_____
NOTARY PUBLIC

LEASE AND OPTION

THIS AGREEMENT, entered into this 11th day of January, 1968 between NEVADA BELL MOUNTAIN GOLD CORPORATION, a Delaware Corporation of Duluth, Minnesota, hereinafter called NEVADA BELL, and CLAUDE B. LOVESTEDT, of Minden, Nevada, hereinafter called LOVESTEDT

WITNESSETH

WHEREAS, NEVADA BELL is the owner of the following described mining claims situate in Fairview mining district, Churchill County, Nevada:

Homestake No. 1	Homestake No. 7
Homestake No. 4	Homestake No. 8
Homestake No. 6	Edith

as recorded and described more fully in the office of the County Recorder of said Churchill County, Nevada,

AND WHEREAS, LOVESTEDT is desirous of obtaining a lease for the purpose of developing and mining said claims,

NEVADA BELL, in consideration of the agreements on the part of LOVESTEDT to be performed, does hereby demise and lease to LOVESTEDT for a period of twenty (20) years from the date hereof the above described mining claims.

IN CONSIDERATION of said lease, LOVESTEDT covenants and agrees as follows:

1. To enter upon the lease premises within ninety (90) days from the date hereof and to work same in a good and minerlike fashion as is common to the area so as to take out the greatest amount of ore possible with due regard to the development and preservation of the mine and mining premises as a workable mining property.

2. To [illegible] NEVADA BELL a royalty of ten percent (10%) of the net mint [illegible] smelter returns, less hauling to mint or smelter, on all production of ores from the property. Said royalty shall be payable on or before the fifteen[illegible] day of each month

C.B.L. [illegible]

EXHIBIT A

[illegible] receipt by LOVESTEDT of said returns and shall be [illegible] of mint or smelter returns, or certificates [illegible] [illegible].

3. Commencing one (1) year from the date of this agreement it is agreed [illegible] shall be a minimum royalty totalling six thousand dollars ($6,000.00) per year which shall be paid by month payments of [illegible] $500.00. When the total royalties due NEVADA BELL from shipments made in any one month do not total $500.00, then LOVESTEDT will make up and pay the difference, provided, however, that LOVESTEDT may credit any royalty in excess of $500.00 in any one month against any other month in said year in which royalty does not exceed than said $500.00. Said monthly payments are to [illegible] within thirty days after the last day of the calendar month for which the royalty is due.

4. LOVESTEDT agrees to furnish to NEVADA BELL, on the 15th of the month following each quarterly period, a detailed report of work done with sampling and assays of same.

5. NEVADA BELL or its agents may enter upon the premises at any reasonable time for the purpose of examining any mine workings. LOVESTEDT will facilitate in every way such inspection.

6. To occupy and hold as the property of NEVADA BELL all cross and parallel lodes, spurs and mineral deposits of every kind which may be uncovered, disclosed or discovered within said leased ground by LOVESTEDT or any person or persons under or in privity with him, with privilege of LOVESTEDT to work and mine the same as part and parcel of said premises.

7. Locations of mining claims adjacent or contiguous to the claims herein demised or upon the same lode or strike of any vein apexing within any claim herein demised shall be made by LOVESTEDT in the name of NEVADA BELL and any claims so located shall be included within the terms of this lease.

8. LOVESTEDT shall post and keep posted in three prominant places upon the demised premises notices of non-responsibility of

C.B.L. [illegible]

NEVADA [illegible] be furnished by NEVADA BELL, for any labor or materials [illegible] LOVESTEDT, and LOVESTEDT shall cause to be filed [illegible] Recorder of Churchill County, Nevada [illegible] liability of NEVADA BELL.

9. LOVES[illegible] agrees to perform the annual assessment work upon the property herein demised as required by the laws of the United States and to make and execute and deliver to NEVADA BELL affidavits of [illegible] performance, having been properly filed.

10. [illegible] shall comply at all times with the industrial [illegible] State of Nevada and shall carry public liability insurance and pay all taxes that may be levied or assessed against the premises or any improvements or equipment thereon.

11. LOVESTEDT agrees that all building, gallows frames and timbering placed on the above described premises by him or his assigns be deemed affixed to said premises, and they shall remain the property of NEVADA BELL in the event of the termination of this agreement.

12. NEVADA BELL agrees that all mining and milling equipment such as motors, machinery, all tools, blocks, ropes, cables, chains, hoists, or any other mining or milling appliances, trucks, engines, compressors, orecars, etc., placed on the premises be deemed the property of LOVESTEDT or his assigns, and he shall have the right to remove all such equipment at any time during the term of this agreement.

13. LOVESTEDT shall have the right to renew this lease for a like period of twenty (20) years by sixty (60) days written notice to NEVADA BELL prior to the expiration of the term hereof and provided that LOVESTEDT be not then in default in the performance of any of the terms and conditions hereof.

14. LOVESTEDT may terminate this agreement at any time upon sixty (60) days written notice to NEVADA BELL provided that he

C.B.A.

notice [illegible] default in the payment of any royalties provided for [illegible] provided that all debts incurred by LOVE[illegible] of the premises are then paid in full.

15. If [illegible]DT defaults in the performance of any conditions of [illegible] and such default continue for a period [illegible] (3[illegible] after written notice of such default given by NEVADA BEL[illegible]STEDT, then this lease shall immediately terminate and [illegible] BELL may enter said premises and take possession of all [illegible], concentrates or other forms of metals and minerals mined from the premises and whether the same be on said premises or [illegible] away from said premises.

[illegible] LOVESTEDT be not in default in the payment of any royalties herein provided for, he shall have a period of six (6) months after the termination of this lease, for any cause, in which to remove from the premises all equipment, machinery and tools placed by him on said premises and not affixed to said premises. Any machinery or equipment and tools not so removed shall become the property of NEVADA BELL without any claim thereto by LOVESTEDT.

17. LOVESTEDT shall be excused from performing the conditions and terms of this agreement, except as to payment of any taxes that are required to be paid by Lovestedt, and the minimum monthly royalty payments during such period or periods as he shall be prevented from operating by acts of God, war, public enemy, civil disorders, strikes, riots, labor shortages disturbances, breakdown, storm, floods, fire, orders or directives of state or public authority, and other causes whether similar or dissimilar, not reasonably within the control of LOVESTEDT; provided, however, that any such suspension of operations shall be excused only during the period of emergency and any obligations hereunder shall be promptly resumed upon a cessation of the emergency.

18. NEVADA BELL does further hereby give and grant to

[illegible] 6,13,7.

LOVESTEDT the right, privilege and option of purchasing said [illegible] ances, at the agreed price of Nine hun[illegible] ($900,000.00) payable in cash or by royalties [illegible] visions of Section 2 pages 1 and 2, all royalties [illegible] to the purchase price, but in any event said $900,000 [illegible] been paid on or before twenty (20) years from the [illegible] above written, namely the effective date of this lease [illegible] to continue in force as long as LOVESTEDT faithfully pe[illegible] the requirements called for in this instrument to be perf[illegible].

19. [illegible] have the right to assign and transfer hi[illegible] the rights and privileges arising [illegible] whole or in part, upon written notice to NEVADA BELL, either served personally on said party or by certified or registered mail to the address herein designated, together with name or names of LOVESTEDT'S assignee or assignees. Any further assignments or transfers by assignees of LOVESTEDT shall likewise comply with the provisions of this paragraph. LOVESTEDT retains all responsibility for all terms and conditions of this lease.

20. It is LOVESTEDT'S intension to install a mill for the property provided sufficient water can be developed, and to explore by tunnel or drilling Homestake No. 6.

21. Any notice contemplated herein to be served upon NEVADA BELL or LOVESTEDT shall be in writing and shall be sufficiently given if deposited in the United States mail, postage prepaid, registered or certified, and addressed to the party as follows:

NEVADA BELL:

Nevada Bell Mountain Gold Corporation
Clement K. Quinn, President
1500 Alworth Building
Duluth, Minnesota 55802

LOVESTEDT:

Claude B. Lovestedt
Box 265
Minden, Nevada 89423

[illegible] of the parties may from time to [illegible] other party hereto. Service of [illegible] effective and complete upon [illegible] service hereto. Personal service of [illegible] service of notice and all mailing [illegible] in that case.

[illegible] its terms and provisions shall [illegible] assigns, successors and personal [illegible] parties hereto respectively.

[illegible] parties hereto have executed this [illegible] above written.

NEVADA BELL MOUNTAIN GOLD CORPORATION,
a Delaware Corporation

[illegible] By [illegible]

(Seal)

[illegible]
CLAUDE B. LOVESTEDT

STATE OF CALIFORNIA, }
County of Ventura } ss.

On this 11th day of January, A.D. one thousand nine hundred and Sixty Eight personally appeared before B. A. LAWRENCE a notary public in and for said County of VENTURA CLEMENT K. QUINN & CLAUDE B. LOVESTEDT known (or proved) to me to be the person described in and who executed the annexed instrument, who acknowledged to me that executed the same, freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in the County of Ventura, the day and year in the Certificate first above written.

[illegible]
B. A. Lawrence

Notary Public in and for the County of Ventura State of California.
My Commission expires 9/5/69

[illegible]

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6697	Gold and Silver	2265	Churchill	Nevada

It is agreed AUG 9, 1968 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Claude B. Lovestedt, an individual

whose mailing address is Box 1496, Carson City, Nevada 89701, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before August 20, 1968 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 37,650.00 The Government will contribute 75 percent of the total fixed unit costs of the work performed, not in excess of $ 28,250.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of 7-½ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

See Annex I

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

See Annex I

EXHIBIT B.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

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

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

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

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

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

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 AUG 9 1968

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Churchill, State of Nevada, described ~~as follows~~: 2/ in a lease and option dated January 11, 1968, and recorded in Book 26 (Miscellaneous), Page 517, official records of said county.

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

Claude H. Lovestedt 3/

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 27 day of May, 19 68.

NEVADA BELL MOUNTAIN GOLD CORPORATION

Clement K. Quinn (Seal)	1500 Alworth Bldg. Duluth Minnesota	(Street) (City & State)
President		
_____ (Seal)	_____	(Street) (City & State)
_____ (Seal)	_____	(Street) (City & State)
_____ (Seal)	_____	(Street) (City & State)
_____ (Seal)	_____	(Street) (City & State)
_____ (Seal)	_____	(Street) (City & State)

I, **G. R. Nelson** (Name), certify that I am the **Secretary** (Title—Secretary, etc.) of the corporation named herein; that **Clement K. Quinn** (Name), who signed this agreement was then **President** (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.

G. R. Nelson
(Corporate Seal)

ARTICLE 14. Changes and added provisions.--

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Claude B. Lovestedt
(Operator)

By Claude B. Lovestedt

Title

By Dillon A. Baker
acting Director, U.S. Geological Survey

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

CORPORATE SEAL

Government's copy

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6697	Gold and Silver		Churchill	Nevada

It is agreed AUG 9 1968 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Claude B. Lovestedt, an individual

whose mailing address is Box 1496, Carson City, Nevada 89701, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before August 20,1968 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 37,640.00 The Government will contribute ~~50~~ 75 percent of the total fixed unit costs of the work performed, not in excess of $ 28,230.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of 7-~~5~~ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

See Annex I

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

See Annex I

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

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

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

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

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

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

ARTICLE 14. Changes and added provisions.--

Executed in quadruplicate the day and year first above written.

Claude B. Lovestedt
(Operator)

By Claude B. Lovestedt

Title

THE UNITED STATES OF AMERICA

By Arthur A. Baker
Acting Director, U.S. Geological Survey

Bliss
Long
App'd. Sol. Off.
Smith
Johnson
Kleinhans
Kilogoo
Twet

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

CORPORATE SEAL

EXPLORATION CONTRACT
CLAUDE B. LOVESTEDT
OME-6697

ANNEX I

The land, including all rights thereto, referred to in Article 2 of the contract consists of six unpatented lode mining claims in unsurveyed T. 15 N., R. 34 and 35 E., MDB&M, Fairview Mining District, Churchill County, Nevada. It is shown outlined in green on Figure 1 entitled, "Property map, Nevada Bell Mountain Claims, Churchill County, Nevada", attached and made part hereof.

The unpatented lode mining claims are recorded in the Office of the Churchill County Recorder, Fallon, Nevada as follows:

Name	U. S. Survey No.	
	Book	Page
Homestake No. 1	14	449
Homestake No. 4	14	450
Homestake No. 6	14	451
Homestake No. 7	15	188
Homestake No. 8	17	273
Edith	15	32

The Operator is in possession of the six claims under the terms of a Lease and Option to purchase dated January 11, 1968, from Nevada Bell Mountain Gold Corporation, the owner, executed by Clement K. Quinn, President.

A Lien and Subordination Agreement dated May 29, 1968, and executed by Clement K. Quinn, President of the corporate owner, is attached and made part hereof.

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 1968

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Churchill, State of Nevada;

described ~~as follows~~:[2] in a lease and option dated January 11, 1968, and recorded in Book 26 (Miscellaneous), Page 517, official records of said county.

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

Claude B. Lovestedt[3]

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 29th day of May, 1968.

NEVADA BELL MOUNTAIN GOLD CORPORATION

1500 Alworth Bldg (Street)
Duluth Minn. (City & State)

Clement K. Quinn (Seal)
President

(Street)
(City & State)
(Seal)

(Street)
(City & State)
(Seal)

(Street)
(City & State)
(Seal)

(Street)
(City & State)
(Seal)

(Street)
(City & State)
(Seal)

I, G. R. Nelson (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that Clement K. Quinn (Name), who signed this agreement was then President (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.

G. R. Nelson
(Corporate Seal)

EXPLORATION CONTRACT
CLAUDE B. LOVESTEDT
OME-6697

EXHIBIT A

The purpose of the project is to explore by drifting from an existing portal site near the west end of the Homestake No. 6 claim and by long-hole drilling from the drift for silver-gold-bearing ore bodies along the footwall portion of the Nevada Bell Mountain mineralized fault zone which is 30-60 feet wide in rhyolite of Tertiary age.

Ore bodies are inferred, from local surface samples and from underground samples of adjoining segments of the fault zone, to be localized along and within about 10 feet of the footwall of the zone.

General Provisions

All drifts and crosscuts, shall be not less than 5 by 7 feet in cross section and shall be timbered as necessary. Drift sets shall be of not less than 8- by 8-inch timber, or equivalent round timber.

Mine rails shall be not less than 16-pound size, air lines not less than 2-inch diameter, and water lines not less than 1-inch diameter.

All significantly mineralized areas traversed by the drifts and crosscuts shall be sampled normal to the trends of the deposits at intervals not exceeding 5 feet, and/or by a representative bulk sample of each round broken. Significantly mineralized cuttings from the long-holes shall be sampled with no sample representing more than 5 linear feet of hole.

All samples, from whatever source, shall be split as necessary and one split assayed. The Operator shall store one split of each sample in a suitable container properly labeled. Stored samples shall be made available for Government inspection and possible use, and may be disposed of with prior Government approval.

All splits of samples assayed should be analyzed for gold and silver.

True copies of assay certificates, copies of drill logs, and maps or sketches showing the work completed, the location, width, and assay value of all samples assayed, and the geological formations and structures traversed by the long-holes and workings shall be furnished monthly to the Government.

The Operator shall provide such equipment, materials, supervision, labor, and technical services as may be required to perform the work in a satisfactory manner.

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

Description of the Work

From the existing portal site drive a drift eastward for a distance of approximately 650 feet along the Nevada Bell Mountain fault zone as near as practicable to the footwall of the zone. This footage includes any auxiliary crosscutting necessary to follow offset segments of the zone or to expose the full width of significantly mineralized areas.

Drill long-holes in one or both walls of the drift to test the width and grade of mineralized areas at sites to be selected by the Operator. It is estimated that 485 linear feet of long-hole drilling will be required.

The approximate locations of the existing portal site and the proposed drift adit are shown on Figure 2 entitled "Map showing proposed exploration, Nevada Bell Mountain Mine, Churchill County, Nevada," attached and made part hereof.

Estimated Costs of the Work

Fixed Unit Costs 1/

Drifting and crosscutting 650 feet @ $40.00/foot	$26,000.00
Timbering, including portal sets 100 feet @ $7.00/foot	700.00
Long-hole drilling 485 feet @ $2.00/foot	970.00
Sampling and assaying for gold and silver 350 samples @ $3.20/sample	1,120.00
Supervision and technical services 10 months @ $850.00/month	8,500.00
Office expense 10 months @ $35.00/month	350.00

Total Estimated Costs of the Work $37,640.00

Government Participation @ 75% $28,230.00

1/ The Government retains no equity in any of the equipment or materials used.

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 202, Executive Order 11246, September 24, 1965)

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

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

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

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

'(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

'(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

'(7) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

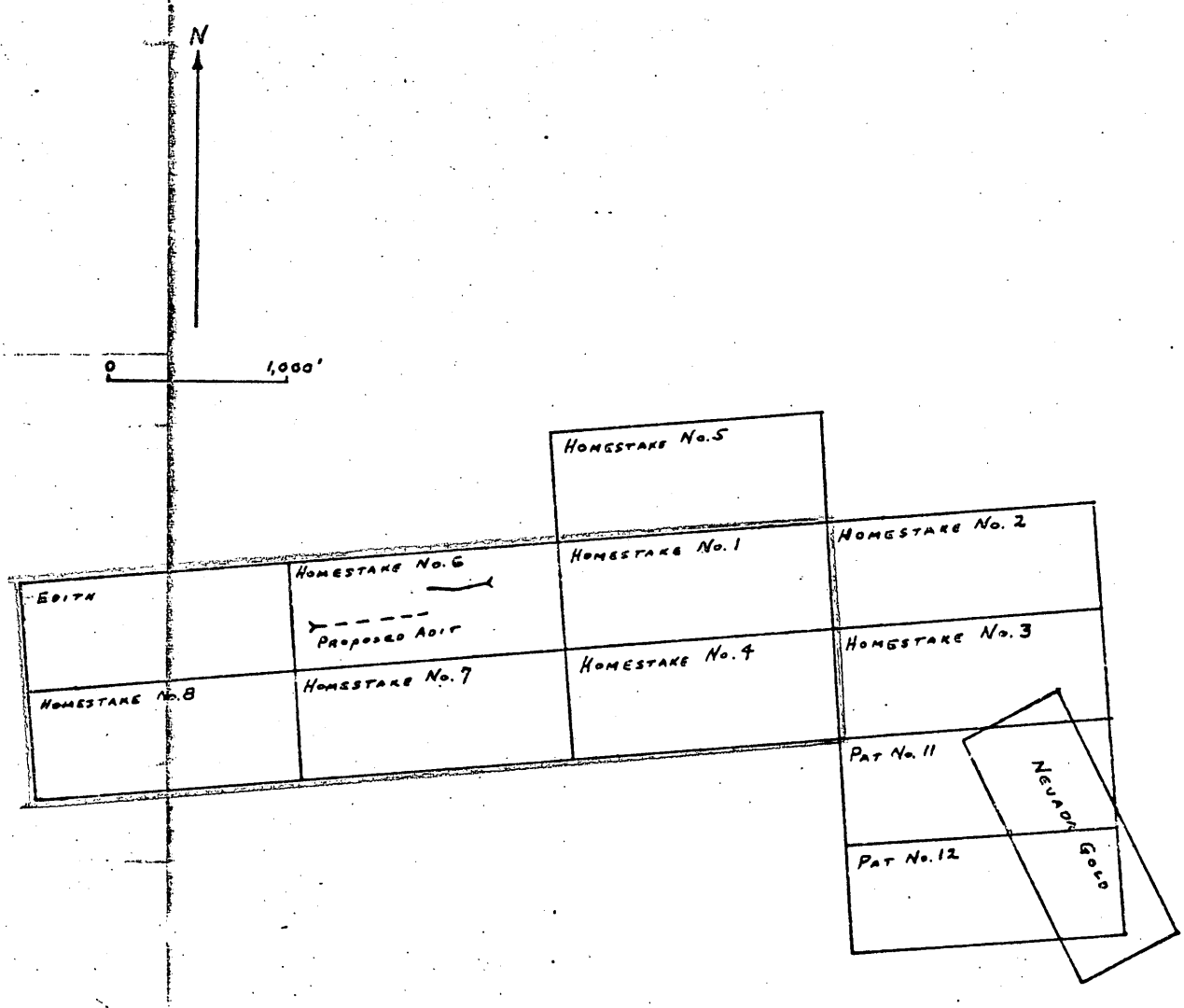


Figure 1.--Property map, Nevada Bell Mountain Claims, Churchill County, Nevada.

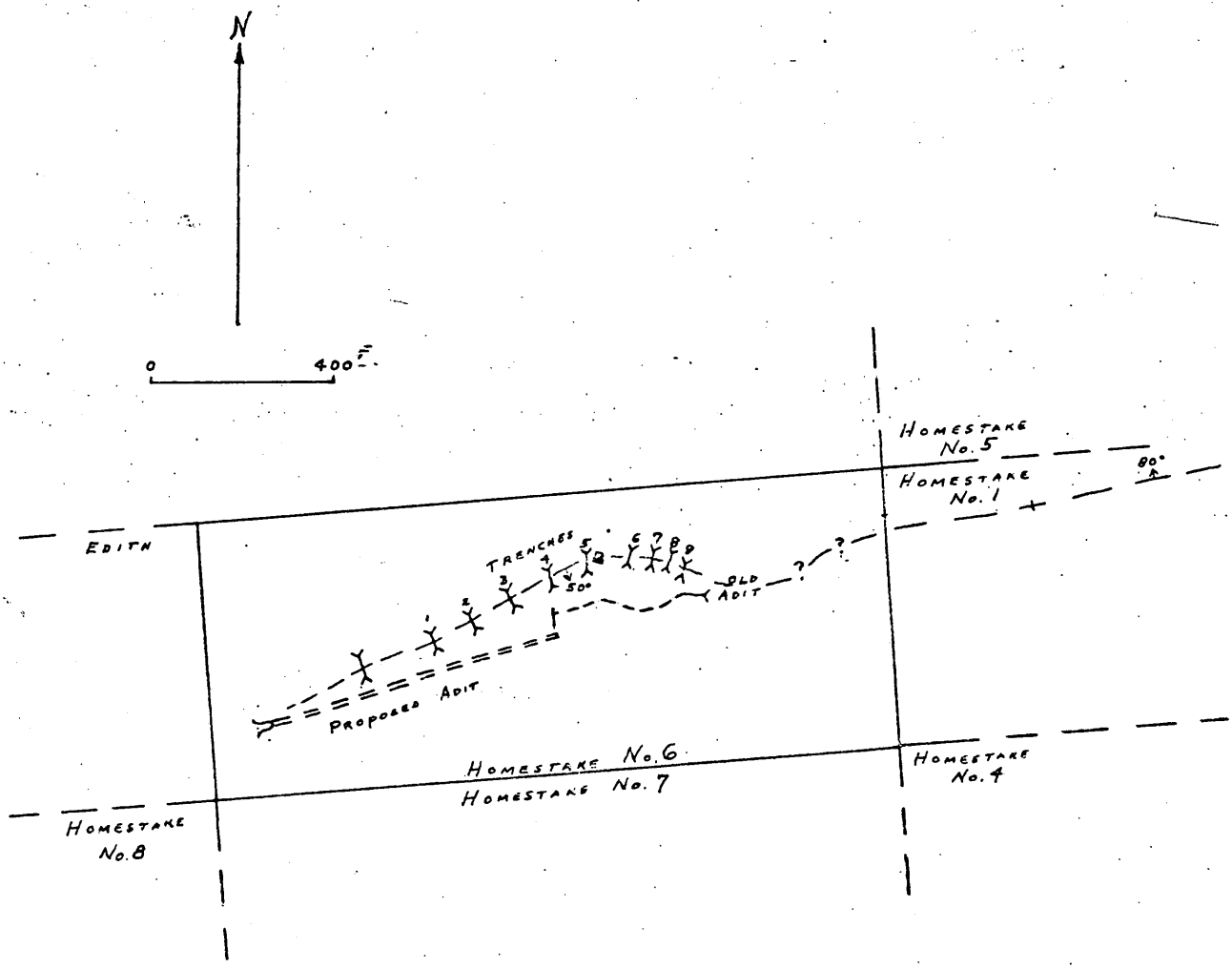


Figure 2.--Map showing proposed exploration, Nevada Bell Mountain Mine, Churchill County, Nevada.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

February 6, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
FEB. 8 1968
INITIALS | CODE

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: New Application (Gold and Silver)
Claude B. Lovestedt
Nevada Bell Mountain Mine
Churchill County, Nevada

Enclosed is a new application for financial assistance from Mr. Claude B. Lovestedt, Box 265, Minden, Nevada 89423, received in the Field Office on February 5, 1968.

The application appears to be reasonably complete and in good order. Drilling bids from three drill contractors are lacking but are probably readily obtainable from the applicant. The estimated costs are reasonable for the area.

H. K. Stager

Enclosure

MME Form 40
July 1962

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 8
INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

CLAUDE B. LOVESTEDT
Box ~~[illegible]~~ 1496
~~Minden~~, Nevada ~~89423~~
Carson City, 89701

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6697

DATE RECEIVED: FEBRUARY 8, 1968

REGION: II

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL	X
CORPORATION	
PARTNERSHIP	
OTHER *(Specify)*	

STATE IN WHICH FIRM IS ORGANIZED:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Gold and silver

ESTIMATED COST OF PROJECT: $ 52,482.50

PROPERTY NAME	LOCATION COUNTY	STATE
Nevada Bell	Churchill	Nevada

GENERAL INSTRUCTIONS

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

CERTIFICATION

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

February 1, 1968
DATED

Claude B. Lovestedt
BY *(Signature)*

Operator - lessee
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

INT.-DUP. SEC., WASH., D.C. 11879

CLAUDE B. LOVESTEDT
Application for OME Loan
Nevada Bell Property

SCHEDULE 1. FINANCIAL ELIGIBILITY

(a) Copies of two loan requests and replies attached.

(b) None

(c) I propose to furnish my share of the costs by supervision and equipment as set forth in Schedule 7, and the remainder from personal income.

SCHEDULE 2. APPLICANT'S RIGHTS IN LAND

(a) I am the lessee of the Nevada Bell Mountain mine. It is owned by the Nevada Bell Mountain Gold Corp. Clement K. Quinn, President, 1500 Alworth Bldg., Duluth, Minnesota, 55802. Copy of the lease is attached. There are no liens, mortgages, etc.

(b) This property, which has sometimes been known also as the Homestake Mine, consists of six unpatented claims which are recorded as follows in the office of the Churchill County Recorder, Fallon, Nevada:

Homestake No. 1	Book 14	page 449
Homestake No. 4	Book 14	page 450
Homestake No. 6	Book 14	page 451
Homestake No. 7	Book 15	page 188
Homestake No. 8	Book 17	page 273
Edith	Book 15	page 32

** Legal description: There has been no official government survey of this area as yet. See below.

(c) Mr. Quinn, President, Nevada Bell Mountain Gold Corp., has given his verbal consent for me to obtain government assistance for exploration of the property. MME Form 52 will be furnished at a later date.

SCHEDULE 3. PHYSICAL DESCRIPTION

(a) All of the underground development has been done on Homestake No. 6. This was done by a 50 ft. incline shaft from the surface and by a drift along the vein 450 ft. long. There are two raises driven up on the vein about 80 ft., also, a 30 ft. winze and a 250 ft. winze. See maps #3,4,5,7 & 8.

** Projected description: T 15 N R 34 & 35 E.

SCHEDULE 3. PHYSICAL DESCRIPTION (Cont'd)

(a) (Cont'd)
The surface development consists of 10 hand-dug trenches across the vein on Homestake No. 6 and 4 trenches across the vein on Homestake No. 1. See Map #12.

(b) All of the development work was done prior to my acquisition of the property.

(c) To my knowledge there has never been any production from the property.

(d) There are 102,000 tons blocked out on Homestake #6 by the present workings. Thirty-two large samples were taken across a 10 ft. width on the footwall that averaged .29 au and 4.12 ag. See maps #4 & 8. I spot checked the assays, and they proved out. Affadavits not available at this time.

On Homestake No. 1 there is a possible 1,500,000 tons. Surface trenches average .059 au and .505 ag. See maps # 11 & 12.

(e) CLAIMS:
The property consists of 6 unpatented lode mining claims. There is the Homestake group of claims, Nos. 1, 4, 6, 7, and 8, and the Edith claim.

CLIMATE:
The climate is that of the northern desert country in Nevada. The winters are moderately cold with a variable snowfall, and the summers warm and dry. There will be no difficulty operating with efficiency during the entire year.

WATER:
There is no water at the mine or in the near vicinity. Drainage from the mine area and all the basin in this vicinity south of Gold Basin is southerly to Bell Flat, and then drains through the narrow Crown Canyon in the Fairview Range into Fairview Valley south of Bermond. A considerable area drains into Bell Flat from all sides, and if the basin there has any depth below the horizon of the bed-rock in Crown Canyon, it should be possible to get ample water for milling from wells. The

SCHEDULE 3. PHYSICAL DESCRIPTION (Cont'd)

(e) (Cont'd)
distance to the mine would be about 3 miles, and the difference in elevation is about 500 feet.

GENERAL GEOLOGY:
The country rocks in the vicinity are light colored siliceous tertiary volcanic flow-breccias. The average composition seems to be rhyolite on the claims. The formations have been so much altered hydrothermally that nothing much remains but phenocrysts of quartz and feldspar.

The rocks have been cut by strong sheeting striking almost east and west and dipping steeply to the north. Less prominent is northwesterly sheeting dipping steeply easterly. The rhyolites have been silicified and brecciated on both hanging and foot wall.

ORE DEPOSITS:
A strong sheeted zone that has shown mineralization for a length of perhaps 3,000 feet is associated with faulting striking about N 70° E and dipping 50° S. The dip is quite variable. There is a known vertical range of at least 650 feet from deepest exposure to highest outcrop, and there are bunches and stringers in the walls parallel to the main ore deposit.

The winze is 250 feet on an incline below the tunnel level. Good ore is found in the crosscut towards the hanging wall 50 feet below the tunnel. The hanging wall is not exposed. The winze, as shown on the maps, does not follow the footwall, but apparently was sunk on and following a narrow oxidized seam containing manganese oxides and iron oxides. The winze followed this seam down on a dip of about 50° until it encountered a strong strike-fault zone, and then it steepened to over 60° and is entirely in the fault zone to the bottom level, which likewise is in the wide crushed area.

The slope south from the outcrop to the canyon and the fact that this is more or less parallel to the strike of the lode, offers an easy method of drilling for the southern segment of the vein, either

= faulted continuation

SCHEDULE 3. PHYSICAL DESCRIPTION (Cont'd)

(e) (Cont'd)
by vertical churn-drill holes or by diamond drilling. The first hole should be drilled about opposite the winze, as that portion of the vein showed the greatest width of commercial value in the cross-cuts on the tunnel level and on the 50 foot level below the tunnel.

As can be seen on Map #11 the ore exposures on the Homestake #1 claim are of good width and somewhat higher in grade than in most of the trenches on the Homestake #6. The values appeared more uniform here.

(f) The lode filling consists of a brecciated mass of greenish to grey quartz, calcite, and partically replaced angular fragments of rhyolite. The shattered condition of the lode, much of it from minor brecciation after mineralization had stopped, and some from the adjustments after the major strike fault, has made the lode permeable to leaching and the deposition of secondary values at depth. No definite sulfide zone of primary ore has been exposed, and oxidation extends to the deepest level in the mine, 350 feet from the surface.

Undoubtedly there was some leaching and redeposition of silver as is clearly shown by the very low silver values in the trenches on the surface. Silver values began to get better at the bottom of the old 50 ft. shaft, and the average silver content on the tunnel level for the 10 feet on the foot wall had increased to about 4.12 ounces per ton from an approximate average of 1.08 ounces per ton in the 10 ft. footwall section in the surface trenches.

Gold values in the trenches also are low, but the shattered condition of the wide outcrop lends itself to a mechanical migration of finely divided gold below the surface. Tunnel level = ?

(g) Two copies of maps A and B and Nos. 1 thru 12 are attached. They need not be returned.

SCHEDULE 4. ACCESSIBILITY OF PROPERTY

(a) The mine is about 9 miles south of Westgate, Nevada on the paved highway 50 miles east of Fallon. It can also be reached by driving south on the paved highway to Gabbs from Middle Gate, a distance of 15 miles, and then west and northwest on the old unimproved desert road 9 miles to the mine. There also in another fairly good unimproved road which turns west from the Gabbs highway, 6.7 miles south of Westgate, then 7 miles to the mine.

I will be available to personally aid and meet your representative. I can be reached by phone at home, Carson City, Nevada (702) 882-5831, or by letter to my Box 265, Minden, Nevada address, to make arrangements. I have a four-wheel drive if it should be needed.

(b) Hazen, Nevada is the nearest rail point, a distance of 77 miles. Fallon, Nevada is the nearest supply town, a distance of 50 miles.

SCHEDULE 5. EXPLORATION WORK

(a) I propose to drift from the west end of Homestake No. 6 along the vein under the west trenches in the unexplored ground to the 250 ft. winze that has been sunk before. This distance is approximately 650 feet. See maps # 8 and 12.

This area has better ore possibilities than the area that has been explored by the existing work. Note surface trenches assay better on west side than east side.

While the drifting is being done, I propose two D.D. holes, approximately 300 ft. and 400 ft., as shown on cross section looking east through Homestake No. 6. Also two holes on Homestake No. 1, approximately 300 ft. and 450 ft., as shown on cross section of No. 1 looking east. See maps A & B.

If sufficient ore is indicated, I propose to continue driving the tunnel that is being driven in to the winze area on under Homestake No. 6 to a point below the last surface trench on Homestake No. 1 claim. See map #12.

SCHEDULE 5. EXPLORATION WORK (Cont'd)

(b) To prepare the drilling sites it will take 2½ miles of bulldozer road which can be done with a D-8 cat in about 30 hours. See map #C for location.

(c) Road work could start at once, and drilling as soon as the road is in. The drifting can start at once.

SCHEDULE 6. EXPERIENCE

I have been active as a sole proprietor in the mining business in this area for the past seventeen years.

Before World War II, I worked in mines in Montana.

After the war, when tungsten went up, I again started in mining, but for myself, and have done nothing but mining since.

My name is mentioned in both Nevada and California production records at times since 1953.

I began my present operation at the Zaca, Alpine County, California, in 1959. I constructed a 100 ton mill on the property in which I process the ore. During the peak production months of the year I employ an average of 6 to 8 men. All work is done under my sole direction.

SCHEDULE 7. ESTIMATE OF EXPLORATION COSTS

(a) Estimate of diamond drilling cost:

1,450 feet @ $10.00/ft. . . .	$14,500.00
Assaying 300 @ $3.00 . . .	900.00
	$15,400.00

(b) Estimate of road work:

30 hours @ $35.00/hr.	$1,050.00
Plus hauling	120.00
	$1,170.00

(c) Estimate of drifting:

650 feet @ $55.25/ft. $35,912.50

See following page for breakdown of drift costs.

SCHEDULE 7. ESTIMATE OF EXPLORATION COSTS (Cont'd)

650 feet of drift; 5 day week, advance 3 feet per day - 220 days - 10 months. Wages: Miner $3.50/hour; mucker $3.00/ hour.

Averaging 3 feet per shift	$17.33/ft
Insurance, F.I.C.A. , etc.	2.68/"
Powder, fuse and caps	5.00/"
Timber	1.00/"
Compressor Supplies	1.60/"
Steel, bits	4.00/"
Repairs	3.00/"
Assaying	1.00/"
* Supervision, including panning, sampling 10 months @ $1,000.00/mo.	15.30/"
** Rental as below	4.34/"
	$55.25/ft.

* I, as the operator, will furnish the supervision and all equipment.

	Cost
** Compressor	$8,500
Jackleg-drifter	638
Air and water hoses	500
Pressure tank	25
Rail, ties, fish plates spikes	1,070
Mine cars (4)	300
Truck, dump	1,391
Truck, water	1,200
Mucking machine	1,500
Air trammer	1,500
Tools	300
	$16,924

Monthly rental: $\frac{\$16,924}{60}$ = $282.06 x 10 mos. =

$\frac{\$2,820.60}{650 \text{ ft.}}$ = $4.34/ft.

TOTAL COST OF PROJECT:

1.	Diamond drilling	$15,400.00
2.	Bulldozing (road)	1,170.00
3.	650 ft. drifting	35,912.50
	TOTAL COST	$52,482.50

SECURITY NATIONAL BANK
OF NEVADA
1217 SO. CARSON ST.
CARSON CITY, NEVADA
TELEPHONE 882-5581

January 29, 1968

Mr. Claude B. Lovestedt
Post Office Box 265
Minden, Nevada, 89423

Dear Mr. Lovestedt:

Thnk you for your interest in our Bank in regards to a loan for the development of a mine in the Fairview Mining District, Churchill County, Nevada.

Our Bank would not be able to advance funds for a loan in the amount of $75,000 in this area from the stand-point that the mine is not located in Ormsby County and a mining venture would be of a very speculative nature.

NG

Yours truly,

W. E. Dietel

W. E. Dietel

Manager

WED/sr

Box 265
Minden, Nevada 89423
January 17, 1968

Mr. Wallace Dietel, Manager
Security National Bank
1217 South Carson Street
Carson City, Nevada

Dear Sir:

I have a lease on a mining property located in the Fairview Mining District, Churchill County, Nevada which shows promising gold-silver values.

The surface showings indicate a possible million ton body of commercial grade gold-silver ore.

There is a 400 ft. drift at one end that has blocked out about 200,000 tons of ore. The zone, or vein, is 2,000 feet long with trenches every 100 feet on the surface.

I would like to borrow $75,000.00 to explore the vein with a cross-cut, some drifting, etc.

I am prepared to secure the loan with mining equipment.

Your kind consideration at your early convenience will be appreciated.

Thank you.

Sincerely yours,

Claude B. Lovestedt

CBL:hl

FIRST NATIONAL BANK OF NEVADA
CARSON CITY OFFICE • 706 NORTH CARSON
P.O. Box 608, Carson City, Nevada • 89701

January 19, 1968

Mr. Claude B. Lovestedt
P. O. Box 265
Minden, Nevada 89423

Subject: Mining Exploration Loan

Dear Claude:

We wish to advised you that your application for a $75,000.00 loan to enter into an exploration mining venture has been declined.

The loan was declined on the basis of the venture being highly speculative, as well as, any mining equipment offer as collateral, is classified as specially equipment and will not qualify as collateral.

Sincerely,

W R Butler

W. R. Butler
Vice President and Manager

WRB:sd

Box 265
Minden, Nevada 89423
January 17, 1968

Mr. William R. Butler, Vice President & Manager
First National Bank of Nevada
706 North Carson Street
Carson City, Nevada

Dear Mr. Butler:

I have a lease on a mining property located in the Fairview Mining District, Churchill County, Nevada which shows promising gold-silver values.

The surface showings indicate a possible million ton body of commercial grade gold-silver ore.

There is a 400 ft. drift at one end that has blocked out about 200,000 tons of ore. The zone, or vein, is 2,000 feet long with trenches every 100 feet on the surface.

I would like to borrow $75,000.00 to explore the vein with a cross-cut, some drifting, etc.

I am prepared to secure the loan with mining equipment.

Your kind consideration at your early convenience will be appreciated.

Thank you.

Sincerely your,

Claude B. Lovestedt

CBL:hl

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 8 1968
INITIALS CODE

LEASE AND OPTION

THIS AGREEMENT, entered into this 11th day of January, 1968 between NEVADA BELL MOUNTAIN GOLD CORPORATION, a Delaware Corporation of Duluth, Minnesota, hereinafter called NEVADA BELL, and CLAUDE B. LOVESTEDT, of Minden, Nevada, hereinafter called LOVESTEDT

W I T N E S S E T H

WHEREAS, NEVADA BELL is the owner of the following described mining claims situate in Fairview mining district, Churchill County, Nevada:

Homestake No. 1	Homestake No. 7
Homestake No. 4	Homestake No. 8
Homestake No. 6	Edith

as recorded and described more fully in the office of the County Recorder of said Churchill County, Nevada,

AND WHEREAS, LOVESTEDT is desirous of obtaining a lease for the purpose of developing and mining said claims,

NEVADA BELL, in consideration of the agreements on the part of LOVESTEDT to be performed, does hereby demise and lease to LOVESTEDT for a period of twenty (20) years from the date hereof the above described mining claims.

IN CONSIDERATION of said lease, LOVESTEDT covenants and agrees as follows:

1. To enter upon the lease premises within ninety (90) days from the date hereof and to work same in a good and minerlike fashion as is common to the area so as to take out the greatest amount of ore possible with due regard to the development and preservation of the mine and mining premises as a workable mining property.

2. To pay to NEVADA BELL a royalty of ten percent (10%) of the net mint or smelter returns, [illegible] to mint or smelter, on all product [illegible] of ores from said property. Said royalty shall be payable on or before the fifteenth (15th) day of each month

C.B.L.

following receipt by LOVESTEDT of said returns and shall be accompanied by duplicates of mint or smelter returns, or certificates of sale of crude ore.

3. Commencing one (1) year from the date of this agreement it is agreed there shall be a minimum royalty totalling six thousand dollars ($6,000.00) per year which shall be paid by monthly payments of at least $500.00. When the total royalties due NEVADA BELL from shipments made in any one month do not total $500.00, then LOVESTEDT will make up and pay the difference, provided, however, that LOVESTEDT may credit any royalty in excess of $500.00 in any one month against any other month in said year in which royalty was less than said $500.00. Said monthly payments are to be made within thirty days after the last day of the calendar month for which the royalty is due.

4. LOVESTEDT agrees to furnish to NEVADA BELL, on the 15th of the month following each quarterly period, a detailed report of work done [illegible] and assays of same.

5. NEVADA BELL or its agents may enter upon the premises at any reasonable time for the purpose of examining any mine workings. LOVESTEDT will facilitate in every way such inspection.

6. To occupy and hold as the property of NEVADA BELL all cross and parallel lodes, spurs and mineral deposits of every kind which may be uncovered, disclosed or discovered within said leased ground by LOVESTEDT or any person or persons under or in privity with him, with privilege of LOVESTEDT to work and mine the same as part and parcel of said premises.

7. Locations of mining claims adjacent or contiguous to the claims [illegible] or upon the same lode or strike of any vein apexing within any claim herein demised shall be made by LOVESTEDT in the name of NEVADA BELL and any claims so located shall be included within the terms of this lease.

8. LOVESTEDT shall post and keep posted in three prominant places upon the demised premises notices of non-responsibility of

C.B.L. CAS

NEVADA BELL, to be furnished by NEVADA BELL, for any labor or materials furnished by LOVESTEDT, and LOVESTEDT shall cause to be filed with the County Recorder of Churchill County, Nevada affidavits of non-responsibility of NEVADA BELL.

9. LOVESTEDT agrees to perform the annual assessment work upon the property herein demised as required by the laws of the United States and to make and execute and deliver to NEVADA BELL affidavits of such performance, having been properly filed.

10. LOVESTEDT shall comply at all times with the industrial insurance laws of the State of Nevada and shall carry public liability insurance and pay all taxes that may be levied or assessed against the premises or any improvements or equipment thereon.

11. LOVESTEDT agrees that all building, gallows frames and timbering placed on the above described premises by him or his assigns be deemed affixed to said premises, and they shall remain the property of NEVADA BELL in the event of the termination of this agreement.

12. NEVADA BELL agrees that all mining and milling equipment such as motors, machinery, all tools, blocks, ropes, cables, chains, hoists, or any other mining or milling appliances, trucks, engines, compressors, orecars, etc., placed on the premises be deemed the property of LOVESTEDT or his assigns, and he shall have the right to remove such equipment at any time during the term of this agreement.

13. LOVESTEDT shall have the right to renew this lease for a like period of twenty (20) years by sixty (60) days written notice to NEVADA BELL prior to the expiration of the term hereof and provided that LOVESTEDT be not then in default in the performance of any of the terms and conditions hereof.

14. LOVESTEDT may terminate this agreement at any time upon sixty (60) days written notice to NEVADA BELL provided that he

C 13 A.

not be then in default in the payment of any royalties provided for hereunder and further provided that all debts incurred by LOVESTEDT in the operation of the premises are then paid in full.

15. If LOVESTEDT defaults in the performance of any conditions of this lease and should such default continue for a period of thirty (30) days after written notice of such default given by NEVADA BELL to LOVESTEDT, then this lease shall immediately terminate and NEVADA BELL may enter said premises and take possession of all ores, concentrates or other forms of metals and minerals mined from the premises and whether the same be on said premises or stockpiled away from said premises.

16. In the event LOVESTEDT be not in default in the payment of any royalties herein provided for, he shall have a period of six (6) months after the termination of this lease, for any cause, in which to remove from the premises all equipment, machinery and tools placed by him on said premises and not affixed to said premises. Any machinery or equipment and tools not so removed shall become the property of NEVADA BELL without any claim thereto by LOVESTEDT.

17. LOVESTEDT shall be excused from performing the conditions and terms of this agreement, except as to payment of any taxes that are required to be paid by Lovestedt, and the minimum monthly royalty payments during such period or periods as he shall be prevented from operating by acts of God, war, public enemy, civil disorders, strikes, riots, labor shortages or disturbances, breakdown, storm, floods, fire, orders or directives of state or public authority, and other causes whether similar or dissimilar, not reasonably within the control of LOVESTEDT; provided, however, that any such suspension of operations shall be excused only during the period of emergency and any obligations hereunder shall be promptly resumed upon a cessation of the emergency.

18. NEVADA BELL does further hereby give and grant to

C.B.T.

LOVESTEDT the right, privilege and option of purchasing said mining property, with appurtenances, at the agreed price of Nine hundred thousand dollars ($900,000.00) payable in cash or by royalties paid under the provisions of Section 2 pages 1 and 2, all royalties to be applied to the purchase price, but in any event said $900.000.00 must have been paid on or before twenty (20) years from the date first above written, namely the effective date of this lease, said lease to continue in force as long as LOVESTEDT faithfully performs the requirements called for in this instrument to be performed by him.

19. LOVESTEDT shall have the right to assign and transfer this agreement and all of the rights and privileges arising hereunder, either in whole or in part, upon written notice to NEVADA BELL, either served personally on said party or by certified or registered mail to the address herein designated, together with name or names of LOVESTEDT'S assignee or assignees. Any further assignments or transfers by assignees of LOVESTEDT shall likewise comply with the provisions of this paragraph. LOVESTEDT retains all responsibility for all terms and conditions of this lease.

20. It is LOVESTEDT'S intension to install a mill for the property provided sufficient water can be developed, and to explore by tunnel or drilling Homestake No. 1.

21. Any notice contemplated herein to be served upon NEVADA BELL or LOVESTEDT shall be in writing and shall be sufficiently given if deposited in the United States mail, postage prepaid, registered or certified, and addressed to the party as follows:

NEVADA BELL:

Nevada Bell Mountain Gold Corporation
Clement K. Quinn, President
1500 Alworth Building
Duluth, Minnesota 55802

LOVESTEDT:

Claude B. Lovestedt
Box 265
Minden, Nevada 89423

or at such other address as any of the parties may from time to time designate in writing to the other party hereto. Service of notice by mail shall be deemed effective and complete upon posting and mailing same as provided herein. Personal service of notice shall be deemed sufficient service of notice and no mailing of notices shall be necessary in that case.

This agreement and all of its terms and provisions shall extend to and bind the heirs, assigns, successors and personal representatives of the parties hereto respectively.

IN WITNESS WHEREOF the parties hereto have executed this agreement the day and year first above written.

NEVADA BELL MOUNTAIN GOLD CORPORATION,
a Delaware Corporation

Attest:

J. R. Nelson By [illegible]

(Seal)

Claude B. Lovestedt
CLAUDE B. LOVESTEDT

STATE [illegible]
County of Ventura

On this 11th day of January A.D. one thousand nine hundred and Sixty Eight personally appeared before B. A. LAWRENCE a notary public in and for said County of VENTURA CLEMENT K. QUINN & CLAUDE B. LOVESTEDT known (or proved) to me to be the persons described in and who executed the annexed instrument, who acknowledged to me that they executed the same, freely and voluntarily, and for the uses and purposes there mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in the County of Ventura, the day and year in the Certificate first above written.

B. A. Lawrence
B. A. Lawrence

Notary Public in and for the County of Ventura, State of California.
My commission expires 9/5/69.

B. A. LAWRENCE
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
VENTURA COUNTY

C.B.L.

HK
1/12/79

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

January 10, 1979

Mr. Anthony Payne
99 Brownstone Drive
Reno, Nevada 89512

Re: OME-6697(Gold-Silver)
Bell Mountain Silver Mines, Inc.(Assignee)
Homestake Group & Edith Claims
Churchill County, Nevada
Contract 2265

Dear Tony:

In reply to your letter of January 4, 1979, concerning the subject contract, the OME work on the property was started on August 20, 1968 and completed on May 22, 1969. The work did not result in a discovery of minable ore and a certification was not made. The operator was notified on October 24, 1969, that the Government retained no claim or lien against the property.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: Chief, OME, Reston, VA

ANTHONY PAYNE
MINING GEOLOGIST
99 BROWNSTONE DRIVE, RENO, NEVADA 89512
702 322-6081

04 January 1979

Mr. Harold K. Stager
Office of Mineral Exploration
United States Geological Survey
Menlo Park, California 94025

Dear Hal:

Some Canadian associates have taken a Lease and Option on the Bell Mountain Mine, Fairview Mining District (unsurveyed Sections 2, 10, and 11, T. 15 N., R. 34 E.), Churchill County, Nevada. The claims are six in number, the "Homestake" group, including one "Edith" claim.

The claims are owned by Nevada Bell Mountain Gold Corporation, c/o Robert Archibold, President, 214 Savings Bank Building, Marquette, Michigan 49855. They are under lease and option to Gilford Resources, Ltd., Mr. A. H. Lenec, President, 302 - 750 West Pender Street, Vancouver, B. C. V6C 2T7.

Claude Lovestedt tells me that the property was under contract to the O.M.E. in 1968 and 1969, Contract No. 6697 for $37640.00 on a 75% basis.

For the record, would you tell me if the property was "Certified for Production" or advise me if the Federal Government has any other claim against this mining property. Thank you.

With best regards and wishes for a Happy and Prosperous New Year.

Sincerely,

Tony Payne

Anthony Payne

AP/s

cc: Gilford Resources Ltd
Bell Mountain file

RECEIVED
JAN 9 1979
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

March 6, 1972

Mr. Jim Stockton
430 Arvin Street
Bakersfield, California 93308

Re: OME-6697 (Gold-Silver)
Bell Mountain Silver Mines, Inc. (Assignee)
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Dear Mr. Stockton:

In reply to your letter of March 4, 1972, concerning the subject contract, the OME work did not result in a discovery of minable ore and a certification was not made. The Operator was notified on October 24, 1969, that the Government retains no claim or lien against the property.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: OME, Wash., D.C.
DRF
ACG RF
MP RF
Docket

HKStager:mkh

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 9 1970
INITIALS CODE
Bal
HK
WE

February 4, 1970

Mr. Claude B. Lovestedt
Box 1496
Carson City, Nevada 89701

Re: OME-6697 (Gold-Silver)
Bell Mountain Silver Mines, Inc. (Assignee)
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Dear Mr. Lovestedt:

In reply to your telephone inquiry of this date, our records show that the $200.00 withheld from the May 1969 voucher, pending receipt of your final report, was paid on October 20, 1969 (Voucher No. 02401).

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: Bell Mountain Silver Mines, Inc.
40 Exchange Place, Suite 1914
New York, New York 10005

✓OME, Wash., D.C.
Dir. RF
ACG RF
MP RF
Docket

HKStager:mkh

Standard Form No. 1047
7 GAO 5000
1047-104

PUBLIC VOUCHER FOR REFUNDS

Voucher No. 02 401

U. S. Interior, Geological Survey
(Department or Establishment, Bureau or Office)

Location: Washington, D. C. 20242

Appropriation or Fund: 14X6875(08)

PAID BY

To
Address
Bell Mountain Silver Mines, Inc.
40 Exchange Place
New York, N. Y. 10005
c/o Willis E. Burnside

Withheld ~~[illegible]~~ from the above-~~[illegible]~~ on June 10, 1969

for pending submission of final report - Contract #2265 - OMEF-6697

has been applied as herein stated and the balance indicated is returned herewith:

Amount of ~~[illegible]~~ withheld Sch #97277 $ 200.00

Applied as explained in "Remarks" below

Balance authorized to be refunded $ 200.00

Remarks:
Refunding amount withheld from voucher for the month of May 1969 as acceptable final report has been submitted per memo from Chief, Office of Minerals Exploration, 10/13/69

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 22 1969

INITIALS	CODE
gla /	30
Gbl /	20
HK	120
WE	120

(Sign original only)

10/20/69 Title

Refund by
Check No.
Cash, $ on (Signature of payee) (Sign original only)
Other method, $, (Describe)

* U.S. GOVERNMENT PRINTING OFFICE : 1960 O—572727

United States Department of the Interior

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

October 28, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 30 1969

INITIALS	CODE
[illegible]	130
[illegible]	120m
HK	~~120~~
[illegible]	~~120E~~
	220

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6697 (Gold-Silver)
Bell Mountain Silver Mines, Inc. (Assignee)
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Enclosed is a summary-type Final Field Report on the subject project.

H. K. Stager

Enclosure

Final Field Report

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By H. K. Stager, Field Officer, Region II

October 28, 1969

1. OME-6697 (Gold-Silver)
Bell Mountain Silver Mines, Inc. (Assignee)
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Operator: Bell Mountain Silver Mines, Inc.
40 Exchange Place, Suite 1914
New York, New York 10005

Property: Consists of six (6) unpatented lode mining claims (Homestake Nos. 1,4,6,7,8, and Edith), including all rights thereto, in unsurveyed T. 15 N., R. 34 and 35 E., MDB & M, Fairview mining district, Churchill County, Nevada. A map showing the area of these six claims was attached to the contract.

Ownership: The Operator was in possession of the six claims under the terms of a Lease and Option to purchase dated January 11, 1968, from Nevada Bell Mountain Gold Corporation, 1500 Alworth Building, Duluth, Minnesota 55802, the owner, executed by Mr. Clement K. Quinn, president. A Lien and Subordination Agreements, dated May 29, 1968, and executed by Mr. Clement K. Quinn, president of the corporate owner, was attached to the contract.

2. Purpose of Project: The purpose of the project was to explore by drifting from an existing portal site near the west end of the Homestake No. 6 Claim and by long-hole drilling from the drift for silver-gold-bearing ore bodies along the footwall portion of the Nevada Bell Mountain mineralized fault zone which is 30-60 feet wide in rhyolite of Tertiary age.

3. Contract: Dated August 9, 1968, for a term of 12 months.
Original contract amount - $37,640.00
Government participation - 75 percent - $28,230.00

Amendments - None

Assignment of Contract - Dated April 18, 1969, from the original Operator, Mr. Claude B. Lovestedt, an individual of P.O. Box 1496, Carson City, Nevada 89701, to Bell Mountain Silver Mines, Inc.

4. Project Work: Started August 20, 1968. Completed May 22, 1969.

Cost Items	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Drifting and crosscutting	650 ft.	$40/ft.	$26,000.00	725 ft.	$29,000.00
Timbering, including portal sets	100 ft.	$7/ft.	700.00	37 ft.	259.00
Long-hole drilling	485 ft.	$2/ft.	970.00	0	0
Sampling and assaying	350 spls.	$3.20/spl.	1,120.00	133 spls.	425.60
Supervision	10 mos.	$850/mo.	8,500.00	9 mos.	7,650.00
Office expense	10 mos.	$35/mo.	350.00	8.7 mos.	305.40
Total amounts			$37,640.00		$37,640.00
Government participation at 75 percent			28,230.00		28,230.00
Paid to the Operator					$28,230.00

The Government retained no equity in any of the equipment or materials used.

Effectiveness of the Work - The most favorable target area was adequately explored.

Efficiency of Operation - The project was accomplished in an efficient and satisfactory manner. After completion of the contract work the Operator, at its own expense, drove an additional 300 feet of drifts and crosscuts.

5. Reports:

Operator's Final Report - An acceptable Final Report was received on October 8, 1969.

Cost Review - A Report of Review was issued by the Office of Survey and Review in August 1969.

Final Audit - A final audit was not requested inasmuch as no additional vouchers were submitted or paid after the Report of Review. The final voucher was paid on June 10, 1969, except for $200.00 (withheld pending receipt of the Operator's Final Report) that was paid in October 1969.

5. Reports - Continued

Royalty Review - There was no ore produced during the period of the contract and no royalty was due the Government.

6. Project Results:

Discoveries - There were no discoveries of minable gold-silver-bearing material as a result of the exploration. A map, showing the exploration work and assays of samples taken during the project, was attached to the Operator's Final Report. The gold content ranged from a trace to 0.45 ounce per ton and the silver content from about 0.10 to 4.42 ounces per ton but the average in mineralized material was about 0.02 ounce of gold and 1.0 ounce of silver per ton. No ore reserves were discovered or estimated as a result of the work. Future development and production are not warranted. Some additional exploration is planned by the Operator if additional financing can be obtained. Additional participation by the Government is not warranted.

Certification - The OME work did not result in a discovery of minable ore and certification was not recommended. The Operator was notified on October 24, 1969, that the Government retains no claim or lien against the property.

Production - There was no ore mined or stockpiled during the period of the contract.

Royalties - There was no ore sold and no royalties were paid or due the Government.

7. Geologic Summary: - The ore bodies that have been mined in the Bell Mountain Mine occurred as shoots within a brecciated fault, or sheeted, zone in rhyolite. Mineralization occurs along a strike length of about 3,000 feet with a dip length of about 650 feet and a width of from 30 to 60 feet. There is no recorded production from the property, but the Operator states that one carload of high-grade silver ore was shipped during the period of early development.

OFFICIAL FILE COPY

Date	Surname	Code
10/22/69	Emerick	120
		120
		220

OCT 24 1969

Nevada Bell Mountain Gold
Corporation
1500 Alworth Building
Duluth, Minnesota 55802

Re: OME-6697 (Gold-Silver)
Bell Mountain Silver Mines, Inc. (Assignee)
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Gentlemen:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Lien and Subordination Agreement executed May 29, 1968, by Clement K. Quinn, president of your company, under the Office of Minerals Exploration program.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region II
Mr. Emerick
130

BSLong/hl 10/22/69

rm 7

OFFICIAL FILE COPY

Date	Surname	Code
10/13/69	Emerick	120
		120
10/13	cae	220
		120M

OCT 13 1969

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6697 (Gold-Silver)
Bell Mountain Silver Mines, Inc., Assignee
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

As the Operator under the subject contract has submitted an acceptable final report, the $200.00 withheld from the May 1969 voucher may now be paid to the Operator.

Harold Kirkemo (gla)
Harold Kirkemo

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Region II
Mr. Emerick

WLEmerick/bsl 10/13/69

United States Department of the Interior

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

October 8, 1969

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6697 (Gold-Silver)
Bell Mountain Silver Mines, Inc., Assignee
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 10 1969
INITIALS | CODE
gla / 30
BL / 20 m
HK / 20
WG / 20

Enclosed are the original and one copy of the Operator's Final Report (2 pages) on the subject exploration project. One copy of a 50-scale map is also enclosed. I recommend that the report be accepted.

A Final Field Report is in preparation. Inasmuch as no ore was found, a certification of possible production will not be recommended.

R. M. Smith
for H. K. Stager

Enclosures

OPERATOR'S FINAL REPORT

1. OME No. 6697 (Gold-Silver)
Contract No. 2265
Name of Operator Bell Mountain Silver Mines, Inc., Assignee
Name and location of property Homestake Group and Edith Claims
Churchill County, Nevada

2. SUMMARY of PROJECT

Work began on August 20, 1968.
Work was completed on May 22, 1969, as described below:

Drifting and x-cutting	725 ft.	$29,000.00
Timbering	37 ft.	259.00
Sampling & assaying	133	425.60
Supervision	9 mo.	7,650.00
Office Expense	8.7 mo.	305.40
		$37,640.00

3. GEOLOGY

The host rock of the property is a light colored siliceous Tertiary volcanic flow-breccia composed of rhyolite or rhyolite-tuff. Hydrothermal alteration has been sufficiently extensive that not much of the original rock remains except phenocrysts of quartz and feldspar.

Within the area of activity strong sheet faulting is noted with associated post-mineral release cross-faulting. Brecciation by repeated movements during silicification has partly banded the vein. The vein material, where noted, consists of a brecciated mass of greenish to grey quartz, calcite, and partially replaced angular fragments of rhyolite. The shattered nature of the zone lends itself well for leaching, and the oxidation is noted throughout the drift.

ORE RESERVES

No ore reserves were found on this project.

PRODUCTION

There was no production during the contract exploration work.

4. PROGRESS and OPERATING CONDITIONS

The drifting that was done at Bell Mountain was unusually difficult because of the large amount of fault breccia encountered. Approximately 80% of the drift was in a tough mud that did not pull when drilled and blasted.

The crosscut that was driven north at 300 feet in showed 44 feet of mud and boulders.

CONCLUSIONS

The tunnel site is only 1500 feet east of the main north-south

Operator's Final Report

fault system that runs from near Rawhide to 40 miles north of Highway 50 in Dixie Valley. The fault scarp can be seen easily from the road.

The vein is actually a cross fault. The continued movement on these faults has ground the vein material up and mixed it with the country rock until it is just a pile of rubble at the depth we ran the drift.

There is a chance of ore in the vein in the big hill to the east. Here the vein seems undisturbed, and several hundred feet of backs can be obtained by continuing the present tunnel east 1000 feet to 1500 ft. This is what we would like to do after some check drilling is done.

FUTURE PLANS

There is no activity on the property at present. Bell Mountain Silver Mines is in the process of attempting to raise additional financing to continue the exploration of the property, with a public underwriting.

OPERATOR'S FINAL REPORT

1. OME No. 6697 (Gold-Silver)
Contract No. 2265
Name of Operator Bell Mountain Silver Mines, Inc., Assignee
Name and location of property: Homestake Group and Edith Claims
Churchill County, Nevada

2. SUMMARY of PROJECT

Work began on August 20, 1968.
Work was completed on May 22, 1969, as described below:

Drifting and x-cutting	725 ft.	$29,000.00
Timbering	37 ft.	259.00
Sampling & assaying	133	425.60
Supervision	9 mo.	7,650.00
Office Expense	8.7 mo.	305.40
		$37,640.00

3. GEOLOGY

The host rock of the property is a light colored siliceous Tertiary volcanic flow-breccia composed of rhyolite or rhyolite-tuff. Hydrothermal alteration has been sufficiently extensive that not much of the original rock remains except phenocrysts of quartz and feldspar.

Within the area of activity strong sheet faulting is noted with associated post-mineral release cross-faulting. Brecciation by repeated movements during silicification has partly banded the vein. The vein material, where noted, consists of a brecciated mass of greenish to grey quartz, calcite, and partially replaced angular fragments of rhyolite. The shattered nature of the zone lends itself well for leaching, and the oxidation is noted throughout the drift.

ORE RESERVES

No ore reserves were found on this project.

PRODUCTION

There was no production during the contract exploration work.

4. PROGRESS and OPERATING CONDITIONS

The drifting that was done at Bell Mountain was unusually difficult because of the large amount of fault breccia encountered. Approximately 80% of the drift was in a tough mud that did not pull when drilled and blasted.

The crosscut that was driven north at 300 feet in showed 44 feet of mud and boulders.

CONCLUSIONS

The tunnel site is only 1500 feet east of the main north-south

fault system that runs from near Rawhide to 40 miles north of Highway 50 in Dixie Valley. The fault scarp can be seen easily from the road.

The vein is actually a cross fault. The continued movement on these faults has ground the vein material up and mixed it with the country rock until it is just a pile of rubble at the depth we ran the drift.

There is a chance of ore in the vein in the big hill to the east. Here the vein seems undisturbed, and several hundred feet of backs can be obtained by continuing the present tunnel east 1000 feet to 1500 ft. This is what we would like to do after some check drilling is done.

FUTURE PLANS

There is no activity on the property at present. Bell Mountain Silver Mines is in the process of attempting to raise additional financing to continue the exploration of the property, with a public underwriting.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/22/69	Emerick	120
		220
9/23	cac	120M

SEP 23 1969

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6697 (Gold and Silver)
Bell Mountain Silver Mines, Inc.
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Enclosed is a copy of the Field Officer's letter of September 19, 1969, forwarding a copy of the Report of Review issued in August 1969 to the subject Operator. Also enclosed is a copy of the report for your files.

Wilmore L. Emerick (gfe)
W. L. Emerick
For: Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docekt
OME Reading File
Region II
Mr. Emerick
130

BSLong/1 9/22/69

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

September 19, 1969

ORIGINAL COPY
O. M. E.
RECEIVED
SEP 22 1969
INITIALS | CODE
120
Cal 120 M
120
WS 120 E

Mr. Claud B. Lovestedt
Post Office Box 1496
Carson City, Nevada 89701

Re: OME-6697 (Gold-Silver)
Bell Mountain Silver Mines, Inc.,
Assignee
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Dear Mr. Lovestedt:

Enclosed is a copy for your files of a Report of Review dated August, 1969, by the Office of Survey and Review in Washington, D.C. on your OME contract referenced above.

The facts and figures as stated therein, including the notation that $200 is being withheld pending receipt of the Operator's Final Report, agree with information in the records of the Field Office, and I concur in the report.

Sincerely yours,

H. K. Stager
Field Officer
Region II

Enclosure

cc: OME WDC
DIR RF
ACG RF
MP RF
Docket

RMSmith/bls 9/19/69

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/15/69	Emerick	120
		120
9/16	Cal	220
		120M

AIRMAIL

Memorandum

SEP 16 1969

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6697 (Gold and Silver)
Bell Mountain Silver Mines, Inc.
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Enclosed are the Field Office's and Operator's copies of a Report of Review issued in August 1969 on the subject contract.

If you concur in the facts as stated in this report, one copy should be sent to the Operator with any comments you may care to make, and the other copy retained for your files. As evidence of your concurrence, two copies of your letter transmitting the Operator's copy of the report should be furnished this office. If for any reason you do not concur, both copies of the report should be returned to this office with appropriate comments.

After the Operator has submitted an acceptable Final Report please forward your final recommendations on the work accomplished under this contract.

William L. Emerick (gla)
W. L. Emerick
For: Harold Kirkemo

Enclosures

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

WLEmerick/bsl 9/15/69

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

September 2, 1969

Mr. Claude B. Lovestedt
P.O. Box 1496
Carson City, Nevada 89701

Re: OME-6697 (Gold-Silver)
Bell Mountain Silver Mines, Inc.
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Dear Mr. Lovestedt:

Will you please submit your Operator's Final Report on the subject project.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: OME, Wash., D.C.
Dir. RF
ACG RF
MP RF
Docket

HKStager:mkh

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 4 1969

INITIALS	CODE
glr	120
bal	120
HK	120
	120

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

July 14, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 16 1969

INITIALS	CODE
	130
gla	120
HK	120
MR	120

Mr. Eric Newman
Intercontinental Resources Inc.
5810 W. 38th Avenue, Suite 20
Denver, Colorado 80212

Re: OME-6697 (Gold-Silver)
Bell Mountain Silver Mines, Inc.
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Dear Mr. Newman:

In reply to your letter of July 9, 1969, concerning the OME contract at the Bell Mountain Mine, I regret to inform you that reports on OME projects are for Government use only and cannot be released to the public or to the mine owner or operator.

Under the terms of the contract the Operator is required to furnish an Operator's Final Report on the results of the completed work. I suggest that you request Bell Mountain Silver Mines, Inc., to furnish a copy for your files also.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: Claude B. Lovestedt
OME, Wash., D.C.
Dir. RF
ACG RF
MP RF
Docket

HKStager:mkh

(303) 421-2166

INTERCONTINENTAL RESOURCES INC.

SUITE 20, 5810 W. 38TH AVENUE
DENVER, COLORADO 80212

July 9, 1969

Mr. H. Stager
Office of Mineral Exploration
United States Geological Survey
345 Middlefield Road
Menlo Park, California 94025

Re: Nevada Bell Mine

Dear Mr. Stager:

The above property has been subject to an O.M.E. loan for drifting, and I understand that you have written a report on the property. Would it be possible to obtain a copy of your report for Bell Mountain's records?

Very truly yours,

E Newman

Eric Newman

EN/wps

RECEIVED
JUL 11 1969
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

M 9-1648
RCH 1968

OFFICIAL COPY
J. H. E.
RECEIVED
JUN 16 1969
INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OK-10½
6/5/69

OPERATOR'S MONTHLY VOUCHER

For Month of May, 1969

Docket No. OME- 6697
Contract 14-08-0001- 2265
Contract Amount $37,640.00
Gov't. Participation % 75 $28,230.00

Operator's Name Bell Mountain Silver Mines, Inc.
Address 40 Exchange Place, New York, N.Y. 10005
c/o Willis E. Burnside

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
Drifting & x-cutting	104'	$4160.00	725	$29,000.00	104'	$4,160.00	725'	$29,000.00
Timbering	--	--	37'	259.00	0	0	37'	259.00
Sampling & assaying	66	211.20	133	425.60	66	211.20	133	425.60
Supervision	2/3 mo	566.70	9 mo	7,650.00	2/3 mo.	566.70	9 mo.	7,650.00
Office Expense	.4 mo	13.73	8.7 mo	305.40	.4 mo.	13.73	8.7 mo.	305.40
					See Remarks			
TOTALS		$4951.63		$37,640.00		$4,951.63		$37,640.00

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

Date June 1, 1969 *Payee Bell Mountain Silver Mines, Inc.

Per Chauncey Lovestead Title Mine Superintendent

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer 6/3/69 Date

3,713.72 (63) 14X0804
200.00 14X6875(68)

Approved for: $ 3,513.72
(SUBJECT TO AUDIT)

Signature [illegible]

JUN 10 1969 Date

97277 Vou. No.

(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

020208

RECEIVED
U.S. GEOLOGICAL SURVEY
JUN 9 12 13 PM '69
BUDGET & FINANCE

FOR GOVERNMENT USE

REMARKS FINAL VOUCHER

WITHHOLD $200.00 PENDING RECEIPT OF FINAL REPORT.

H H Flager

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee:

Bell Mountain Silver Mines, Inc.
40 Exchange Place
New York, N. Y. 10005
c/o Willis E. Burnside

Amount Claimed:	Differences (Explained Below)	Amount Approved
4,951.63	200.00	4,951.63 3,713.72 Gov. Part. Less 200.00 3,513.72
Eu. Voucher No.	Payee's Invoice No.	Period
	Docket #6697 Contract #2265	May, 1969

EXPLANATION

Withholding $200.00 Pending receipt of final report.

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

Branch of Budget and Finance

OPERATOR'S NARRATIVE REPORT
June 1, 1969
Bell Mountain Silver Mines, Inc.
OME-6697
Contract No. 2265
Started work August 20, 1968
Claude B. Lovestedt, Mine Supt.

The round on April 30, 1969 did not reach the main vein as we thought at the time, hence the map is revised.

During May, 1969 we drove on ahead another thirty-eight feet before we encountered the vein proper. While driving the last thirty feet we crosscut several narrow calcite and quartz stringers.

We crosscut the main vein which measured thirty-four feet wide. The footwall dips south at 45°, while the fault that forms the hanging wall at this point dips south at about 80°. This confirms Schrader's report of a fault cutting the vein off fifty feet or so below our tunnel level. This can also be seen in the winze that was sunk many years ago from the upper adit.

After reaching the hanging wall, we backed up to the foot wall and shot a six foot round out each side, in order to start drifting both east and west along the vein.

This May footage measures eighty-four feet. The March footage, as reported, was 20 feet short of actual measurement, due to change in crew. Therefore, in adding this 20 feet of March footage to the 84 feet driven in May, we are reporting 104 feet.

Counting the crosscut of 44 feet, we have tunneled a total of 725 feet.

ASSAY LABORATORY

Assay No.	Sample No.	Gold Ag	Gold Au	Gold Value
9C4				
9C5				
9C6				
9C7				
9C8				
9C9				
9C9				
9C10				
9C11				
9C12				
9C13				
9C14				
9C15				

Gold at $

66					
67					
68					
69					
70					
71					
72					
73					
74					
75					
76					
77					
78					
79					

ASSAY REPORT FOR May [illegible] 1959

Nevada Bell MINE

Gold at $_____ Oz. C.D. Lovestedt

Silver at _____ Oz.

Assay No.	Description of Sample	Oz. Au.	Oz. Ag.	Total Value			
113	645' to 651'	.025	[illegible]				
114	650	.015	1.15				
100	567-573'	Trace	[illegible]				
101	573-579'	Trace	[illegible]				
102	579-585'	Trace	[illegible]				
103	585-591'	[illegible]	[illegible]				
104	591-597'	[illegible]	[illegible]				
105	597-603'	Trace	[illegible]				
106	603-609'	Trace	[illegible]				
107	609-615'	Trace	[illegible]				
108	615-621'	Trace	[illegible]				
109	621-627'	[illegible]	[illegible]				
110	627-633'	[illegible]	[illegible]				
111	633-639'	[illegible]	[illegible]				

Dated _____ 195__

R. H. McFarland
Engineer of Assayer

ASSAY [illegible]

Gold or [illegible]

Assay No.			Oz.
117	[illegible]		

Date [illegible]

ASSAY REPORT FOR May 23, 1969.

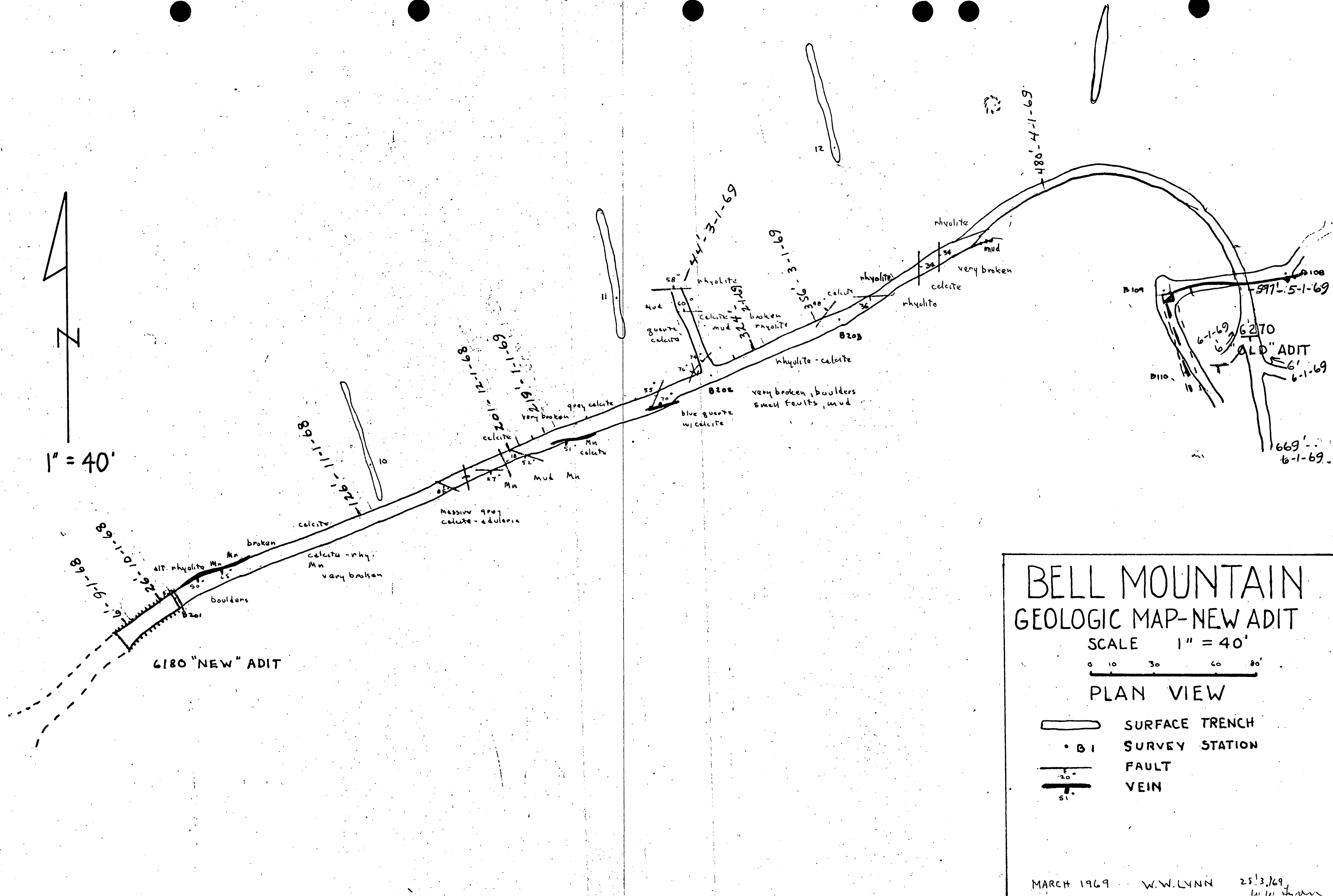
Nevada Bell MINE

Gold at $ Oz C Hoerstedt Silver at Oz.

Assay No		Description of Sample	Oz. Au.	Oz. Ag.	Total Value			
120	1	Dump #1	.03	.82				
121	2	" 2	.02	1.24				
122	3	" 3	.025	1.45				
123	4	Bell Mt. Surface sample	Trace	.07				
124	5	Vein east side of Tunnel	.07	2.53				
115	6	N.B. - 638-644'	.06	2.77				
116	7	" 644-650'	.125	4.44				
117	8	" 650-656'	.01	1.09				
118	9	" 656-662'	.005	0.70				
119	10	" 662-668'	.04	1.50				

Dated 196

Signature of Assayer


N
1" = 40'
6180 "NEW" ADIT
6-9-1-68
26'-10-1-68
126'-11-1-68
201'-12-1-68
219'-1-1-69
44'-3-1-69
324'-2-1-69
356'-3-1-69
480'-4-1-69
597'-5-1-69
6-1-69
6'
6' 6-1-69
669'
6-1-69
6270
"OLD" ADIT
B5
B201
B202
B203
B108
B109
B110
10
11
12
alt. rhyolite
Mn
50°
65°
broken
boulders
calcite
calcite-rhy.
Mn
very broken
Massive grey calcite-adularia
85°
27°
Mn
Mud
Mn
18
52°
calcite
very broken
grey calcite
51°
Mn
calcite
55°
70°
blue quartz w/calcite
76°
74°
58°
rhyolite
Mud
60°
quartz calcite
calcite
mud
broken rhyolite
rhyolite-calcite
very broken, boulders small faults, mud
48°
calcite
36
rhyolite
rhyolite
34
34
calcite
very broken
mud
rhyolite
BELL MOUNTAIN
GEOLOGIC MAP-NEW ADIT
SCALE 1" = 40'
0 10 30 60 80'
PLAN VIEW
SURFACE TRENCH
• B1 SURVEY STATION
FAULT
20°
VEIN
51°
MARCH 1969 W.W.LYNN 25/3/69

FORM 9-1648
MARCH 1968

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 20 1969
INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OK-LOE
5/6/69

OPERATOR'S MONTHLY VOUCHER

For Month of April, 1969

Docket No. OME- 6697
Contract 14-08-0001 2265
Contract Amount $ 37,640.00
Gov't. Participation % 75 $ 28,230.00

Operator's Name Bell Mountain Silver Mines, Inc.
Address 40 Exchange Place, New York, N. Y. 10005
C/O Willis E. Burnside

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
Drifting & x-cutting	117'	$ 4680.00	621'	$ 24840.00	117	$ 4,680.00	621'	$ 24,840.00
Timbering	--	--	37'	259.00	—	—	37'	259.00
Sampling & Assaying	--	--	67	214.40	—	—	67	214.40
Supervision	1 mo.	850.00	8-1/3	7083.30	1	850.00	8 1/3	7,083.30
Office Expense	1 mo.	35.00	8-1/3	291.67	1	35.00	8 1/3	291.67
TOTALS		$ 5565.00		$ 32688.37		$ 5,565.00		$ 32,688.37

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

Date May 1, 1969 *Payee Bell Mountain Silver Mines, Inc.

By Rudolph Lonestedt Title Mine Superintendent

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer 5-2-69 Date

(63) 14X0804

Approved for: $ 4173.75
(SUBJECT TO AUDIT)

Signature [illegible]

Date MAY 8 1969 Vou. No. 96548

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

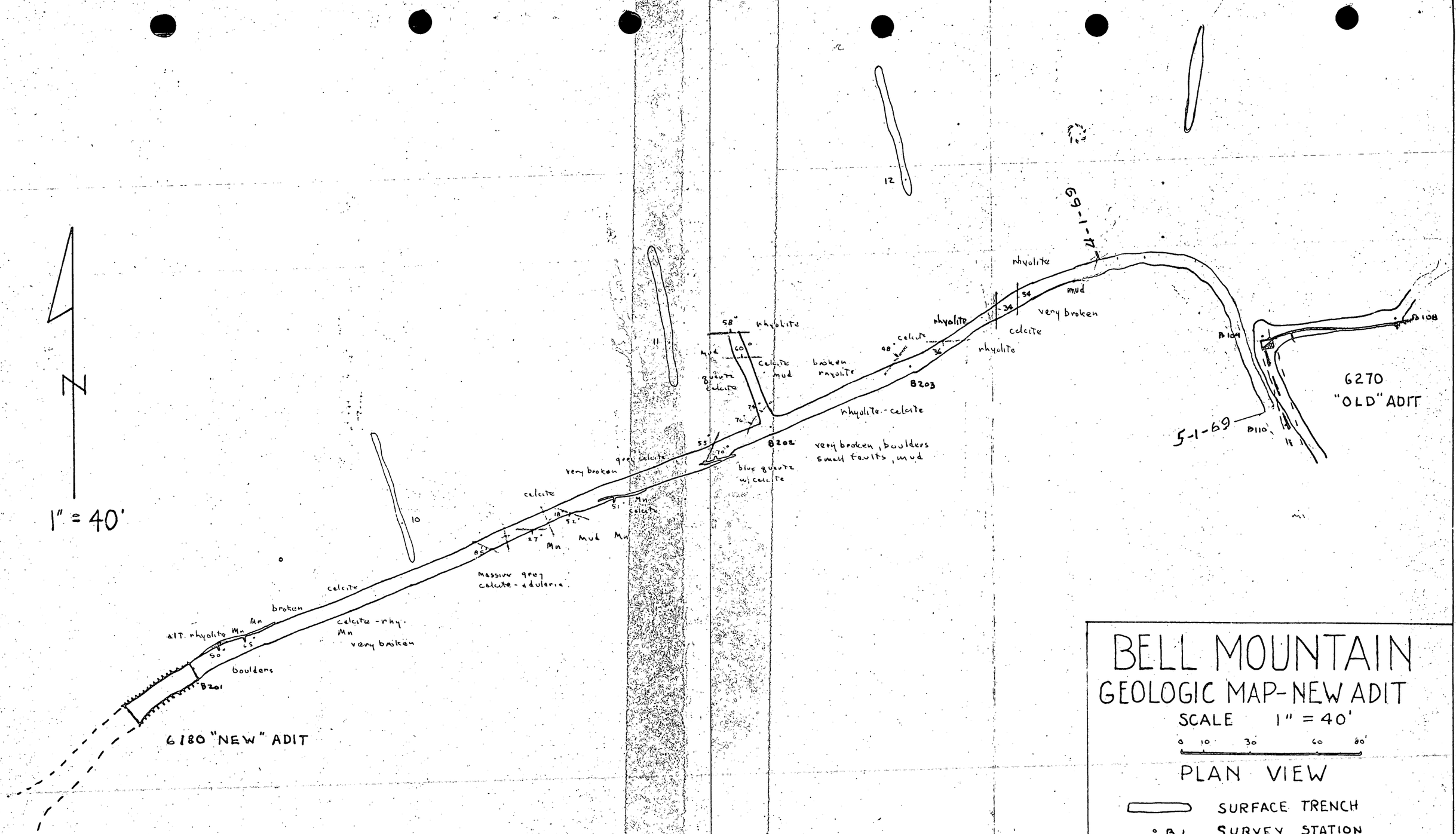
OPERATOR'S NARRATIVE REPORT
May 1, 1969
Bell Mountain Silver Mines, Inc.
OME-6697
Contract No. 2265
Started work August 20, 1968
Claude B. Lovestedt, Mine Supt.

During April, the tunnel was turned to the right, south, until, at the completion of the turn, we had driven ahead 117 feet.

In progressing the 117 feet, alternate massive and crushed zones were encountered with the last 30 feet being the most silicified.

The last round on April 30th penetrated the vein four feet.

Samples have been taken each round and have been delivered to the assayer.



BELL MOUNTAIN
GEOLOGIC MAP-NEW ADIT

SCALE 1" = 40'

0 10 30 60 90'

PLAN VIEW

SURFACE TRENCH

B1 SURVEY STATION

FAULT

VEIN

MARCH 1969 W.W. LYNN 28/3/69

B5

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OK-WPR
4/17/69

OPERATOR'S MONTHLY VOUCHER For Month of March, 1969

Docket No. OME- 6697
Contract 14-08-0001 2265
Contract Amount $37,640.00
Gov't. Participation %75 $ 28,230.00

Operator's Name Bell Mountain Silver Mines, Inc.
Address 40 Exchange Place, New York, N. Y. 10005
c/o Willis E. Burnside

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Drifting & x-cutting	104	$ 4160.00	504	$ 20160.00	104	$4,160.00	504	$20,160.00
Timbering	--	--	37	259.00			37	259.00
Sampling & Assaying	--	--	67	214.40			67	214.40
Supervision	1 mo.	850.00	7-1/3	6233.30	1	850.00	7 1/3	6,233.30
Office Expense	1 mo.	35.00	7-1/3	256.67	1	35.00	7 1/3	256.67
TOTALS		$ 5045.00		$ 27123.37		$5,045.00		$27,123.37

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

Date April 1, 1969 *Payee Bell Mountain Silver Mines Inc.

Per Claude B. Lovestedt Title Mine Superintendent

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature R. M. Smith for OME Field Officer 4/4/69 Date

(63) 14X0804

Approved for: $ 3,783.75
(SUBJECT TO AUDIT)

Signature MS

Date _____ Vou. No. _____
(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

089570

RECEIVED
U.S. GEOLOGICAL SURVEY
APR 22 8 04 AM '69
BUDGET&FINANCE

FOR GOVERNMENT USE

REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

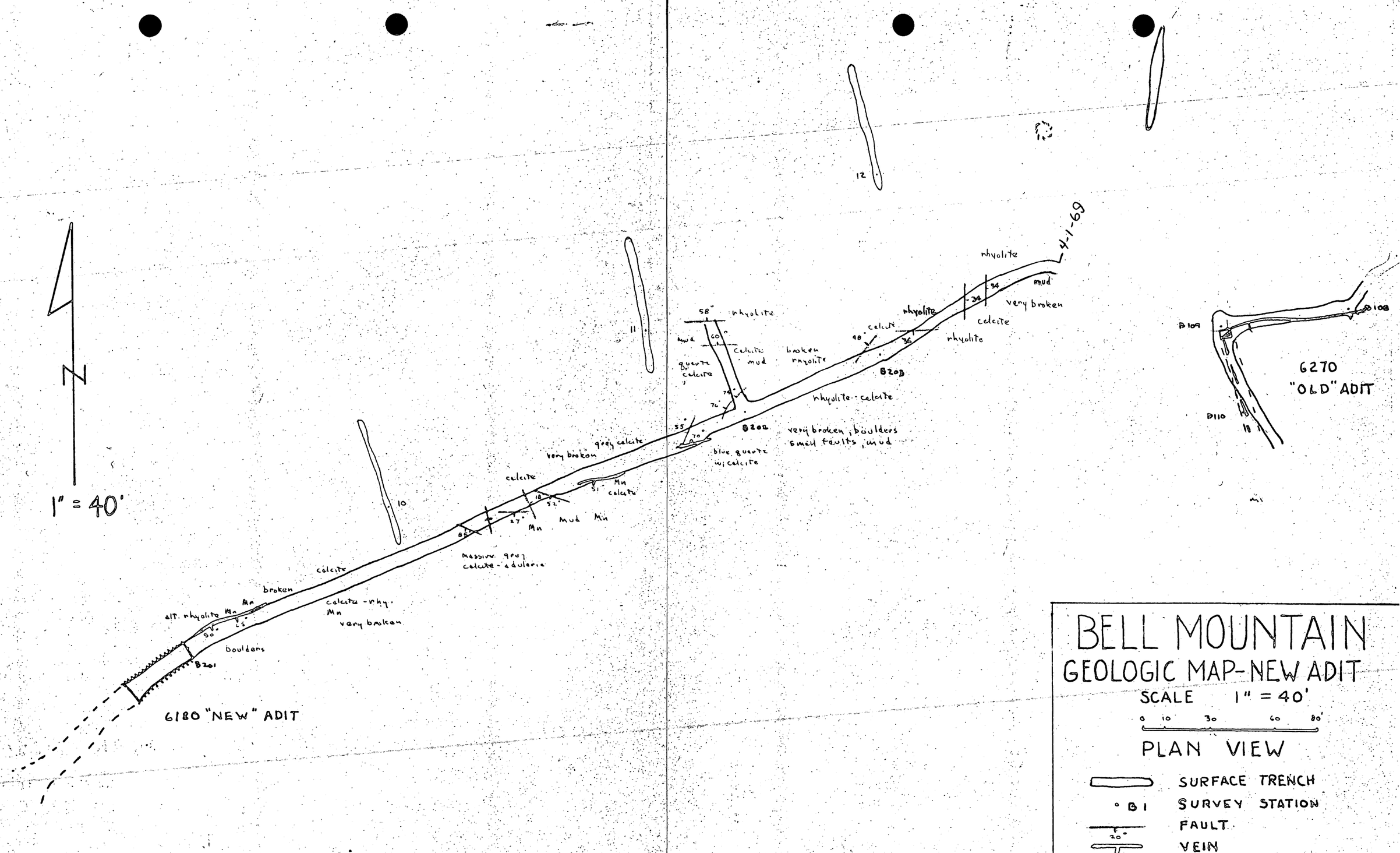
OPERATOR'S NARRATIVE REPORT
April 1, 1969
Bell Mountain Silver Mines, Inc.
OME-6697
Contract No. 2265
Started work August 20, 1968
Claude B. Lovestedt, Mine Supt.

During March, 1969, the tunnel was driven ahead 104 feet. When we were about half way, the rock was no longer crushed, but was massive.

We surveyed the two tunnels and tied the face of the tunnel we are driving in with the winze in the upper, or old, adit.

The survey showed that step faulting had shifted the vein south 40 to 50 feet. So we are now turning to the right in order to pick up the vein again.

RECEIVED
APR - 4 1969
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.



BELL MOUNTAIN
GEOLOGIC MAP-NEW ADIT

SCALE 1" = 40'

0 10 30 60 80'

PLAN VIEW

SURFACE TRENCH

B1 SURVEY STATION

FAULT

VEIN

MARCH 1969

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OK-WLE
4/17/69

OPERATOR'S MONTHLY VOUCHER

For Month of February, 1969

Docket No. OME- 6697
Contract 14-08-0001 2265
Contract Amount $ 37,640.00
Gov't. Participation % 75 $ 28,230.00

Operator's Name Bell Mountain Silver Mines, Inc.
Address 40 Exchange Place, New York, New York 10005
c/o Willis E. Burnside

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
Drifting & X-cutting	76'	$3040.00	400'	$ 16,000.00	76'	$ 3,040.00	400'	$ 16,000.00
Timbering	--	--	37'	259.00	0	0	37'	259.00
Sampling & assaying	27	86.40	67	214.40	27	86.40	67	214.40
Supervision	1 mo.	850.00	6-1/3	5,383.30	1 Mo.	850.00	6⅓ Mo.	5,383.30
Office Expense	1 mo.	35.00	6-1/3	221.67	1 Mo.	35.00	6⅓ Mo.	221.67
TOTALS		$ 4,011.40		$ 22,078.37		$ 4,011.40		$ 22,078.37

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

Date March 1, 1969 Payee Bell Mountain Silver Mines, Inc.

Per Claudius Lovestedt Title Mine Superintendent

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer Date 4-7-69

(63) 14X0804

Approved for: $ 3,008.55
(SUBJECT TO AUDIT)

Signature [illegible]

Date _____ Vou. No. _____
(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

OPERATOR'S NARRATIVE REPORT
March 1, 1969
Bell Mountain Silver Mines, Inc.
OME-6697
Contract No. 2265
Started work August 20, 1968
Claude B. Lovestedt, Mine Supt.

During February, 1969, the breast was advanced 32 feet. A cross cut 44 feet in length was driven north at the 300 ft.-in point until we were out of the area that showed signs of calcite.

The face of the cross cut was in crushed country rock. The face of the main drift showed a green-colored decomposed rock that resembles the hanging wall except there is no silicification. This rock was near the bottom, while the upper part was mostly mud and mixed boulders of calcite and country rock.

Progress has been slowed somewhat by the deep snow.

RECEIVED
MAR - 7 1969
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

ASSAY REPORT FOR March 3, 1969.

C.B. Leverstedt, MINE

NEVADA BELL

Gold at $_____Oz. Silver at_____Oz

Assay No.	Description of Sample	Oz. Au.	Oz. Ag.	Total Value			
XCUT #1	0-4'	.02	0.57				
" 2	4-8'	.015	1.81				
" 3	8-12'	.015	0.64				
" 4	12-16'	.01	0.49				
" 5	16-20'	.01	0.77				
DRIFT #42	225-229'	.015	0.89				
" 43	232-238'	.01	0.63				
" 44	238-244'	.03	1.28				
" 45	247-250'	.025	1.42				
" 46	250-255'	.01	0.70				
" 47	255-259'	.03	0.95				
" 48	259-263'	.04	1.11				
" 49	263-267'	.02	0.58				
" 50	267-271'	.015	0.78				

Dated_____, 196__

[illegible]

Signature of Assayer

ASSAY REPORT FOR March 3, 1969.

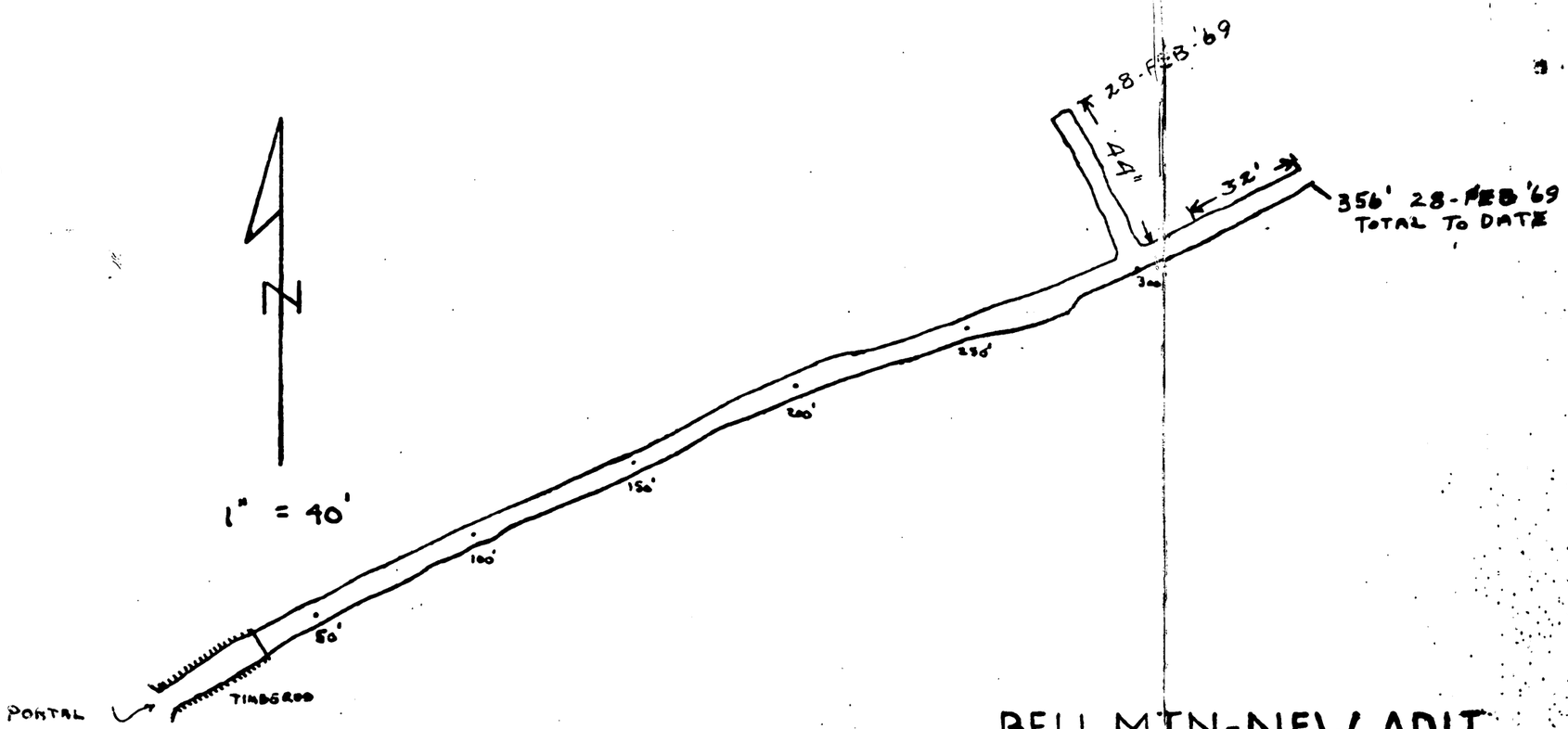
C.B. Lovestedt. MINE

Gold at $_____Oz. NEVADA BELL Silver at_____Oz.

Assay No.	Description of Sample	Oz. Au.	Oz. Ag.	Total Value			
DRIFT #51	271-275'	.025	0.88				
" 52	275-279'	.03	1.10				
" 53	279-283'	.02	1.25				
X-CUT 10	40-44'	.015	1.50				
" 6	24-28'	.01	0.28				
" 7	28-32'	.01	0.27				
" 8	32-36'	.015	0.61				
" 9	36-40'	.01	0.29				
DRIFT #54	283-287'	.015	0.74				
" 55	287-291'	.01	0.28				
" 58	297-301'	.01	0.31				
" 57	295-297'	.01	0.30				
" 56	291-295'	.01	0.31				

Dated_____, 196__ _____

Signature of Assayer



BELL MTN-NEW ADIT

MONTHLY PROGRESS MAP

MONTH OF FEBRUARY '69

FEET OF ADVANCE

SCALE 1" = 40'

OME 6697

CONTRACT No. 2265

BELL MOUNTAIN SILVER MINING CO.

FORM 9-1038
MARCH 1968

OFFICIAL COPY
O. M. E.
RECEIVED
APR 25 1969
INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OK-WFE
4/17/69

OPERATOR'S MONTHLY VOUCHER

Month of January, 1969

Docket No. OME- 6697
Contract 14-08-0001 2265
Contract Amount $ 37,640.00
Gov't. Participation % 75 $ 28,230.00

Operator's Name Bell Mountain Silver Mines, Inc.
Address 40 Exchange Place, New York, New York 10005
c/o Willis E. Burnside

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Drifting & x-cutting	105'	$ 4200.00	324'	$ 12960.00	105'	$ 4,200.00	324'	$ 12,960.00
Timbering	--	--	37'	259.00	0	0	37'	259.00
Sampling & assaying	13	41.60	40	128.00	13	41.60	40	128.00
Supervision	1 mo.	850.00	5-1/3	4533.30	1 Mo.	850.00	5 1/3	4,533.30
Office Expense	1 mo.	35.00	5-1/3	186.67	1 Mo.	35.00	5 1/3	186.67
TOTALS		$ 5126.60		$ 18066.97		$ 5,126.00		$ 18,066.97

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

Date 2/1/69 *Payee Bell Mountain Silver Mines, Inc.

Per Chandler Lonstrid Title Mine Superintendent

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer 2-4-69 Date

(63) 14X0804

Approved for: $ 3,844.95 (SUBJECT TO AUDIT)

Signature [illegible]

Date APR 25 1969 Vou. No. 96287

(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

0 8 9 5 7 0

RECEIVED
U.S. GEOLOGICAL SURVEY
APR 22 8 04 AM '69
BUDGET & FINANCE

FOR GOVERNMENT USE

REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

OPERATOR'S NARRATIVE REPORT
February 1, 1969
Claude B. Lovestedt
Nevada Bell Mountain Claims
OME-6697
Contract No. 2265
Started work August 20, 1968

During January, 1969 the tunnel at Nevada Bell was driven ahead 105 feet. Much to our surprise, the dip reversed itself from 50° to the south to 45° - 50° to the north at the 300 feet-in point.

We had strike and dip for a couple of rounds, then nothing but manganese stained mud and boulders with fault gouge and slickensides that are still dipping 50° to the north.

The last 10 feet or so have consisted of 60% tough mud and 40% calcite boulders.

We have to put in 4 ft. rounds while in the mud.

We don't know where we are in the vein, so I will now start to cross-cut towards the footwall, then, perhaps, to the hanging wall, as we must find out if the whole vein is in this disturbed condition.

We should have hit the solid vein some time ago, if the surface outcrop had continued down.

RECEIVED
FEB 4 1969
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

ASSAY REPORT FOR Jan. 24, 1969.

Nevada Bell MINE

Gold at $_____Oz. Silver at_____Oz.

Assay No.	Description of Sample	Oz. Au.	Oz. Ag.	Total Value			
#29	158'-162'	.05	1.95				
30	162'-166'	.01	2.10				
31	166'-171'	.005	1.23				
32	171'-176'	.015	1.16				
33	176'-182'	Trace	0.79				
34	182'-187'	Trace	1.28				
35	187-190'	.005	1.00				
36	190-197'	.005	1.02				
37	197-203'	.005	0.88				
38	203-207'	Trace	0.79				
39	207-213	Trace	0.78				
40	213-219'	.005	0.97				
41	219-225	.005	0.91				

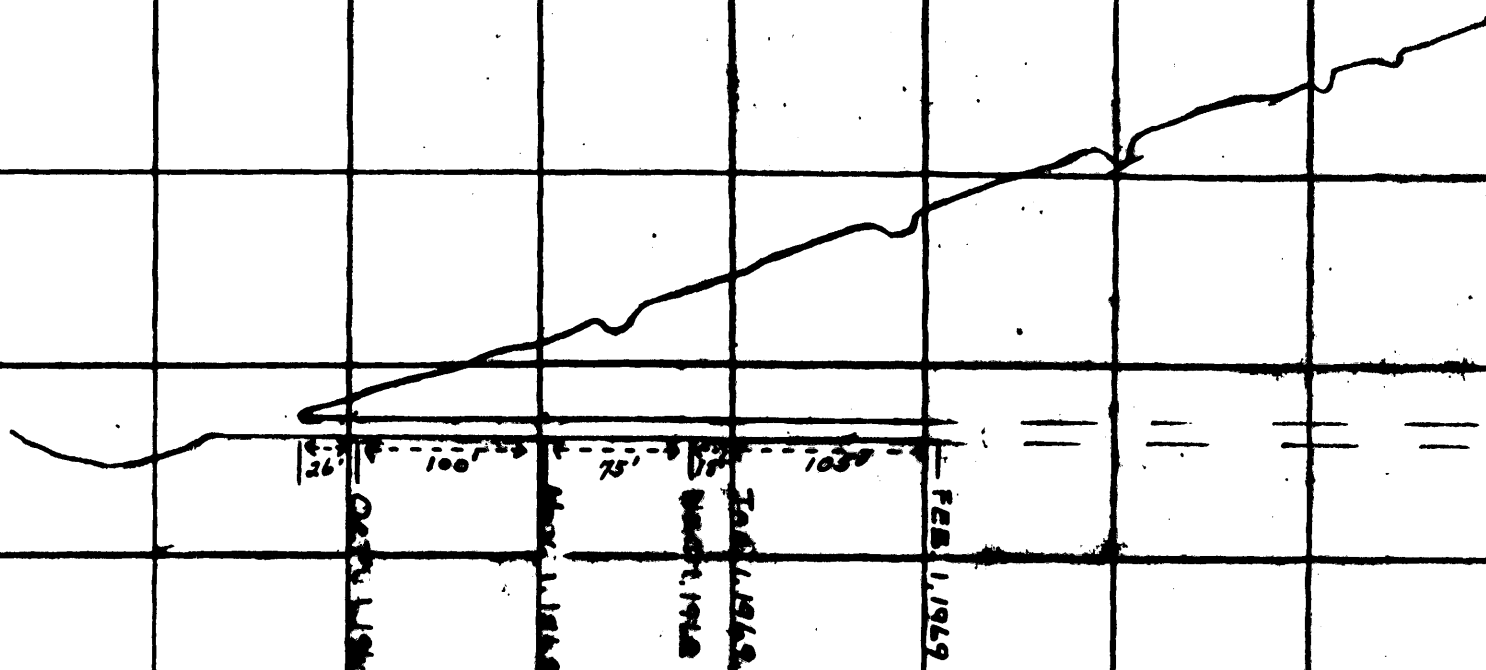
Dated_____, 196__

R. B. McFarland
Signature of Assayer

PROGRESS MAP

OME - 6697
Contract No. 2265
Claude B. Lovestedt
Nevada Bell Mountain Claims

Scale 1" -- 100'



AME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/18/69	Emerick	120
		120
		220
		120M

AIRMAIL

APR 1 8 1969

Mr. Claude B. Lovestedt
P. O. Box 1496
Carson City, Nevada 89701

Re: OME-6697 (Gold and Silver)
Bell Mountain Silver Mines, Inc. (Assignee)
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Dear Mr. Lovestedt:

Enclosed is the Operator's copy of the Assignment of Contract, Assignee's Acceptance and Government's Consent executed by the Government April 18, 1969. Vouchers for January, February, and March 1969 now will be processed for payment.

Sincerely yours,

Harold Kirkemo (gfa)

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

cc: Richard W. Holland

Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region II w/F.O. copy of Assignment
Mr. Emerick
130
WLEmerick/bsl 4/18/69

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/18/69	Emerick	120
		120
4/18	cac	220
		120M

APR 18 1969

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6697 (Gold and Silver)
Bell Mountain Silver Mines, Inc. (Assignee)
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Enclosed is Budget and Finance's copy of an Assignment of Contract, Assignee's Acceptance, and Government's Consent executed for the subject contract, and the Operator's vouchers and monthly reports for January, February, and March 1969.

Reimbursement should be sent to:

Bell Mountain Silver Mines, Inc.
c/o Mr. Willis E. Burneide
40 Exchange Place, Suite 1914
New York, New York 10005

Harold Kirkemo (gla)

Harold Kirkemo

Enclosures

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

WLEmerick/bsl 4/18/69

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

April 7, 1969

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6697 (Gold-Silver)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

OFFICIAL COPY
O. M. E.
RECEIVED
APR 9 1969
INITIALS CODE
130
120
HK 120
120

Interim Inspection

An interim inspection of the subject project was made on March 19, 1969, accompanied by the two miners and the watchman working at the property.

Work since the last inspection on February 11, 1969 (Report dated February 17, 1969) has consisted of an additional 96 feet of drifting for a total of 422 feet, and extending the crosscut from 24 feet to 44 feet in length. Assays of samples taken of each round (4 feet) of the drift between 225 feet and 295 feet indicate 0.01 to 0.04 ounce of gold and 0.28 to 1.42 ounces of silver per ton. Samples taken of each round in the crosscut indicate 0.01 to 0.02 ounce of gold and 0.27 to 1.50 ounces of silver per ton. Assays have not yet been received for the last 127 feet of drift but a chip sample taken across the face of the drift at the time of the inspection assayed a trace of gold and 0.10 ounce of silver per ton.

Numerous snow storms and unfavorable weather conditions have continued to hamper the work. About 194 feet of drifting and 485 feet of long-hole drilling remain to be completed under the contract. No additional timbering has been necessary. The crew of two miners is averaging about 5 feet of advance per shift.

A surveyor and helper were engaged in making an accurate survey of the old workings, including the winze, and the relation of these workings to the new OME drift. The Operator plans to connect the OME drift and the winze in order to provide ventilation and a second opening to the workings for safety purposes. When this survey is complete, a copy will be furnished to OME.

H. K. Stager

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

March 19, 1969

Mr. Claude B. Lovestedt
P. O. Box 1496
Carson City, Nevada 89701

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 2 1969

INITIALS	CODE
bof	120
HK	120

Re: OME-6697 (Gold-Silver)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Dear Mr. Lovestedt:

Enclosed are the original and three copies of a proposed Assignment of Contract, Assignee's Acceptance, and Government's Consent (two pages) for the OME contract referenced above.

If the document is satisfactory to you, all copies should be signed by you in the places indicated, and then forwarded to Bell Mountain Silver Mines, Inc., for signature by an authorized representative. Since no vouchers can be paid until this document is also signed for the Government, and in order to save time, you may wish to instruct Bell Mountain to return all copies directly to our Washington, D. C., office at the following address:

Office of Minerals Exploration
U. S. Geological Survey
Room 4460 Interior Building
Washington, D. C. 20242

If the document is not satisfactory to you or to the Assignee, all copies should be returned to this office with your comments.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: OME, Wash., D.C.
C. B. Lovestedt
Dir. RF
ACG RF
MP RF
Docket

RMSmith:mkh

Enclosures

/45

BELL MONTAIN SILVER MINES, INC.

729 NORTH CARSON STREET
CARSON CITY, NEVADA

40 EXCHANGE PLACE
SUITE 1914
NEW YORK, N. Y. 10005

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 17 1969
INITIALS CODE
DIRECTORS
R. HOLLAND
R. HARRELL
T. HORAN
D. CORMAN
W. BURNSIDE

RICHARD HOLLAND
PRESIDENT

THOMAS HORAN
TREASURER

ROBERT HARRELL
SECRETARY

March 5, 1969

OME-6697

Mr. Harold Stager
U. S. Geological Survey
Office of Mineral Exploration
345 Middlefield Road
Menlo Park, California 84025

Dear Mr. Stager:

This is to confirm our telephone conversation of yesterday re Bell Mountain Silver Mines, Inc. to wit:

Please be advised that Claude B. Lovestedt of Carson City, Nevada, has been designated as our mine operator at Bell Mountain Silver Mines in Churchill County, Nevada. In such capacity he is authorized to sign the progress vouchers concerning the Office of Mineral Exploration grant to the aforementioned property.

Very truly yours,

Thomas F. Horan

Thomas F. Horan
Vice President and Treasurer

TFH:AML
cc: Mr. Claude B. Lovestedt
Mr. Dale Corman

RECEIVED
MAR 11 1969
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/17/69	Emerick	120E
3/17	Kulzamer	
3/17	Kerr	
		220
		130M
		120E
3/17	LAC	220
		120M

AIRMAIL

MAR 17 1969

Memorandum

To: Field Officer, Region II

From: Acting Chief, Office of Minerals Exploration

Subject: OME-6697 (Gold-Silver)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Under the agreement signed on November 12, 1968, by and between Claude B. Lovestedt and Bell Mountain Silver Mines, Inc., Lovestedt no longer has rights in the land under the subject contract. Lovestedt should submit a legal document showing the assignment of the contract to Bell Mountain Silver Mines, Inc., who must assume all obligations under the contract.

Enclosed, therefore, are the original and three copies of a proposed Assignment of Contract, Assignee's Acceptance, and Government's Consent (two pages) for the subject contract. An extra copy is enclosed for field use.

If the document is satisfactory to you and the Assignor (Lovestedt) all copies should be signed by the Assignor and an authorized representative of the Assignee in the indicated places. All copies should be returned to this office for signature by the Government and distribution of the copies.

William L. Emerick (gla)

W. L. Emerick
For: Harold Kirkemo

Enclosures

cc: Director's Reading File
Economic Geology File
OME File
OME Reading File
Mr. Emerick
130

ELEmerick/gla 3-17-69

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Assoc. Sol.--MR, Room 6554 (Through Room 6042)		
2. Mr. Emerick, Room 4459		
3. INTERIOR DEPT.		
4. MAR 12 1969		
5. SOLICITOR		
FROM: Chief, OME		

FOR: Check items for action desired

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

REMARKS:

Re: Assignment of Contract

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

120 Emerick
120 Sherbeno
110
120M

To Legal 1/69

EXPLORATION CONTRACT
CLAUDE B. LOVESTEDT
OME-6697

ASSIGNMENT OF CONTRACT

WHEREAS, the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Claude B. Lovestedt, an individual hereinafter called the "Assignor," entered into Exploration Contract 2265 (OME-6697), dated August 9, 1968, hereinafter called the "Contract," and

WHEREAS, Bell Mountain Silver Mines, Inc., a Nevada Corporation, hereinafter called the "Assignee", has acquired the Assignor's interest in the land which is the subject of the contract and the Assignee desires to complete the work under the Contract;

NOW THEREFORE, effective November 12, 1968, the Assignor OR subject to acceptance by the Assignee and the consent of the Government , in consideration of one dollar ($1.00) and other good and valuable consideration received from the Assignee, does hereby sell, assign, and transfer to the Assignee all of his right, title, and interest in the Contract; Provided, That the Government shall be and is hereby released by the Assignor from all claims under the Contract.

The Assignor consents to all future amendments (including a termination agreement) and assignments of the Contract and waives notice thereof.

Dated this _____ day of _____, 1969.

JOHN B. LOVESTEDT
(Assignor)

By_____

ASSIGNEE'S ACCEPTANCE

The Asignee hereby accepts the above assignment and agrees to be bound by the terms, provisions, and conditions of the Contract. The Assignee expressly assumes and agrees to pay to the Government any royalty that may have accrued and remain unpaid on the effective date of this assignment and that may accrue thereafter under the provisions of the Contract.

Dated this _____ day of _____, 1969.

BELL MOUNTAIN SILVER MINES, INC.
ASSIGNEE

By_____
Richard W. Holland, President

I, _____, certify that I am the _____, secretary of the corporation named herein; that _____ signed this instrument on behalf of the corporation, was then _____ of said corporation, that said instrument was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____ /Corporate Seal/

GOVERNMENT'S CONSENT

The Government this _____ day of _____, 1969, hereby consents to the above assignment without releasing the Assignor, Claude B. Lovestedt, from any of the terms, provisions, and conditions of the Contract.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/7/69	Emerick	120E

March 7, 1969

Memorandum

To: The File

From: W. L. Emerick, Office of Minerals Exploration

Subject: OME-6697 (Gold-Silver)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

This contract was executed August 9, 1968, between the Government and Claude B. Lovestedt, an individual.

On December 2, 1968, Claude B. Lovestedt requested permission to transfer his lease and subject contract to Bell Mountain Silver Mines, Inc., a Nevada corporation, whose principal office was stated to be 40 Exchange Place, Suite 1914, New York, New York. On December 3, 1968, Thomas A. Cooke, Attorney for Bell MountainSilver Mines, Inc., sent the Field Officer, Region II, a copy of the agreement that was to be executed between Claude B. Lovestedt and Bell Mountain Silver Mines, Inc., whereby the former was to assign his interest in the property covered by the above subject contract. An executed copy of this agreement, dated November 12, 1968, was sent to the Field Officer, Region II, by Mr. Thomas A. Cooke, on December 24, 1968.

A letter was sent to Claude B. Lovestedt on January 12, 1969, stating that under the terms of Article 2(c) of Contract 2265 he was in default under the terms of the contract because of the assignment of his rights, title, and interest in the land. He was instructed that Bell Mountain Silver Mines, Inc., must establish eligibility to take over the contract by submitting (1) a financial statement showing their competence to assume all obligations of the contract, (2) copies of correspondence with two banks requesting an exploration loan, and (3) a request that the contract be assigned to them. These three conditions were met by Bell Mountain Silver Mines, Inc., under a letter of request for assignment of the contract dated February 27, 1969.

The assignment of Contract, Assignee's Acceptance, and Government's Consent drafted to cover the development resulting from the above agreement were prepared from a similar set of documents prepared in August 1968 for Contract 2251 (OME-6641) for a proposed assignment between Inca Mining Company, Assignor, and Inca Exploration Company, Assignee.

William L. Emerick

William L. Emerick

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
Mr. Emerick

WLEmerick/bsl 1/22/68
Rewritten: WLEmerick/gla 3/7/69

TEL. 344-5745

BELL MONTAIN SILVER MINES, INC.

729 NORTH CARSON STREET
CARSON CITY, NEVADA

40 EXCHANGE PLACE
SUITE 1914
NEW YORK, N. Y. 10005

RICHARD HOLLAND
PRESIDENT

THOMAS HORAN
TREASURER

ROBERT HARRELL
SECRETARY

DIRECTORS
R. HOLLAND
R. HARRELL
T. HORAN
D. CORMAN
W. BURNSIDE

February 27, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 6 1969
INITIALS | CODE
ga | 130
bal | 120
WE | 120

United States Department of Interior
Washington, D. C. 20242

Att: Mr. Frank E. Johnson
Chief of Minerals Exploration

Re: OME - 6697
Gold-Silver
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Dear Sir:

This Company requests that the above described contract is assigned to it. There is submitted herewith a financial statement showing the competence of this Company to assume all obligations of this contract and copies of correspondence with two banks requesting an exploration loan.

We await your advice with respect to this request.

Very truly yours,

BELL MOUNTAIN SILVER MINES, INC.

By Thomas Horan
Treasurer

Encls.

Copy to OME Region II without enclosures
Enclosures received: Balance Sheet January 31, 1969, by Gotthilf, Lam & Co.
Bell Mountain letter Feb. 26, 1969, to Underwriters Trust Company, 54th Street and Broadway, New York, New York, requesting 90-day loan, $28,000. Bank's reply 2/27/69.
Bell Mountain's letter February 26, 1969 to Manufacturers Hanover Trust Company, 530 7th Ave., New York, NY requesting loan $28,000. Bank's letter Feb. 25, 1969

BELL MOUNTAIN SILVER MINES, INC.

BALANCE SHEET

JANUARY 31, 1969

GOTTHILF, LAM & CO.

GOTTHILF, LAM & CO.
ACCOUNTANTS AND AUDITORS
366 MADISON AVENUE
NEW YORK, N.Y. 10017
MURRAY HILL 2-3850
3851

February 25, 1969

To the stockholders of
Bell Mountain Silver Mines, Inc.
c/o Conboy, Hewitt, O'Brien & Boardman
20 Exchange Place
New York, N.Y. 10005

Gentlemen:

Pursuant to your request, we have examined the books and records of Bell Mountain Silver Mines, Inc. for the period from June 14, 1968 to January 31, 1969. As a result thereof, we have prepared, and submit herewith the following statement:

Exhibit A -- Balance sheet as at January 31, 1969

The figures were taken from your books and records as well as information supplied by management. As a result, we cannot render any opinion with respect to the attached financial statement.

Respectfully submitted,

Gotthilf, Lam & Co.

EXHIBIT A

BELL MOUNTAIN SILVER MINES, INC.

BALANCE SHEET

JANUARY 31, 1969

A S S E T S

CURRENT ASSETS:		
Cash in bank	$ 4,112.32	
Subscription receivable	13,500.00	
TOTAL CURRENT ASSETS		$17,612.32
UNRECOVERED COST OF EXPLORATION, MINING AND DEVELOPMENT COSTS AND OTHER ASSETS:		
Mining claim Note 1	35,160.00	
General administrative costs	2,783.33	
Royalties Note 1	500.00	
	38,443.33	
Organization expense	504.35	
TOTAL UNRECOVERED COSTS		38,947.68
TOTAL		$56,560.00

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:			
NONE			-0-
STOCKHOLDERS' EQUITY:			
Capital stock, $.01 par value			
Authorized	1,000,000 shares	$10,000.00	
Less: Unissued	800,000 shares	8,000.00	
Issued and Outstanding Note 2	200,000 shares	2,000.00	
Capital surplus		54,560.00	
TOTAL STOCKHOLDERS' EQUITY			$56,560.00
TOTAL			$56,560.00

THIS STATEMENT IS TO BE READ IN CONJUNCTION WITH THE NOTES AND LETTER ATTACHED HERETO WHICH ARE AN INTEGRAL PART HEREOF

GOTTHILF, LAM & CO.

NOTES TO BALANCE SHEET

NOTE 1: The company has entered into an agreement with Claude A. Lovestedt under the terms of which the company is to pay Lovestedt for his interest in certain mining claims situated in the State of Nevada, in Churchill County, the following:

1. $35,000.00 in cash on or before signing contract
2. $65,000.00 in cash during the year 1969, but no later than ten days after a public offering of the company's stock.
3. $200,000.00 worth of capital stock of the company valued at the same price as the public offering price.

In addition the company will assume the rights and obligations of Lovestedt with respect to the above-mentioned mining claims leased by Lovestedt from Nevada Bell Mountain Corporation as follows:

1. The duration of the lease is for twenty years beginning January 11, 1968 and renewable for twenty years.
2. Nevada Bell Mountain Corporation is to be paid royalties of $6,000.00 per annum with a minimum monthly payment of $500.00 or a 10% net smelters return, during the duration of the lease.
3. An option to purchase the mining property for $900,000.00, payable within the terms of the lease, with all the royalties applied toward the purchase price.

NOTE 2: There are presently outstanding five year warrants for 224,000 shares at a price not to exceed $.05 above the public offering price.

GOTTHILF, LAM & CO.

February 26, 1969

Underwriters Trust Company
54th Street and Broadway
New York, New York

Att: Mr. Timothy Foley

Gentlemen:

We are desirous of obtaining a ninety-day loan from your bank amounting to $28,000.00 for further development and exploration of our mining properties located in Churchill County, Nevada.

In connection therewith and for your consideration we are submitting the statement of our auditors, Gotthilf, Lam & Co., New York, New York, as of January 31, 1969.

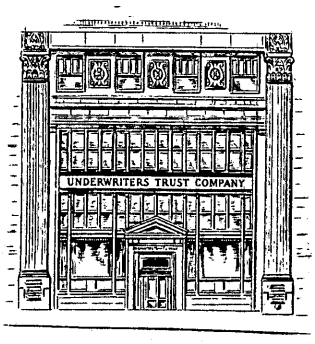
Would you kindly give this matter your attention.

Very truly yours,

BELL MOUNTAIN SILVER MINES, INC.

By s/ Thomas F. Horan
Treasurer

cc



UNDERWRITERS TRUST COMPANY

50 BROADWAY
NEW YORK 4, N.Y.

TIMOTHY A. FOLEY, JR.
ASSISTANT SECRETARY

February 27, 1969

Mr. Thomas Horan, Treasurer
Bell Mountain Silver Mines Inc.
40 Exchange Place Suite 1914
New York, New York 10005

Dear Mr. Horan:

After careful consideration we regret to inform you that we cannot accede to Bell Mountain's request for a $28,000, ninety day accommodation inasmuch as development and exploration financing falls outside the province of commercial bank lending.

I wish to again thank you for favoring us with your account and assure you that we will be more than pleased to consider future financing requests of other than an equity nature.

Very truly yours,

Timothy A. Foley Jr.
Assistant Secretary

TAF:rh

Copy to: Frank Lam C.P.A.
Gotthilf,Lam & Co.
366 Madison Avenue
New York, N.Y. 10017

February 26, 1969

Manufacturers Hanover Trust Company
530 7th Avenue
New York, New York

Att: Mr. Philip Chetta
Vice President

Gentlemen:

We are desirous of obtaining a ninety-day loan from your bank amounting to $28,000.00 for further development and exploration of our mining properties located in Churchill County, Nevada.

In connection therewith and for your consideration we are submitting the statement of our auditors, Gotthilf, Lam & Co., New York, New York, as of January 31, 1969.

Would you kindly give this matter your attention.

Very truly yours,

BELL MOUNTAIN SILVER MINES, INC.

By s/ Thomas F. Horan
Treasurer

cc

MANUFACTURERS HANOVER TRUST COMPANY

530 SEVENTH AVENUE, NEW YORK, N. Y. 10018

February 25, 1969

Mr. Thomas F. Horan, Treasurer
Bell Mountain Silver Mines, Inc.
c/o Conboy, Hewitt, O'Brien & Boardman
20 Exchange Place
New York, New York 10005

Dear Mr. Horan:

We have received your company's financial statement as at January 31, 1969 which was reviewed carefully, and regret to advise that we cannot comply with your request for a loan.

We hope that we may be of some service to you in the future.

Very truly yours,

Philip J. Chetta
Vice President

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

February 17, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 20 1969
INITIALS | CODE
120
120
110
120

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6697 (Gold-Silver)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Interim Inspection

An interim inspection of the subject project was made on February 11, 1969, accompanied by Mr. Lovestedt, the Operator.

Work since the last inspection on October 14, 1968 (Report dated October 22, 1968) has consisted of about 290 feet of drifting and 24 feet of cross-cutting in the mineralized fault zone. The drift adit totals about 326 feet in length, with a crosscut 24 feet in length to the north at about 300 feet from the adit portal. Assays of samples taken of each round (4 feet) of drift between 50 feet and 225 feet indicate a trace to 0.035 ounce of gold and a trace to 2.72 ounces of silver per ton with an average of about 0.01 ounce of gold and 1 ounce of silver. Assays have not yet been received for the last 100 feet of drift or the 24 feet of crosscut. Cross-faulting at about 300 feet from the portal has apparently shifted the footwall of the mineralized zone to the north. The Operator intends to extend the crosscut to the footwall of the mineralized zone and then alter the bearing of the drift to the north in order to keep the drift close to the footwall of the zone where conditions for the localization of ore shoots are most favorable.

Timbering has not been necessary in the adit except for about 37 feet at the portal. A crew of two miners is averaging about 4 feet of advance per shift.

Unfavorable weather conditions and numerous snow storms have hampered the work and made the hauling of equipment and supplies difficult. About 300 feet of drifting and 485 feet of long-hole drilling remain to be completed under the contract.

H. K. Stager

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 4 1969
INITIALS | CODE
130
120
110

P. O. Box 1496
Carson City, Nevada 89701
January 31, 1969

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

Re: OME-6697
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Dear Mr. Johnson:

In reply to your letter of January 24, 1969, upon receipt of same, I immediately contacted Mr. Stager in Menlo Park and informed him I was turning the matter over to Thomas A. Cooke, the attorney of Bell Mountain Silver Mines, Inc. in the Reno area, in order to get the situation cleared as soon as possible.

I have every confidence that the problems will be resolved without difficulty.

Sincerely yours,

Claude B. Lovestedt

Claude B. Lovestedt

CBL:hl

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/23/69	Emerick	120
1/24/69	Kirkham	120
		110
1/23	Carr	220
		120M

JAN 24 1969

AIRMAIL

Mr. Claude B. Lovestedt
P. O. Box 1496
Carson City, Nevada 89701

Re: OME-6697 (Gold-Silver)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Dear Mr. Lovestedt:

In your application for financial assistance in exploration on the Homestake Group and Edith claims, OME Docket No. 6697, it was required that you establish rights to the property. Under an "Agreement," dated November 12, 1968, between you and Bell Mountain Silver Mines, Inc., you assigned your rights in the land to them.

Article 2(c) of Contract 2265 expressly states that the Operator shall preserve and maintain his rights, title, or interest in the land and his right to the possession thereof for the purposes of the contract. Therefore, you are in default under the terms of the contract.

To correct the situation one of two things must be done at once. Either the land must be reassigned to you until the contract is completed, or, the Assignee, Bell Mountain Silver Mines, Inc., must establish eligibility to take over the contract. They should submit (1) a financial statement showing their competence to assume all obligations of the contract, (2) copies of correspondence with two banks requesting an exploration loan, and (3) a request that the contract be assigned to them.

Your prompt attention to this matter will be appreciated.

Sincerely yours,

FRANK E. JOHNSON (gfa)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region II
Mr. Emerick
WLEmerick/bsl 1/23/69

Jan 6, 1969

Mr. Emerick:

Under "Agreement" dated Nov. 12, 1968, the Operator no longer has rights in the land under this contract.

Prepare a letter to the operator explaining that he must submit a legal document showing the assignment of the contract to Bell Mountain Silver Mines, Inc. Bell Mountain must assume all obligations under the contract.

The amendment is ok except that after the above-mentioned assignment is completed it will have to be expanded to show the assignment, so hold it for now. Ask Kirk for an example of how this is done.

R. Bliss

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Assoc. Sol. Rm. 6554 Interior Bldg. Through Room 6042~~		
2. Mr. Emerick, Rm. 4459, Interior Bldg.		
3.		
4.		
5.		

FROM: Chief, OME

16-93-3123 SOLICITOR 1969 INTERIOR DEPT.

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

Proposed Amendment No. 1
Claude B. Lovested, OME-6697

FROM SOLICITOR JAN 23 FOR SIGNATURE

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

DRAFT 1/13/69
ELEmerick/gla

RECEIVED
JAN 15 1969
Division of Mineral Resources
and Genenral Legal Services

EXPLORATION CONTRACT
CLAUDE B. LOVESTEDT
OME-6697

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1969, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and Claude B. Lovestedt, hereinafter called the "Operator," that Exploration Contract No. 2265 (OME-6697), dated August 9, 1968, is amended effective the date of the contract as follows:

In Annex I:

The following paragraph shall be added to read:

"A Lien and Subordination Agreement, dated December 10, 1968, and executed by James A. Stockton and Frances Joy Fobes, private individuals, is attached and made part hereof."

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

CLAUDE B. LOVESTEDT

By_____

Title_____

DRAFT 1/13/69
WELEmerick/gla

To Legal 1/13/69

120 Emerick
120 Kirkham
110 Johnson
120M

EXPLORATION CONTRACT
CLAUDE B. LOVESTEDT
OME-6697

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1969, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and Claude B. Lovestedt, hereinafter called the "Operator," that Exploration Contract No. 2265 (OME-6697), dated August 9, 1968, is amended effective the date of the contract as follows:

In Annex I:

The following paragraph shall be added to read:

"A Lien and Subordination Agreement, dated December 10, 1968, and executed by James A. Stockton and Frances Joy Fobes, private individuals, is attached and made part hereof."

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

CLAUDE B. LOVESTEDT

By_____

Title_____

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/13/69	Emerick	120
1/13/69	Kirkham	120
"	Johnson	110
		220
		120M

January 13, 1969

Memorandum

To: The File

From: William L. Emerick, Office of Minerals Exploration

Subject: OME-6697 (Gold-Silver)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Justification for Amendment No. 1

The Operator's attorneys recently discovered that a Mr. Stockton owned 10 percent of the Nevada Bell Mountain Gold Corporation, owners of the claims on which contract work is being done. This 10 percent ownership was unknown at the time the exploration contract was written. Five copies of the Lien and Subordination Agreement, covering the 10 percent ownership and signed by the heirs of Mr. Stockton, have been submitted to OME.

Amendment No. 1 incorporates these Lien and Subordination Agreements into the original contract, effective on the date of the contract.

William L. Emerick

William L. Emerick

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
Mr. Emerick

ELEmerick/gla 1-13-69

FORM
MARCH

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 17 1969
INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OK-WRE
1/6/69

OPERATOR'S MONTHLY VOUCHER

For Month of December, 1968

Docket No. OME- 6697
Contract 14-08-0001 2265
Contract Amount $ 37,640.00
Gov't. Participation % 75 $ 28,230.00

Operator's Name Claude B. Lovestedt
Address Box 1496 Carson City, Nevada 89701

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
Drifting & x-cutting	18'	$ 720.00	219'	$ 8760.00	18	$ 720.00	219'	$ 8,760.00
Timbering	--	--	37'	259.00	0	0	37'	259.00
Sampling & assaying	8	25.60	27	86.40	8	25.60	27	86.40
Supervision	1 mo.	850.00	4-1/3	3683.30	1 Mo.	850.00	4 1/3	3,683.30
Office Expense	1 mo.	35.00	4-1/3	151.67	1 Mo.	35.00	4 1/3	151.67
TOTALS		$ 1630.60		$ 12940.37		$ 1,630.60		$ 12,940.37

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

Date Jan. 1, 1969 *Payee Claude B. Lovestedt

Per _____ Title Operator

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer Date 1-2-69

(63) 14X0804

Approved for: $ 1,222.95
(SUBJECT TO AUDIT)

Signature [illegible]

Date JAN 17 1969 Vou. No. 94239

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

OPERATOR'S NARRATIVE REPORT
January 1, 1969
Claude B. Lovestedt
Nevada Bell Mountain Claims
OME-6697
Contract No. 2265
Started work August 20, 1968

During December, 1968 no work was done in the tunnel until December 23rd.

We overhauled the compressor and worked the track over on the dump, so that we can use side dump cars and an air trammer.

The last 18 feet has been in shattered calcite. Easy to drill but difficult to load the holes at times.

I think we will be able to get a round in and out every day now that my steady men from Zaca are doing the work.

RECEIVED
JAN 2 1969
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

ASSAY REPORT FOR [illegible] 19[illegible]

[illegible] MINE

Gold at $_____Oz. [illegible] Silver at _____Oz.

Assay No.	Description of Sample	Oz. Au	Oz. Ag.	Total Value			
#21	[illegible]	[illegible]	[illegible]				
22	[illegible]	[illegible]	[illegible]				
23	[illegible]	[illegible]	[illegible]				
24	[illegible]	[illegible]	[illegible]				
25	[illegible]	[illegible]	[illegible]				
26	[illegible]	[illegible]	[illegible]				
27	[illegible]	[illegible]	[illegible]				
28	[illegible]	[illegible]	[illegible]				

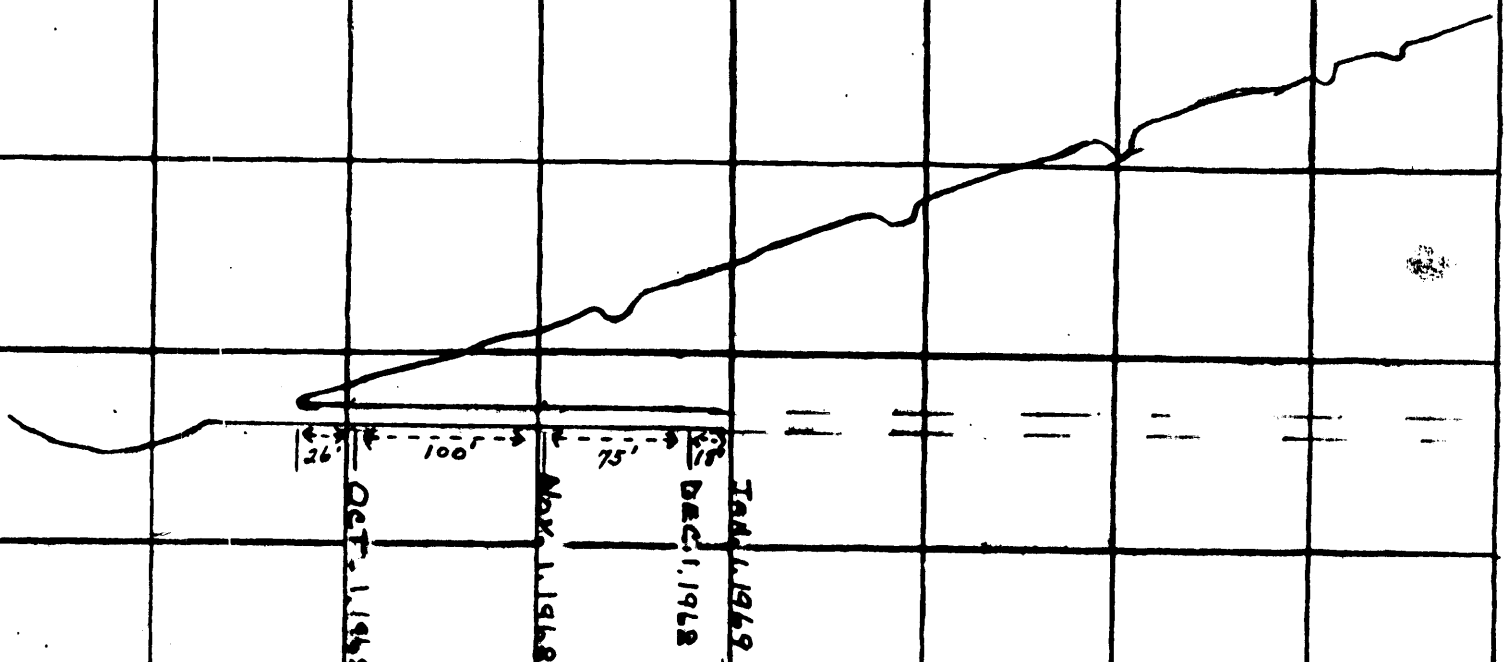
Dated _____

RECEIVED
JAN 2 1969
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

PROGRESS MAP

OME - 6697
Contract No. 2265
Claude B. Lovestedt
Nevada Bell Mountain Claims

Scale 1" -- 100'



UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

January 7, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 8 1969

INITIALS	CODE
	110
	130
	120 M
	120 E

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6697 (Gold-Silver)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Enclosed is a request by the Operator of the subject contract to assign his lease on the land to the newly formed Bell Mountain Silver Mines, Inc. A copy of the proposed Agreement of assignment is attached. The Government's written consent to the assignment is required by Article 1(d) of the contract. The requirements of Article 2(c) are provided for in the Agreement. Although the request from Mr. Lovestedt requests permission to assign the contract also, that is not its intent. Both Mr. Lovestedt and Mr. Cooke have stated that the contract is to remain in Mr. Lovestedt's name.

Also enclosed are five copies of Lien and Subordination Agreements from James W. Stockton and Frances Joy Fobes, heirs of another Mr. Stockton who owned 10 percent of Nevada Bell Mountain Gold Corporation, owner and lessor of the land subject to the OME contract. The 10 percent ownership was unknown at the time the contract was written and was discovered recently by Cooke and Roberts. The L & S Agreements should be incorporated into the contract regardless of whether the assignment is approved or not. Claims

Additional L & S Agreements from the new company appear to be unnecessary by the wording of Article 9 of the Agreement. Proof of financial eligibility

may be required, however, since Mr. Lovestedt will own a 40 percent interest in the new company. Mr. Cooke stated that the new company is incorporated for $10,000.00 (1¢ per share) and does not have sufficient funds to perform the work at its own expense.

We requested a financial statement but it has not been received. We have not requested bank letters, but have informed Mr. Cooke that they may be required.

R. M. Smith

for H. K. Stager

Enclosures

OFFICIAL
COPY
.. E.
ED
N 8 1969
INITIALS | CODE

P. O. Box 1496
Carson City, Nevada 89701
December 31, 1968

Mr. H. K. Stager
Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Gentlemen:

In regard to transfering the OME contract, OME-6697 Contract 2265, on the Nevada Bell Mountain claims, we feel that if it is agreeable with you the contract should be left in my name, as is.

Therefore, please disregard the transfer request I previously sent to you.

Thank you.

Sincerely yours,

Claude B. Lovestedt
Claude B. Lovestedt

CBL:hl
Copy: Thomas A. Cooke
Attorney at Law

Bell Mountain Silver Mines, Inc.

RECEIVED
JAN 2 1969
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

COOKE AND ROBERTS
ATTORNEYS AND COUNSELORS AT LAW
ONE EAST FIRST STREET, SUITE 1400
P. O. BOX 2229
RENO, NEVADA
89505

THOMAS A. COOKE
BRUCE D. ROBERTS

AREA CODE 702
TEL. 329-1766

December 24, 1968

Mr. H. K. Stager
Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME - 6697
Contract 2265
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada

Dear Mr. Stager:

Back left land side

Enclosed herewith please find a conformed copy of the Agreement between Claude B. Lovestedt and Bell Mountain Silver Mines, Inc., dated November 12, 1968. Also enclosed is a conformed copy of Addendum Agreement between Nevada Bell Mountain Gold Corporation and Claude B. Lovestedt dated December 9, 1968.

With Seasons Greetings, I am

Sincerely yours,

Thomas A. Cooke (h)

Thomas A Cooke

TAC:h
Encs.

RECEIVED
DEC 26 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

COOKE AND ROBERTS
ATTORNEYS AND COUNSELORS AT LAW
ONE EAST FIRST STREET, SUITE 1400
P. O. BOX 2229
RENO, NEVADA
89505

THOMAS A. COOKE
BRUCE D. ROBERTS

AREA CODE 702
TEL. 329-1766

December 11, 1968

Mr. H. K. Stager
Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME - 6697
Contract 2265
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada

Dear Mr. Stager:

Pursuant to our telephone conversation of this morning, I am enclosing the following:

1. Five copies of Subordination Agreement signed by James W. Stockton and Frances Joy Fobes
2. One copy of Addendum Agreement } left-hand side
3. One copy of Stockton Agreement }

I will send you a copy of the executed assignment agreement between Claude B. Lovestedt and Bell Mountain Silver Mines, Inc. as soon as a few minor changes are made.

Very truly yours,

Thomas A. Cooke

Thomas A. Cooke

TAC:h
Encs.

RECEIVED
DEC 12 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

COOKE AND ROBERTS
ATTORNEYS AND COUNSELORS AT LAW
ONE EAST FIRST STREET, SUITE 1400
P. O. BOX 2229
RENO, NEVADA
89505

THOMAS A. COOKE
BRUCE D. ROBERTS

AREA CODE 702
TEL. 329-1766

December 3, 1968

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

Mr. H. K. Stager
Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME - 6697
Contract 2265
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada

Dear Mr. Stager:

I am enclosing a copy of the Agreement between Claude B. Lovestedt and Bell Mountain Silver Mines, Inc., a corporation, whereby the former is to assign his interest in the property covered by the above mentioned contract. The Agreement has not been executed as yet and there will probably be a few minor changes to same. However, in talking the matter over with Mr. R. M. Smith, of your office, yesterday we concluded it would be helpful to send the agreement on to your office so that your legal department would be advised generally of its contents. In other words, when we finalize it and get it signed it won't take so long for Government approval and consent as required by the terms of your agreement with Lovestedt. If you have any questions on the agreement please let me know.

left-hand side

I would appreciate it if you would send a copy of Exhibit A annexed to your agreement with Lovestedt to me.

Yours very truly,

Thomas A. Cooke

RECEIVED
DEC 4 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

TAC:h
Enc.

OFFICIAL
COPY
O. M. E.
RECEIVED
DEC 8 1968
INITIALS CODE

P. O. Box 1496
Carson City, Nevada 89701
December 2, 1968

Mr. H. K. Stager
Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6697
Contract 2265
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada

Dear Mr. Stager:

Per our telephone conversation this morning, I hereby request permission to transfer my lease and subject contract to Bell Mountain Silver Mines, Inc., 40 Exchange Place, Suite 1914, New York, New York, 10005.

This Conv. 12-3-68 (Lease Bit NOT Contract) HKS

This is a Nevada corporation in which I will be retaining an interest.

Mr. Thomas A. Cooke, Attorney at Law, Cooke and Roberts, P. O. Box 2229, Reno, Nevada, 89505, is handling their legal matters in this area.

Thank you very much for your kind consideration.

Sincerely yours,

Claude B. Lovestedt
Claude B. Lovestedt

CBL:hl
Copy: Mr. Thomas A. Cooke
Attorney at Law

RECEIVED
DEC 3 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OR-WRS
12/5/68

GEOLOGICAL SURVEY U.S. DEC 3 1968 RECEIVED

OPERATOR'S MONTHLY VOUCHER

For Month of November, 1968

Docket No. OME- 6697
Contract 14-08-0001 2265
Contract Amount $ 37,640.00
Gov't. Participation % 75 $ 28,230.00

Operator's Name Claude B. Lovestedt
Address Box 1496 Carson City, Nevada 89701

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Drifting & x-cutting	75'	$ 3000.00	201'	$ 8040.00	75'	$ 3,000.00	201'	$ 8,040.00
Timbering	10'	70.00	37'	259.00	10'	70.00	37'	259.00
Sampling & assaying	19	60.80	19	60.80	19	60.80	19	
Supervision	1 mo.	850.00	3-1/3	2833.30	1 Mo	850.00	3 1/3	2,833.30
Office Expense	1 mo.	35.00	3-1/3	116.67	1 Mo.	35.00	3 1/3	116.67
TOTALS		$ 4015.80		$ 11309.77		$ 4,015.80		$ 11,309.77

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

Date Dec. 1, 1968 *Payee Claude B. Lovestedt

Per _____ Title Operator

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature H K Hager, OME Field Officer — Date 12-3-68

(63) 14X0804

Approved for: $ 3011.85 (SUBJECT TO AUDIT)

Signature _____

DEC 13 1968

Date _____ Vou. No. 93542

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Vouch

OPERATOR'S NARRATIVE REPORT
December 1, 1968
Claude B. Lovestedt
Nevada Bell Mountain Claims
OME-6697
Contract No. 2265
Started work August 20, 1968

During November, 1968 the work at Nevada Bell was carried on. One of the miners injured his hand a week ago, so only 75 feet of drift was driven.

We were in good looking vein material for 50 feet; then it changed to fault gouge and drag boulders.

We will turn slightly to the right (south) towards the hanging wall in order to get out of the fault. It seems to run along the foot wall. There has been some cross faulting also.

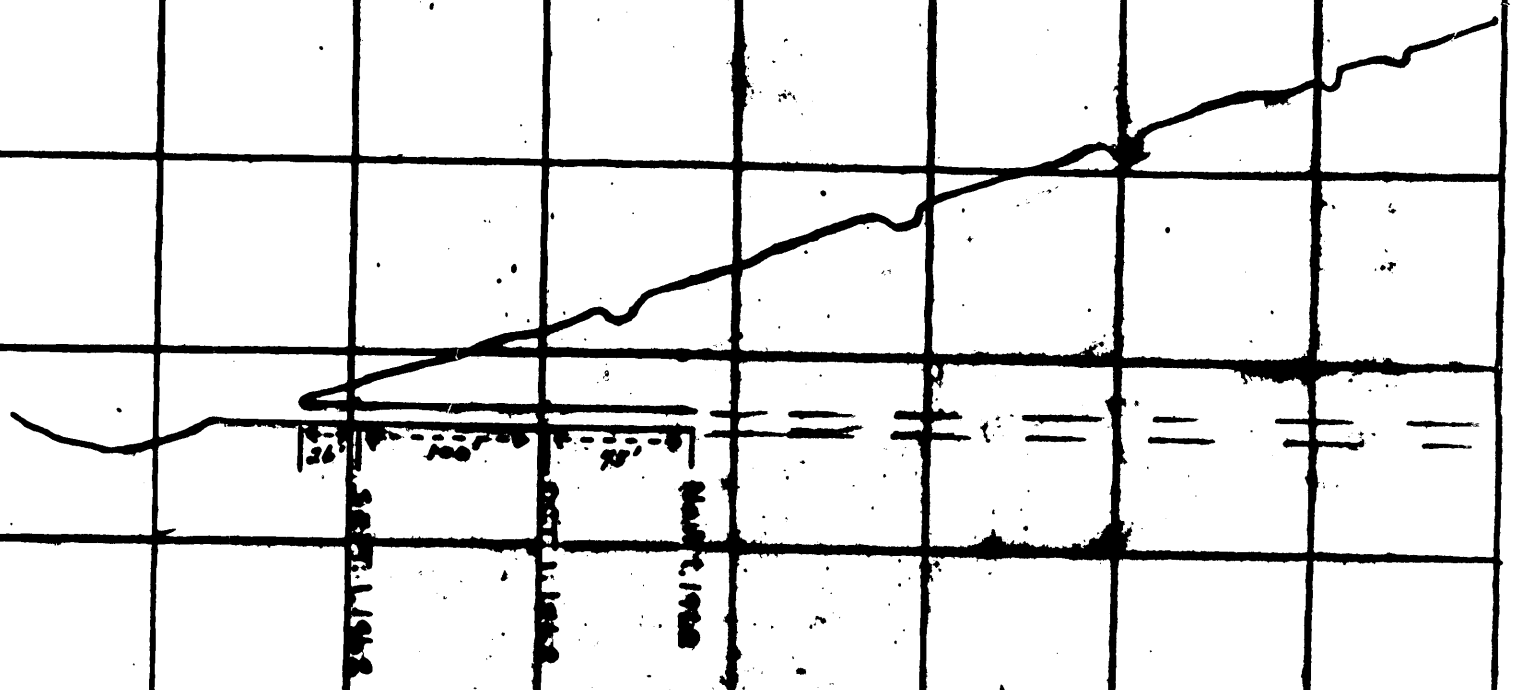
If we can go by the surface trenching, we will encounter the solid, massive vein between 250 feet and 300 feet in.

Sampling and assaying was done per assay sheets attached.

PROGRESS MAP

OME - 6697
Contract No. 2265
Claude B. Lovestedt
Nevada Bell Mountain Claims

Scale 1" -- 100'



ASSAY REPORT FOR [illegible] 19, 196 8.

Nanette Bell MINE

Gold at $_____Oz. Silver at_____Oz.

Assay No.	Description of Sample	Oz. Au.	Oz. Ag.	Total Value			
#1	50-54'	.005	0.60				
2	54-58'	.005	0.61				
3	58-62'	.005	0.47				
4	62-66'	.005	0.55				
5	66-70'	.01	1.43				
6	70-74'	.005	[illegible]				
7	[illegible]	No Sample					
8	74-78'	.005	[illegible]				
9	78-82'	.005	[illegible]				
10	82-86'	.005	[illegible]				
11	86-90'	.005	[illegible]				
12	90-94'	.01	1.26				
13	94-98'	.01	1.12				
14	98-102'	[illegible]	[illegible]				

Dated_____, 196__

[illegible]

Signature of Assayer

ASSAY REPORT FOR Nov 19, 1968.

Nevada Belle MINE

Gold at $_____Oz. Silver at _____Oz.

Assay No.	Description of Sample	Oz. Au.	Oz. Ag.	Total Value			
15	102 - 106'	.025	0.65				
16	106 - 110'	.01	1.06				
17	110 - 114'	.01	1.75				
18	114 - 118'	.015	2.76				
19	118 - 122'	.025	[illegible]				
20	122 - 126'	.025	[illegible]				

Dated _____ 196[illegible]

1648
M/ 68

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OR - WLE
11/5/68

OFFICIAL COPY
RECEIVED
12 1968
INITIALS CODE

OPERATOR'S MONTHLY VOUCHER

For Month of: October, 1968

Docket No. OME- 6697
Contract 14-08-0001 2265
Contract Amount $ 37,640.00
Gov't. Participation % 75 $ 28,230.00

Operator's Name: Claude B. Lovestedt
Address: Box 1496 Carson City, Nevada 89701

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
Drifting & x-cutting	100'	$ 4000.00	126'	$ 5040.00	100'	$ 4,000.00	126'	$ 5,040.00
Supervision	1 mo.	850.00	2-1/3	1983.30	1 Mo.	850.00	2 1/3 Mo.	1,983.30
Office Expense	1 mo.	35.00	2-1/3	81.67	1 Mo.	35.00	2 1/3 Mo.	81.67
Timbering	-	-	27'	189.00	0	0	27'	189.00
TOTALS		$ 4885.00		$ 7293.97		$ 4,885.00		$ 7,293.97

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

Date Nov. 1, 1968 *Payee Claude B. Lovestedt

Per _____ Title Operator

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer Date 11-4-68

14X0804

Approved for: $ 3,663.75
(SUBJECT TO AUDIT)

Signature MS

Date NOV 8 1968 Vou. No. 92915

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

OPERATOR'S NARRATIVE REPORT
November 1, 1968
Claude B. Lovestedt
Nevada Bell Mountain Claims
OME-6697
Contract No. 2265
Started work August 20, 1968

During the month of October, 1968 the work on the drift at Bell Mountain progressed more like it should.

We measured one hundred feet driven between October 9th and October 31st. We are in a total of 126 feet.

As soon as manganese was encountered, I started taking samples which will be assayed this month and reported in the November account.

We encountered the calcite, quartz vein at 122 feet in from where we started. The vein material is almost all calcite at the face with black silver sulfide in small vugs. There is a lot of fracturing. It could be called a crushed zone.

We will turn slightly to the north now, in order to stay near the foot wall.

A map will be included with the next month's report.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

October 22, 1968

OFFICIAL
COPY
O. M. E.
RECEIVED
OCT 24 1968
MAINTAINED CODE

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6697 (Gold-Silver)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada
Contract No. 2265

Interim Inspection

An interim inspection of the subject project was made on October 14, 1968, accompanied by the two miners and a watchman working at the property.

Work on the project started on August 20, 1968, and a total of 36 feet of drift had been completed through broken rhyolite in the ore-bearing fault zone. Timbering has been required in about 6 feet of the open cut at the portal and for about 21 feet of the drift. Track has been installed from the dump area to the working face and a mucking machine and mine car are in use. An air-driven locomotive has been brought to the portal for use when needed. Some lost time has resulted because of the difficulty of obtaining, and keeping, competent miners and the need to obtain and bring to the project site all of the necessary mining equipment and supplies as well as house trailers for the mine crew. It appears that these problems have now been overcome and the work should now go forward rapidly.

H. K. Stager

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of September, 1968

Docket No. OME- 6697
Contract 14-08-0001 2265
Contract Amount $ 37,640.00
Gov't. Participation % 75 $28,230.00

Operator's Name Claude B. Lovestedt
Address Box 1496 Carson City, Nevada 89701

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Drifting & x-cutting	20'	$800.00	26'	$ 1040.00	20'	$800.00	26'	$ 1,040.00
Timbering	27'	189.00	27'	189.00	27'	189.00	27'	189.00
Supervision	1 mo.	850.00	1-1/3	1133.30	1 MO.	850.00	1 1/3 MO.	1,133.30
Office Expense	1 mo.	35.00	1-1/3	46.67	1 MO.	35.00	1 1/3 MO.	46.67
TOTALS		$ 1,874.00		$ 2,408.97		$ 1,874.00		$ 2,408.97

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

Date Oct. 1, 1968 *Payee Claude B. Lovestedt

Per _____ Title Operator

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OCT 3 1968
OME Field Officer Date

14X0804

Approved for: $ 1,405.50
(SUBJECT TO AUDIT)

Signature [illegible]

Date OCT 15 1968 Vou. No. 2324
(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

OPERATOR'S NARRATIVE REPORT
October 1, 1968
Claude B. Lovestedt
Nevada Bell Mountain Claims
OME-6697
Contract No. 2265
Started work August 20, 1968

A complete drifing outfit, all in working order, is now at Nevada Bell.

The heading is now in 26 feet with 27 feet of timber.

We are having trouble holding the soft shattered ground. One thing, though, when we hit the vein, the ground will be solid. Another 25 or 30 feet should get us through the fault and to solid ground.

I have had some trouble finding miners that will work so far from town.

648
8

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY O. M. E. SEP 17 1968

INITIALS | CODE

OPERATOR'S MONTHLY VOUCHER

For Month of August, 1968

Docket No. OME- 6697
Contract 14-08-0001 2265
Contract Amount $ 37,640.00
Gov't. Participation % 75 $28,230.00

Operator's Name Claude B. Lovestedt
Address P.O. Box 1496 Carson City, Nev. 89701

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Drifting & X-cutting	6'	$240.00	6'	$240.00	6'	$ 240.00	6'	$ 240.00
Supervision	1/3mo.	283.30	1/3mo	283.30	1/3 Mo.	283.30	1/3 Mo.	283.30
Office Expense	1/3mo.	11.67	1/3mo	11.67	1/3 Mo.	11.67	1/3 Mo.	11.67
TOTALS		$534.97		$ 534.97		$ 534.97		$ 534.97

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

Date 9/1/68 *Payee Claude B. Lovestedt

Per _____ Title Operator

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer SEP 5 1968 Date

14X0804

Approved for: $ 401.23 (SUBJECT TO AUDIT)

Signature mo

Date SEP 13 1968 Vou. No. 91615 (SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

934256

SEP 10 3 24 PM '68

BUDGET & FINANCE

FOR GOVERNMENT USE

REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

OPERATOR'S NARRATIVE REPORT
September 1, 1968
Claude B. Lovestedt
Nevada Bell Mountain Claims
OME-6697
Contract No. 2265
Started work August 20, 1968

The time between August 20th and September 1st was taken up in moving equipment out to the mine and putting track up to the face of the open cut.

We got in only one round, but the work should progress smoothly from now on.

I plan to put an engine on the B.L.M. well three miles away, so that we can pump water for the mine there instead of hauling 10 miles.

RECEIVED
SEP 5 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/7/68	RM Smith	120
8/7/68	Kirkham	120
"	Johnson	110
8/9	Lovestedt	
8/8	Baker	
8/9	Coe	220
		120M

AUG 9 1968

AIRMAIL

Mr. Claude B. Lovestedt
P. O. Box 1496
Carson City, Nevada 89701

Re: OME-6697 (Gold -Silver)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada
Contract 2265

Dear Mr. Lovestedt:

Enclosed is the Operator's copy of the subject contract which has been signed for the Government. As you have already signed, the contract is now in force.

Please note that the 7-1/2 percent interest accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

Monthly reports and vouchers shall be prepared and sent to Mr. Harold K. Stager, OME Field Officer, Region II, U. S. Geological Survey, Building 2, 345 Middlefield Road, Menlo Park, California 94025. Any questions regarding the contract work should be directed to Mr. Stager.

A supply of voucher forms (Form 9-1648) will be sent to you by Mr. Stager.

Sincerely yours,

FRANK E. JOHNSON
Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: OME Region II
We suggest that you insert the contract number, date of contract, starting date, and interest rate on the extra copy of the contract for field use which already is in your files.

Director's Reading File
Economic Geology File
OME Docket
OME Reading File, Mr. Smith, 130

RMSmith/bsl 8/7/68

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

August 2, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 7 1968
INITIALS | CODE
gla | 130
| 120
| 110

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6697 (Silver-Gold)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada

Enclosed are the original and three copies of the proposed contract for the subject property signed by the Operator.

H. K. Stager

Enclosures

P. O. Box 1496
Carson City, Nevada 89701
August 1, 1968

Mr. H. K. Stager
Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Dear Hal:

Re: OME-6697 (Silver-Gold)

Find enclosed the four signed copies of the contract.

I thank you for your cooperation in this matter.

I am ready to go when you are.

Sincerely yours,

Claude

Claude B. Lovestedt

CBL:hl
Enc (4)

RECEIVED
AUG 2 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

July 30, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 1 1968

INITIALS	CODE
	~~130~~
	120
	110
	120

Mr. Claude B. Lovestedt
P.O. Box 1496
Carson City, Nevada 89701

Re: OME-6697 (Silver-Gold)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada

Dear Claude:

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 51 (five pages), Annex I (one page), one Lien and Subordination Agreements, Exhibit A (three pages), Exhibit A (three pages), Exhibit B (one page), and two maps (Figures 1 and 2).

If the proposed contract is satisfactory to you, all four copies should be signed by you and returned to this office.

When funds are available, the starting date and interest rate will be inserted, and the contract executed for the Government. The Operator's copy of the contract will be forwarded to you at that time.

If any part of the proposed contract does not have your approval, all four copies should be returned to this office together with the proposed changes for consideration. If you have any questions, please call me.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: Chief, OME, WDC
Dir. RF
ACG RF
Docket
MP RF

HKStager:mkh

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/23/68	RMSmith	120
7/23/68	Kirkham	120
7/23	Johnson	110
7/24	Kilgard	
7/24	Lovett	
		110
		220
		120M

AIRMAIL

JUL 25 1968

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6697 (Silver-Gold)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 51 (five pages), Annex I (one page), one Lien and Subordination Agreements, Exhibit A (three pages), Exhibit B (one page) and two maps (Figures 1 and 2). Also enclosed is an extra copy of the contract for field use.

If the proposed contract is satisfactory to you and the Applicant, all four copies should be signed by the Applicant and returned to this office.

When funds are available, the starting date and interest rate will be inserted, and the contract executed for the Government. The Operator's and Field Office's copies of the contract will be forwarded to you at that time.

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

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Smith
130

RMSmith/bsl 7/23/68

DMEA FORM 6 REFERENCE SLIP

REV. 12-[illegible] DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. ~~ASS[illegible] Sol., Mk, Room 6354 (Through Room 6042)~~		
2. Mr. Smith, Room 4457		
3.		
4.		
5.		
FROM: Chief, OME		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

Please return maps.

FROM SOLICITOR

FOR SIGNATURE

SOLICITOR

JUL 10 1968

G-68-2102,3192

INTERIOR DEPT.

INT.-DUP. SEC., WASH., D.C. M25803

DRAFT 6/13/68
RMSmith/bsl

6/13/68 120 RMS
7/8/68 120 HIR
~~110~~ JR
120M

To Hqs 7/9/68

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME-6697	Gold and Silver		Churchill	Nevada

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Claude B. Lovestedt, an individual

_____,

whose mailing address is Box 1496, Carson City, Nevada 89701, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $37,640.00. The Government will contribute ~~50~~ 75 percent of the total fixed unit costs of the work performed, not in excess of $28,230.00 in accordance with the provisions of Articles 4 and 5.

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

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

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

SEE ANNEX I

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

SEE ANNEX I

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

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

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

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

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

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

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

Claude B. Lovestedt
(Operator)

By

Title

THE UNITED STATES OF AMERICA

By
Director, U. S. Geological Survey

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

CORPORATE SEAL

DRAFT-6/13/68
RMSmith/bsl

EXPLORATION CONTRACT
CLAUDE B. LOVESTEDT
OME-6697

ANNEX I

The land, including all rights thereto, referred to in Article 2 of the contract consists of six unpatented lode mining claims in unsurveyed T. 15 N., R. 34 and 35 E., MDB&M, Fairview Mining District, Churchill County, Nevada. It is shown outlined in green on Figure 1 entitled, "Property map, Nevada Bell Mountain claims, Churchill County, Nevada", attached and made part hereof.

The unpatented lode mining claims are recorded in the Office of the Churchill County Recorder, Fallon, Nevada as follows:

Name	U. S. Survey No.	
	Book	Page
Homestake No. 1	14	449
Homestake No. 4	14	450
Homestake No. 6	14	451
Homestake No. 7	15	188
Homestake No. 8	17	273
Edith	15	32

The Operator is in possession of the six claims under the terms of a Lease and Option to purchase dated January 11, 1968, from Nevada Bell Mountain Gold Corporation, the owner, by Clement K. Quinn, President.

A Lien and Subordination Agreements dated May 29, 1968, and executed by Clement K. Quinn for the owner is attached and made part hereof.

EXPLORATION CONTRACT
CLAUDE B. LOVESTEDT
CME-6697

EXHIBIT A

The purpose of the project is to explore by drifting from an existing portal site near the west end of the Homestake No. 6 claim and by long-hole drilling from the drift for silver-gold-bearing ore bodies along the footwall portion of the Nevada Bell Mountain mineralized fault zone which is 30-60 feet wide in rhyolite of Tertiary age.

Ore bodies are inferred from local surface samples and from underground samples of adjoining segments of the fault zone to be localized along and within about 10 feet of the footwall of the zone.

General Provisions

All drifts and crosscuts, shall be not less than 5 by 7 feet in cross section and shall be timbered as necessary. Drift sets shall be of not less than 8- by 8-inch timber, or equivalent round timber.

Mine rails shall be not less than 16-pound size, air lines not less than 2-inch diameter, and water lines not less than 1-inch diameter.

All significantly mineralized areas traversed by the drifts and crosscuts shall be sampled normal to the trends of the deposits at intervals not exceeding 5 feet, and/or by a representative bulk

sample of each round broken. Significantly mineralized cuttings from the long-holes shall be sampled with no sample representing more than 5 linear feet of hole.

All samples, from whatever source, shall be split as necessary and one split assayed. The Operator shall store one split of each sample in a suitable container properly labeled. Stored samples shall be made available for Government inspection and possible use, and may be disposed of with prior Government approval.

All splits of samples assayed should be analyzed for gold and silver.

True copies of assay certificates, copies of drill logs, and maps or sketches showing the work completed, the location, width, and assay value of all samples assayed, and the geological formations and structures traversed by the long-holes and workings shall be furnished monthly to the Government.

The Operator shall provide such equipment, materials, supervision, labor, and technical services as may be required to perform the work in a satisfactory manner.

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

Description of the Work

Drive a drift eastward from the existing portal site for a distance of approximately 650 feet along the Nevada Bell Mountain fault zone as near as practicable to the footwall of the zone. This footage includes any auxiliary crosscutting necessary to follow offset segments of the zone or to expose the full width of significantly mineralized areas.

Drill long-holes in one or both walls of the drift to test the width and grade of mineralized areas at sites to be selected by the Operator. It is estimated that 485 linear feet of long-hole drilling will be required.

The approximate locations of the existing portal site and the proposed drift adit are shown on Figure 2 entitled "Map showing proposed exploration, Nevada Bell Mountain Mine, Churchill County, Nevada", attached and made part hereof.

Estimated Costs of the Work

Fixed Unit Costs 1/

Drifting and crosscutting	
650 feet @ $40.00/foot	$26,000.00
Timbering, including portal sets	
100 feet @ $7.00/foot	700.00
Long-hole drilling	
485 feet @ $2.00/foot	970.00

Sampling and assaying for gold and silver		
350 samples @ $3.20/sample	$1,120.00	
Supervision and technical services		
10 months @ $850.00/month	8,500.00	
Office expense		
10 months @ $35.00/month	350.00	
Total Estimated Costs of the Work.....		$37,640.00
Government Participation @ 75 %		$28,230.00

1/ The Government retains no equity in any of the equipment or materials used.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 20 1968

INITIALS	CODE
gla	130
GF	130
JJ	110
	130 S

Memorandum May 16, 1968

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6697 (Silver-Gold)
Claude B. Lovestedt
Nevada Bell Mountain Mine
Homestake Group and Edith Claims
Churchill County, Nevada

Enclosed is an Application Report on the subject property recommending that a contract be granted consisting of 650 feet of crosscut and drift, timbering, and assaying. Total cost is estimated at $36,000, of which the Government's share would be $27,000.00.

Also enclosed, for your use if a contract is granted, are five extra copies of Figures 2 and 3.

H. K. Stager

H. K. Stager

Enclosures

UNITED STATES

DEPARTMENT OF THE INTERIOR

STEWART L. UDALL, SECRETARY

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION II

APPLICATION REPORT

OME-6697 (Silver-Gold)
Claude B. Lovestedt
Nevada Bell Mountain Mine
Homestake Group and Edith Claims
Churchill County, Nevada

Report of Exam.

By

H. K. Stager
Field Officer
OME, Region II

May 16, 1968

CONTENTS

	Page
INTRODUCTION	1
SUMMARY	1
RECOMMENDATIONS	2
LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES	2
PROPERTY	3
History and Production	3
Ownership	3
Financial Eligibility	4
Development	4
GEOLOGY	5
Geologic Setting	5
Ore Deposits	5
Sampling	6
Ore Reserves	6
EXPLORATION	7
Applicant's Proposal	7
Examiner's Proposal	7
Proposed Exploration Costs	8
Cost Estimate	8

ILLUSTRATIONS

Figure 1. Index map of Churchill County, Nevada.

Figure 2. Property map, Nevada Bell Mountain Mine, Churchill County, Nev.

Figure 3. Map showing proposed exploration, Nevada Bell Mountain Mine.

INTRODUCTION

Mr. Claude B. Lovestedt, P.O. Box 265, Minden, Nevada 89423, applied to the Office of Minerals Exploration for Government assistance in an exploration project, Docket OME-6697, to explore for silver and gold at the Nevada Bell Mountain Mine, Fairview Mining District, Churchill County, Nevada. The applicant infers the presence of large silver-gold ore shoots along a well-mineralized sheeted zone in rhyolite flow breccia of Tertiary age and wishes to explore the zone by drifting and diamond drilling to determine if the deposit can support a 400-ton-per-day mining and milling operation.

A review and field examination was requested by the Office of Minerals Exploration and was made by H. K. Stager, Field Officer, on April 23, 1968, accompanied by Mr. Claude B. Lovestedt, the applicant, and Mr. Edmond F. Lawrence, consulting mining geologist. The applicant's maps, cross sections, and assay data were examined and compared with exposures on the property.

SUMMARY

The Nevada Bell Mountain Mine is in a well-mineralized fault zone, in Tertiary rhyolite, that contains a large inferred tonnage of low-grade silver ore. It appears reasonable to infer that minable ore extends to the depth of the proposed adit drift and that the area to be explored will contain ore of higher grade than that exposed by trenches along the outcrop. The applicant's estimates of the costs required to accomplish the proposed work are reasonable. Diamond drilling proposed by the applicant, to test the eastern extent of the ore zone and the faulted down-dip extension of the ore zone below the old mine workings, is not recommended at this time but may be justified in the future. The program of 650 feet of drifting in the

Why?

western part of the ore zone is the most worthwhile part of the applicant's proposal and the most likely to discover minable ore. The project site is readily accessible and facilities for accomplishing the work are available. The applicant is competent to undertake the work, and the project will probably require about 10 months to complete.

RECOMMENDATIONS

It is recommended that the Government enter into a contract with Mr. Claude B. Lovestedt to provide 75 percent of the costs of the proposed program to explore the Nevada Bell Mountain Mine. The program will require about 10 months to complete and the Government's share of the estimated total cost of $36,000.00 would be $27,000.00. To facilitate administration of the contract, the work should be based on fixed unit costs rather than actual costs.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Nevada Bell Mountain Mine is in an unsurveyed area. The projected location is T. 15 N., R. 34 and 35 E., MDBM, Fairview mining district, Churchill County, Nevada (Fig. 1), on the northeast side of Bell Flat at an altitude of about 6,200 feet.

To reach the property, that is about 50 miles southeast of Fallon (the closest major town), drive east on Highway 50 about 43 miles, turn south on the Fairview Valley Road and drive 9 miles to Bell Flat. The mine is on a short access road at the northeast end of the valley. The road is passable to ordinary passenger cars, except during infrequent heavy snow or rain storms, and the drive from Fallon requires about 1½ hours.

Mail, telephone, and trucking services are available in Fallon, as are mining equipment, materials, timber, and supplies. Rail service is available at Hazen, Nevada (77 miles). Labor is available in the Fallon area at a rate of $3-$4 per hour. Water is available from wells in Bell Flat. Assay service, at a cost of $3-$4 per sample for silver and gold, is available in Reno (110 miles) or Salt Lake City (475 miles).

PROPERTY

History and Production

Little is known of the early history of the property. The deposit was evidently discovered about 1910 as the major development work was done during the period 1914-1917. There is no recorded production from the property, but the applicant states that one carload of high-grade silver ore was shipped during the period of early development. The property was extensively sampled during 1946 but no additional development work was done. The applicant became interested in the property in 1966 and obtained a lease from the owner in 1967.

Ownership

The property consists of six unpatented claims owned by the Nevada Bell Mountain Gold Corp., Mr. Clement K. Quinn, president, of 1500 Alworth Bldg., Duluth, Minnesota 55802, and is under lease to the applicant. A copy of the lease was attached to the application. The owner has consented to sign a Lien and Subordination Agreement, to be furnished by the applicant at a later date. The claims, recorded in the office of the Churchill County Recorder, Fallon, Nevada, are as follows:

Claim Name	Book No.	Page No.
Homestake No. 1	14	449
Homestake No. 4	14	450
Homestake No. 6	14	451
Homestake No. 7	15	188
Homestake No. 8	17	273
Edith	15	32

The area covered by these claims is shown in Figure 2.

Financial Eligibility

The applicant furnished copies of letters to two banks requesting loans for the proposed work and copies of letters of refusal from the banks. The applicant states that his share of the costs of the proposed work will be furnished by supervision, use of equipment owned by him, and the remainder from personal funds.

Development

The Nevada Bell Mountain Mine is developed by a drift adit 450 feet in length with 2 raises and 2 winzes, the deepest of which is 250 feet below the adit level with a drift 100 feet in length from the bottom. There is an inclined shaft 50 feet in depth and 14 shallow trenches on the surface outcrop of the vein. The trenches are partly filled by slope wash and the inclined shaft is inaccessible because of caving and rotted timbers. The adit is open and accessible but the winzes are inaccessible because of caving and bad air.

There are no surface facilities except for two old cabins in poor condition. There is no mining equipment, or supplies, on the property.

GEOLOGY

Geologic Setting

The mine is in an area of moderate relief and the exposures are good. Rocks exposed in the claim area are chiefly rhyolite flows, tuffs, and breccias of Tertiary age. Cutting these volcanic rocks is a prominent fault, or sheeted zone, that strikes about N. 70° E. and dips from 50° S. to about vertical, or steeply north. Hydrothermal alteration is prominent along both sides of the zone. Quartz and calcite veins and veinlets are abundant in the zone and locally gold- and silver-bearing minerals are present in minable quantities. in the veins?

Ore Deposits

The silver-and-gold deposit that has been partly explored at the Nevada Bell Mountain Mine consists of a mineralized fault, or sheeted zone, in rhyolite. Mineralization occurs along a strike length of about 3,000 feet with a known dip length of more than 650 feet and a width of from 30 to 60 feet. Ore minerals are native gold, silver sulfides and chlorides, and gold-silver-bearing oxides of iron and manganese. Gangue minerals are chiefly quartz and calcite with some highly altered breccia fragments of rhyolite. Quartz predominates in the vein at the higher elevations at the east end of the mineralized zone but is less common at the lower elevations at the west end and in the underground exposures where calcite predominates. Gold and silver values are lower in the surface exposures than they are at depth, probably because of oxidation and leaching. Oxidation is almost complete and is reported to extend to the deepest level of the mine workings.

Sampling

There were no samples taken during the field examination. The surface trenches and underground workings have been extensively sampled and assayed. Assay maps were included in the application. The applicant states that he has check-sampled the footwall zone from the Stockton raise and winze to the west end of the workings and his assays indicate an average grade of 0.29 ounce of gold and 4.12 ounces of silver per ton. He was unable to furnish an assay certificate to support his statement at the time of the examination but said he would submit it with other information requested. Samples of outcrop material from trenches above the proposed adit drift average about 0.05 ounce of gold and 2.2 ounces of silver per ton for a thickness of 10 feet on the footwall and a strike length of about 400 feet.

Ore Reserves

The applicant estimates 102,000 tons of indicated ore reserves and 148,000 tons of inferred ore reserves on the Homestake No. 6 claim above the level of the proposed drift adit. These reserves are in a block of ground about 600 feet in strike length, 50-300 feet in dip length, and about 40 feet in thickness. The average grade is estimated to be about 0.1 ounce of gold and 2.3 ounces of silver per ton (about $9 per ton).

The highest grade material is localized along the footwall of the zone. The applicant estimates about 100,000 tons of indicated and mostly inferred reserves, with an average grade of about 0.2 ounce of gold and 4.0 ounces of silver per ton (about $17 per ton), can be mined from a width of 10 feet along the footwall above the level of the proposed drift.

600
175
105000
$850,000/12
= 87500 T.
$ 9 ME
7.90,000/20
= $39,000 repayable

F.O. confirms? yes

A mill with a capacity of about 400 tons per day is contemplated by the applicant. Using a combination of open-pit and underground mining methods he estimates a break-even grade of about $7-$8 per ton.

EXPLORATION

Applicant's Proposal

The applicant proposes to explore the untested west end of the deposit by driving a drift adit from the west end of the outcrop on the Homestake No. 6 claim, for a distance of 650 feet, to intersect the main winze about 100 feet below the W. end of the existing "old Adit" (Fig. 2). east drift. He also proposes to drill 2 diamond drill holes on the Homestake No. 6 claim to explore for the faulted segment of the vein below the proposed adit level and 2 diamond drill holes on the Homestake No. 1 claim to explore the eastern extension of the vein. This proposal actually consists of three separate projects with different targets. Of the three, the drift adit is the most favorable and if it is not successful the two drilling projects would lack adequate justification.

The proposed portal site has been prepared and drifting could be started immediately. Before drilling could be started it would be necessary to build 2½ miles of access roads to the drill sites.

Examiner's Proposal

A program limited to drifting on the Homestake No. 6 claim is proposed to explore a block of ground estimated to contain 100,000 tons of ore. An adit, 650 feet in length, driven from the prepared portal site at the east end of the outcrop area (Fig. 3) would explore the downward extent and grade of the vein from near surface to a depth of about 250 feet. The vein

in this area contains the highest grade material exposed by surface trenches on the property and appears to be the most favorable part of the deposit. The proposed adit would be driven at an altitude of 6,170 feet, or about 100 feet below the old adit level, and would connect with the winze from that level. The thickness and grade of the mineralized zone, in excess of the drift exposure, would be further tested by long-hole drilling (at the Operator's expense) from the drift.

$2.00/foot every 50'
10-50' long - 90 samples
24 x 20 = 480 ft

Proposed Exploration Costs

The applicant has supplied detailed cost estimates for the proposed work. These costs are reasonable for the area. Overall costs are about $55 per foot but may be less if more than one shift per day can be worked and less supervisory time is required. Little or no timber may be required, except for several sets at the portal. For these reasons the allowable fixed unit costs should be broken down to separate items for drift footage, timbering, supervision, office expenses, and assaying. If the work can be completed in about half of the estimated time (by working two shifts as the Operator has stated he plans to do) a considerable saving will be realized. These funds could be utilized to advantage in additional drifting or cross-cutting to further test the width and grade of the ore zone.

Cost Estimate

Fixed Unit Costs

Drifting and crosscutting, 5'x7', 650 feet at $40/ft....	$26,000.00
Timbering, including portal sets, 100 feet at $7/ft.....	700.00
Assaying, 150 samples for Ag and Au, at $3/sample.....	450.00
Supervision, 10 months at $850/mo.....	8,500.00
Office expenses, 10 months at $35/mo.....	350.00
Total estimated cost of project.....	$36,000.00
Government participation at 75 percent.....	$27,000.00

130
5 650
130
130
98
350

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME-6697
(Silver-Gold)

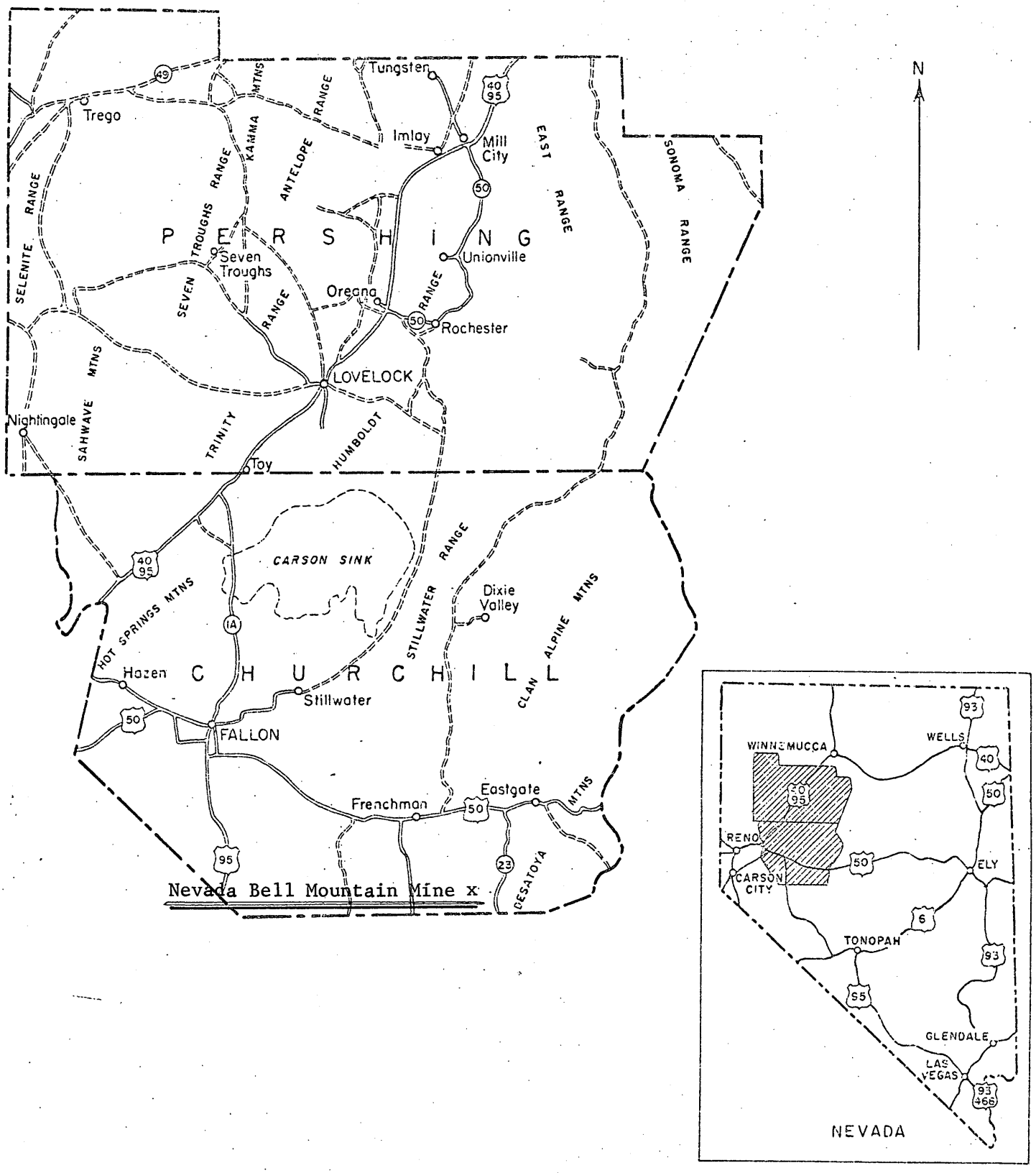


Figure 1. INDEX MAP OF CHURCHILL AND PERSHING COUNTIES, NEVADA

0 20 40 60 Miles

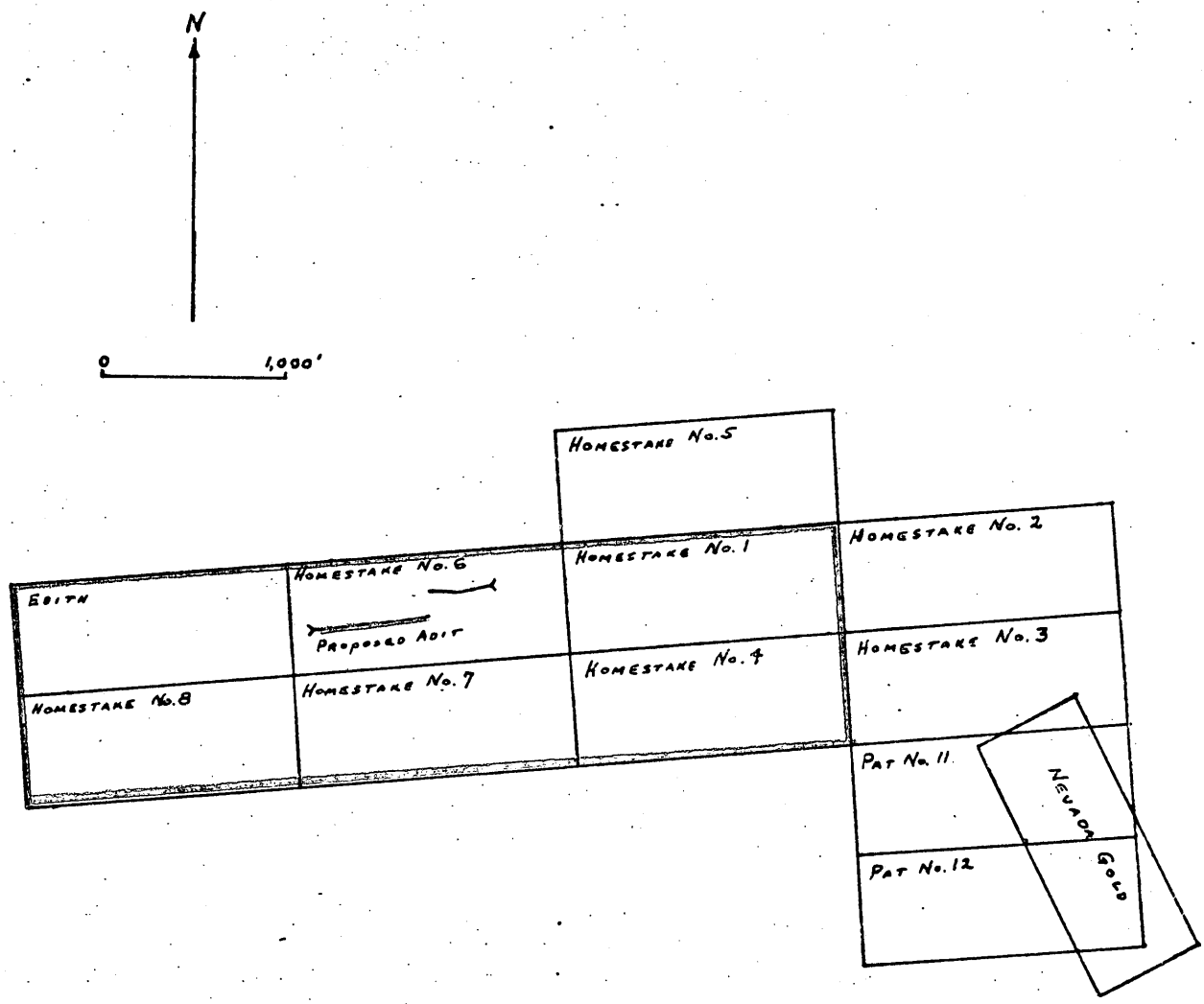


Figure 2.--Property map, Nevada Bell Mountain Claims, Churchill County, Nevada.

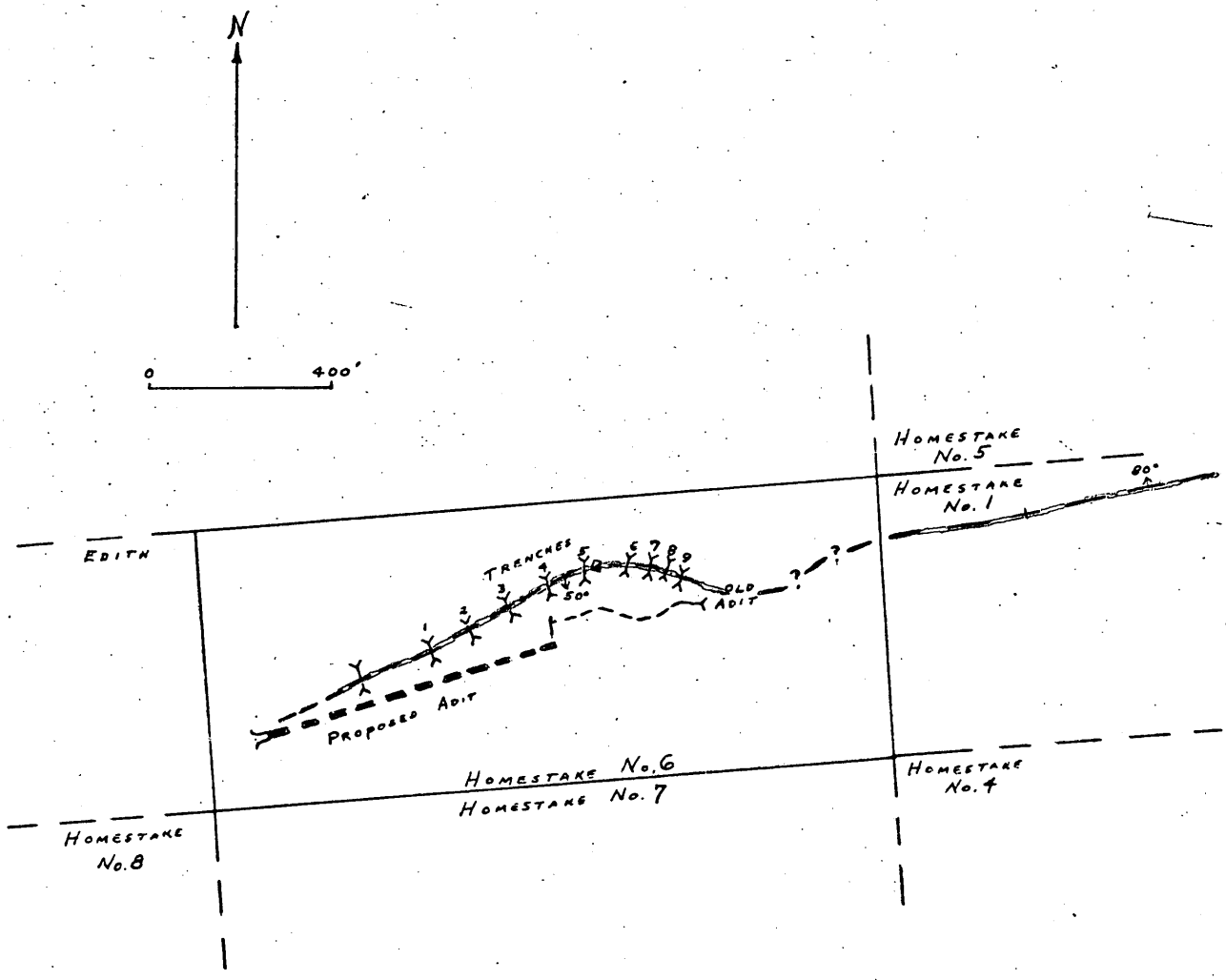


Figure 3.--Map showing proposed exploration, Nevada Bell Mountain Mine, Churchill County, Nevada.

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

June 7, 1968

OFFICIAL COPY

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6697 (Silver-Gold)
Claude B. Lovestedt
Nevada Bell Mountain Mine
Homestake Group and Edith Claims
Churchill County, Nevada

Enclosed are 5 copies of a Lien and Subordination Agreements on the subject property signed by the owner. Also enclosed is a sample location map and assay data furnished by the applicant at my request. It appears the assays bear out the applicant's estimates of a higher grade zone along the footwall. The applicant's estimate of tonnage and grade of reserves in the area to be explored appear reasonable based on available information.

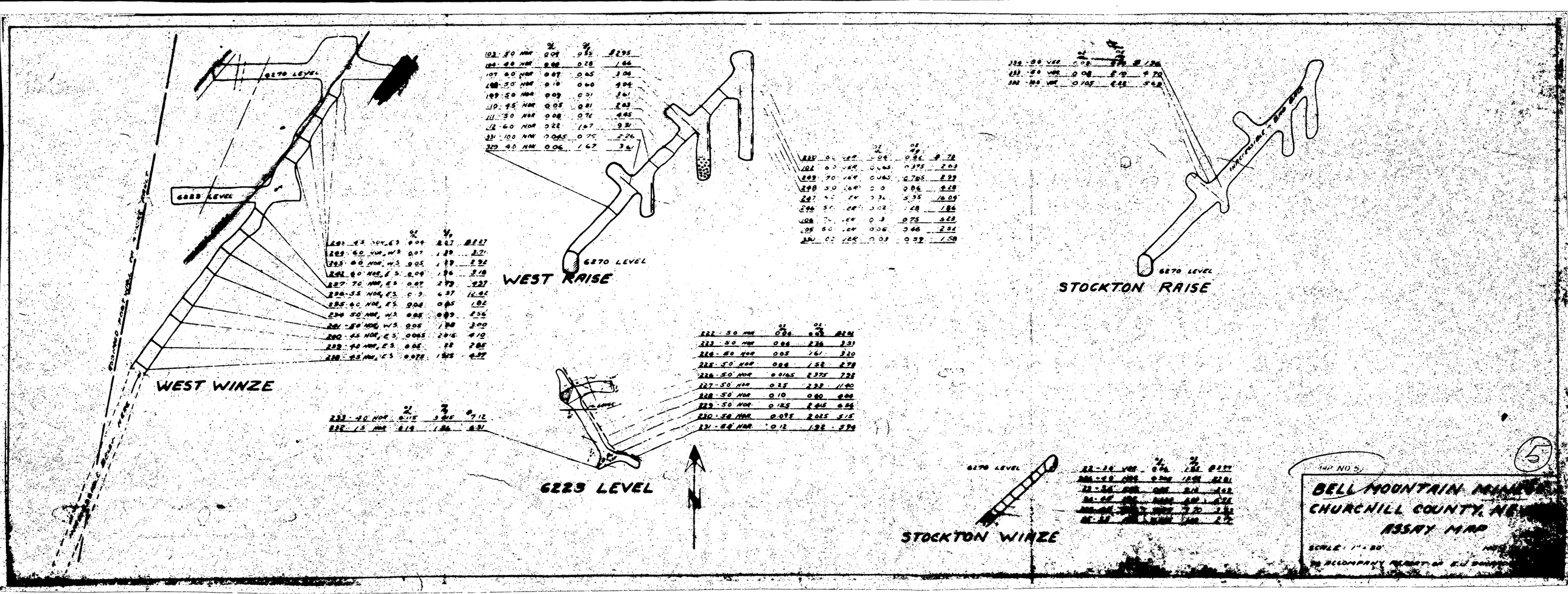
H. K. Stager

Enclosures

NAME	LOVESTEDT, CLAUDE B. Print or Type—Last Name First	Area Code and Telephone No.
OLD ADDRESS	House No. and Street, Apt. No.; or Box or R.D. No. (In care of) P. O. Box 265 Post Office, State, and ZIP Code MInden, Nevada 89423	
NEW ADDRESS	House No. and Street, Apt. No.; or Box or R.D. No. (In care of) P. O. Box 1496 Post Office, State, and ZIP Code Carson City, Nevada 89701	
SIGN HERE		

COMPLETE OTHER SIDE GPO c55—16—74248-8 Effective Date

OME-6697


6270 LEVEL
6223 LEVEL
WEST WINZE
WEST RAISE
6270 LEVEL
STOCKTON RAISE
6270 LEVEL
6223 LEVEL
N
6270 LEVEL
STOCKTON WINZE
(MAP NO 5)
BELL MOUNTAIN MINE
CHURCHILL COUNTY, NEV
ASSAY MAP
SCALE: 1" = 20'
5

S#

OFFICIAL
COPY
O. M. E.
RECEIVED
8
FOR REPORT

209 - 70'	HOR	0.01	1.03		@ 1.30	
210 - 70'	HOR	0.03	6.47		6.90	
211 - 50'	HOR	0.015	0.985		1.42	
212 - 60'	HOR	70	0.68		0.63	

10 - 60'	VER	0.135	18.19		@ 20.95	
9 - 70'	VER	0.14	4.74		9.17	
8 - 70'	VER	0.15	5.07		10.91	
7 - 40'	HOR	0.055	1.11		2.93	
6 - 60'	VER	0.265	5.48		13.48	
5 - 70'	VER	0.12	4.18		7.98	
4 - 70'	VER	0.045	2.50		3.84	
43 - 50'	HOR	0.185	2.95		9.11	

@35.00 @3.05

1 - 50'	HOR	75	0.85		@ 0.32	
2 - 50'	HOR	0.075	2.22		7.35	
7.35+6.60 3 - 50'	HOR	0.21	7.49		13.95	
33 - 50'	HOR	0.185	3.075		7.84	
34 - 50'	HOR	0.185	2.015		3.02	
5.25+0.97 35 - 50'	HOR	0.15	1.07		6.22	
36 - 50'	HOR	0.24	3.02		11.19	
37 - 50'	HOR	0.11	1.67		5.36	
38 - 50'	HOR	0.185	3.015		9.20	
39 - 50'	HOR	0.13	3.87		7.05	
40 - 50'	HOR	0.105	2.275		5.73	
41 - 50'	HOR	0.17	3.14		7.89	
0.88+1.51 42 - 50'	HOR	0.025	1.675		2.39	
65.0'		1.750 / 13	39.705 / 13			
Scales 55'		0.135	2.678			
Feb 1968		@ $ 35.00	1.90			
per Ton		$ 4.72	5.08			

11 - 10'	HOR	0.075	1.25		@ 3.06	
12 - 50'	VER	0.14	3.02		7.63	
213 - 40'	HOR	0.17	3.15		8.80	
13 - 50'	VER	0.15	4.07		8.93	
14 - 60'	VER	0.09	1.71		4.70	
17 - 60'	VER	0.04	0.66		2.00	
18 - 60'	VER	0.03	2.07		2.02	

21 - 50'	HOR	0.10	1.23		@ 2.08	
27 - 50'	HOR	0.38	2.64		5.27	
28 - 50'	HOR	0.08	2.88		5.41	
29 - 40'	HOR	0.06	2.12		4.02	
30 - 50'	HOR	0.175	4.87		10.53	
31 - 55'	VER	0.12	3.30		7.19	
32 - 60'	VER	0.065	1.23		2.69	

337 - 50'	VER	0.07	1.05		@ 3.30	
338 - 50'	VER	0.025	0.93		1.27	
426 - 075	[illegible]	0.06	2.4		4.32	
339 - 50'	VER	0.04	0.90		2.22	
340 - 90'	HOR	0.055	2.38		4.08	
341 - 50'	VER	0.045	1.03		2.51	

14 - 50'	HOR	0.065	1.80		@ 3.91	
15 - 50'	HOR	0.195	9.21		15.16	
214 - 40'	VER	0.05	0.80		2.51	
215 - 60'	VER	0.06	1.34		3.31	
216 - 60'	VER	0.06	1.18		3.17	
217 - 60'	VER	0.13	8.29		6.62	
218 - 50'	VER	0.095	1.965		5.03	
219 - 50'	HOR	0.04	0.74		2.07	
Scales 36.0'		0.097	2.813			
		@ $ 3.05	8.158			

208 - 50'	HOR	TR	0.66		@ 0.52	
207 - 50'	HOR	TR	0.32		0.47	
206 - 50'	HOR	TR	0.80		0.36	
50 - 50'	HOR	TR	1.00		0.91	
43 - 36'	HOR	0.13	6.97		10.85	
44 - 50'	HOR	0.02	0.76		1.32	
45 - 50'	HOR	0.08	1.89		4.51	
46 - 50'	HOR	0.04	1.40		2.67	
47 - 50'	HOR	0.05	1.17		2.72	
48 - 70'	HOR	0.05	2.08		3.63	
Scales :- 56' (both sides)		0.925 / 18	33.815 / 16			
Ay		0.030	1.894			
Feb. 1968 @		$ 35.00	1.90			
Per Ton		$ 1.05	3.50			

(TC. = 0.000)

177 cl. 209-212 above

220 - 50'	HOR	0.05	0.95		@ 2.61	
221 - 50'	HOR	0.075	2.925		5.27	

STOCKTON RAISE

STOCKTON WINZE

WEST RAISE

WEST WINZE

N

MAP NO 4

BELL MOUNTAIN MINE
CHURCHILL COUNTY, NEVADA
ASSAY MAP OF ADIT LEVEL

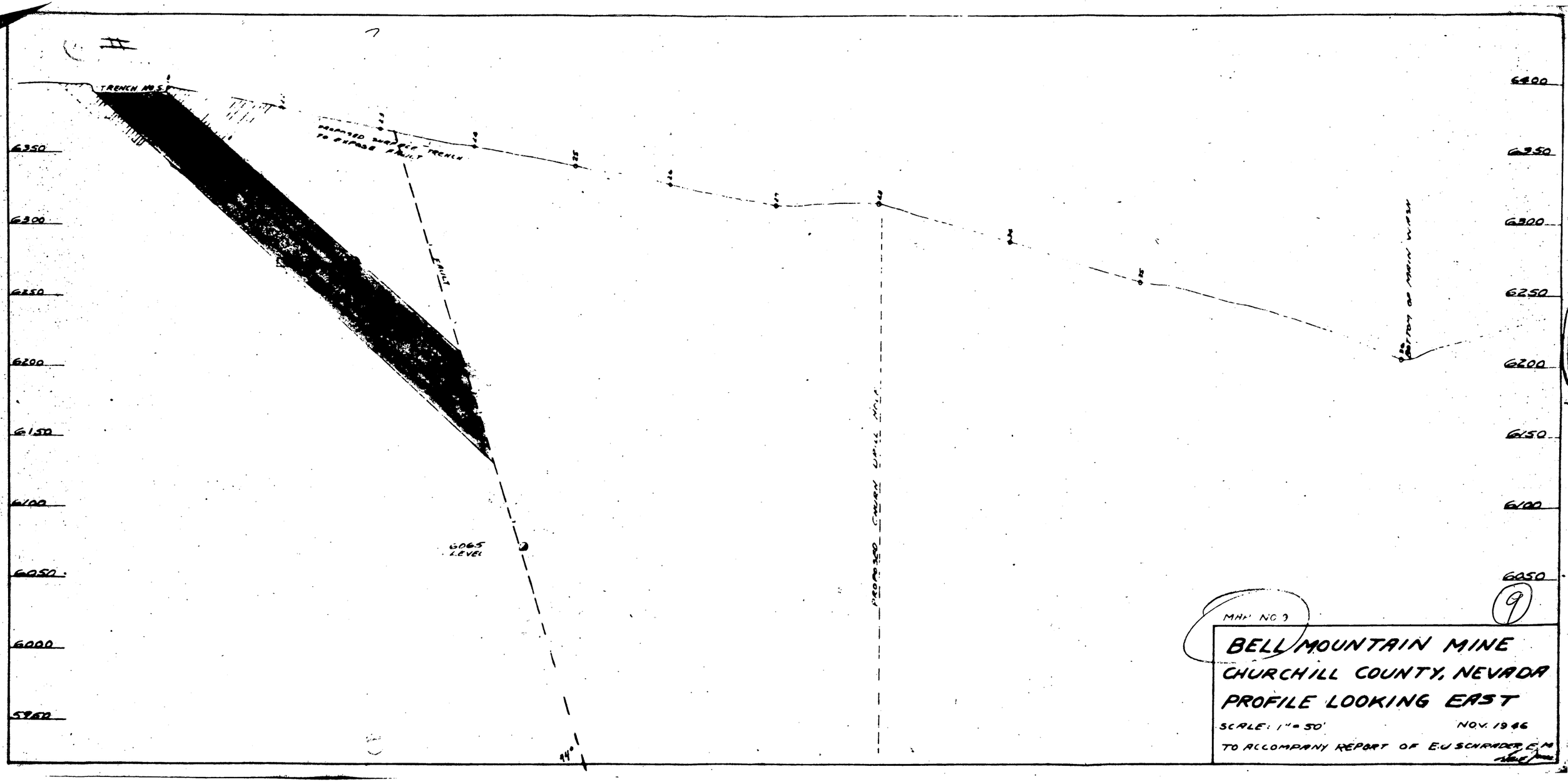
SCALE: 1" = 20' NOV. 1966

TO ACCOMPANY REPORT OF E.J. SCHRODER

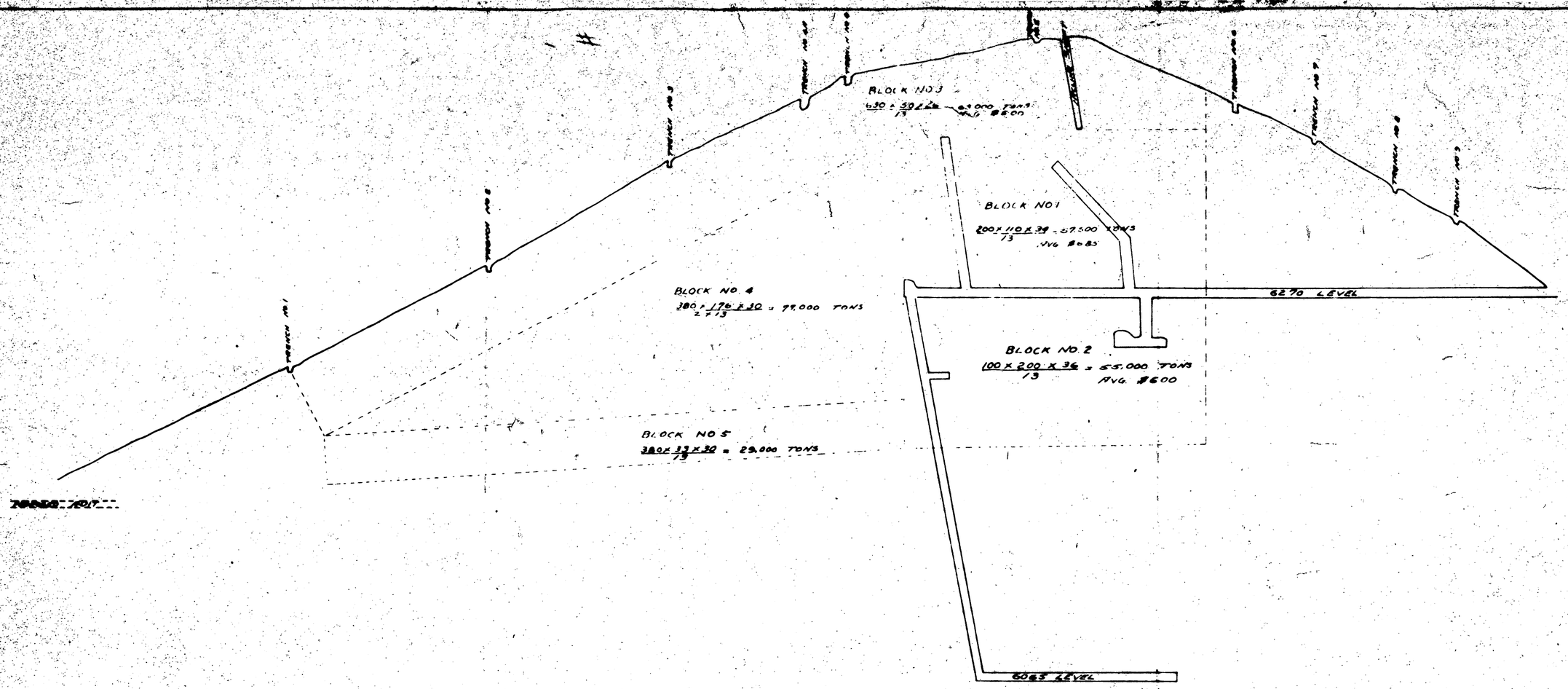
4

4#

OFFICIAL
COPY
O. M. E.
RECEIVED
8
INITIALS


TRENCH NO. 5
PROPOSED TRENCH TO EXPOSE FAULT
FAULT
6065 LEVEL
94°
PROPOSED SHAFT DRILL HOLE
BOTTOM OF MAIN WASH
6400
6350
6300
6250
6200
6150
6100
6050
6000
5950
MAP NO. 9
9
BELL MOUNTAIN MINE
CHURCHILL COUNTY, NEVADA
PROFILE LOOKING EAST
SCALE: 1" = 50'
NOV. 1946
TO ACCOMPANY REPORT OF E.J. SCHRADER, E.M.

OFFICIAL
COPY



LONGITUDINAL SECTION IN PLANE OF VEIN

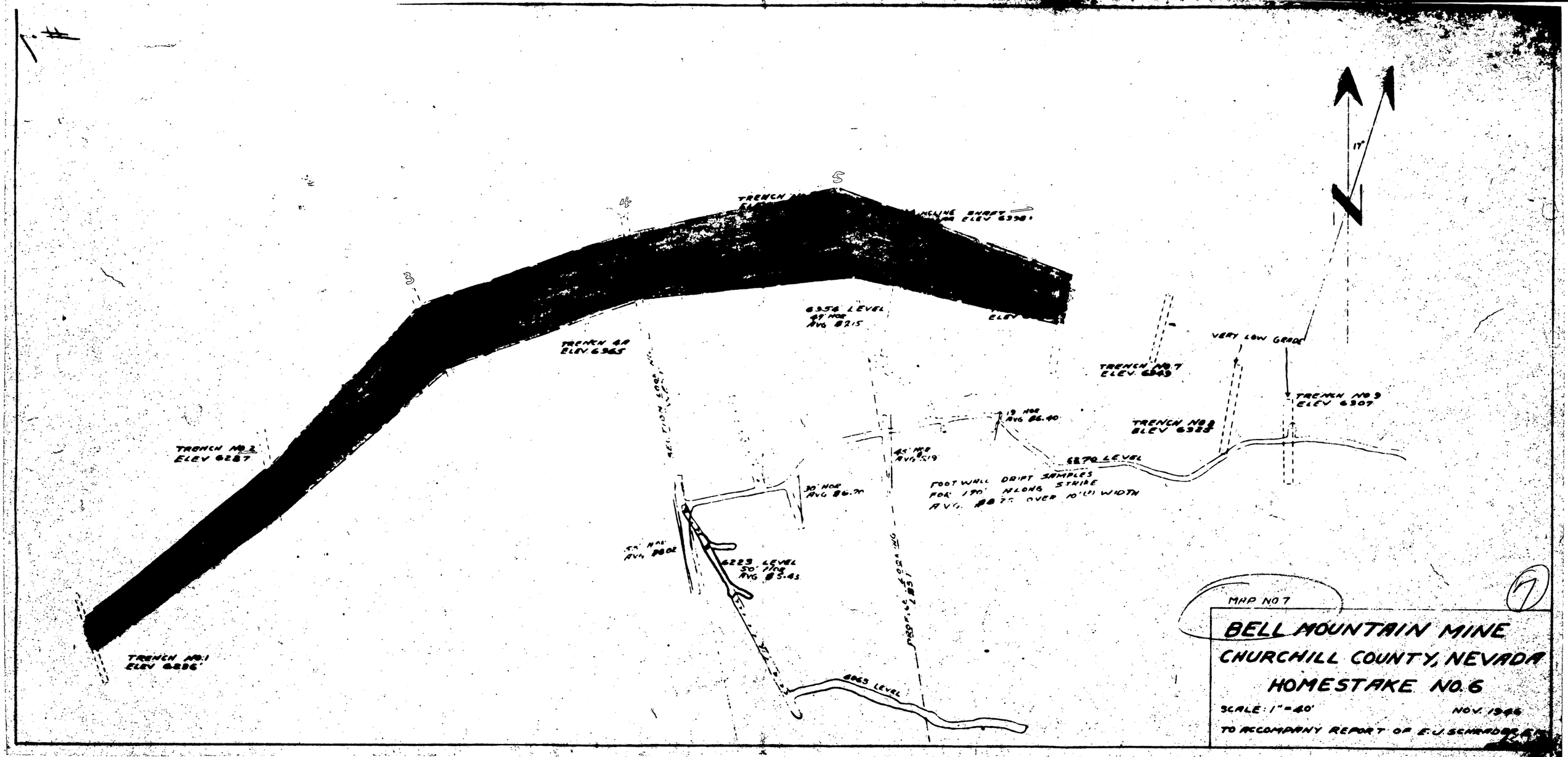
(8)

MAP NO 8

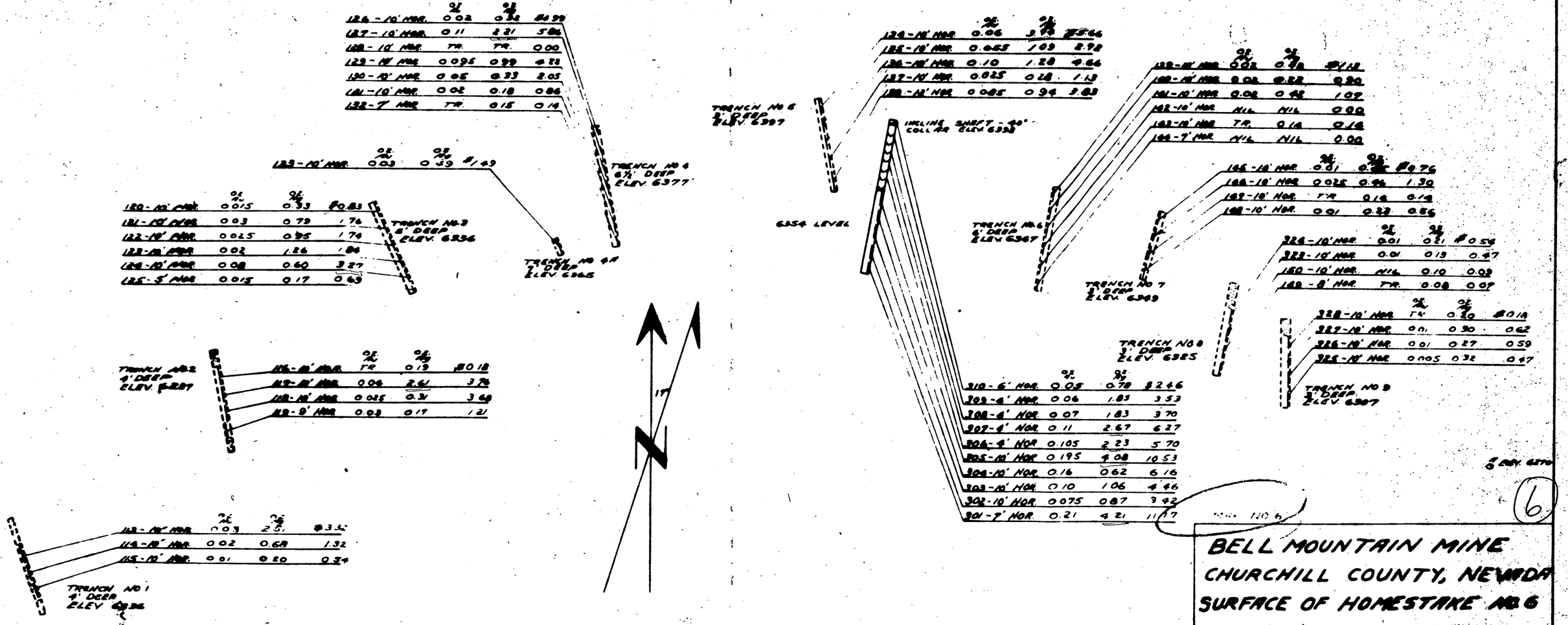
BELL MOUNTAIN MINE
CHURCHILL COUNTY, NEVADA
HOMESTAKE NO. 6

SCALE: 1" = 40'

TO ACCOMPANY REPORT OF E.J.


TRENCH NO 2
ELEV 6287
TRENCH NO 1
ELEV 6286'
TRENCH 4A
ELEV 6365
6354 LEVEL
49 HOR
AVG 0.215
ELEV
30' HOR
AVG 0.6.70
50' HOR
AVG 0.002
6223 LEVEL
50' HOR
AVG 0.5.43
6063 LEVEL
45' HOR
AVG 0.519
19 HOR
AVG 06.40
FOOT WALL DRIFT SAMPLES
FOR 190' ALONG STRIKE
AVG. 0.075 OVER 10'(?) WIDTH
6270 LEVEL
TRENCH NO 8
ELEV 6323
TRENCH NO 7
ELEV 6343
VERY LOW GRADE
TRENCH NO 9
ELEV 6307
17°
MAP NO 7
BELL MOUNTAIN MINE
CHURCHILL COUNTY, NEVADA
HOMESTAKE NO. 6
SCALE: 1" = 40'
NOV. 1946
TO ACCOMPANY REPORT OF E. J. SCHRADER
7

OFFICIAL
COPY
O. M. E.
8



	% Au	% Ag	$
126 - 10' HOR.	0.02	0.34	$0.99
127 - 10' HOR.	0.11	3.21	5.86
128 - 10' HOR.	TR.	TR.	0.00
129 - 10' HOR.	0.095	0.99	4.21
130 - 10' HOR.	0.05	0.33	2.05
131 - 10' HOR.	0.02	0.18	0.86
132 - 7' HOR.	TR.	0.15	0.14

	% Au	% Ag	$
133 - 10' HOR.	0.03	0.39	$1.49

	% Au	% Ag	$
120 - 10' HOR.	0.015	0.33	$0.83
121 - 10' HOR.	0.03	0.79	1.76
122 - 10' HOR.	0.025	0.95	1.74
123 - 10' HOR.	0.02	1.26	1.84
124 - 10' HOR.	0.08	0.60	3.27
125 - 5' HOR.	0.015	0.17	0.63

	% Au	% Ag	$
116 - 10' HOR.	TR	0.19	$0.18
117 - 10' HOR.	0.04	2.61	3.76
118 - 10' HOR.	0.025	0.31	3.69
119 - 8' HOR.	0.03	0.17	1.21

	% Au	% Ag	$
113 - 10' HOR.	0.03	2.5	$3.35
114 - 10' HOR.	0.02	0.68	1.32
115 - 10' HOR.	0.01	0.20	0.34

	% Au	% Ag	$
134 - 10' HOR.	0.06	3.78	$5.66
135 - 10' HOR.	0.065	1.03	2.98
136 - 10' HOR.	0.10	1.28	4.66
137 - 10' HOR.	0.025	0.28	1.13
138 - 10' HOR.	0.085	0.94	3.83

	% Au	% Ag	$
139 - 10' HOR.	0.02	0.78	$1.13
140 - 10' HOR.	0.02	0.28	0.90
141 - 10' HOR.	0.02	0.42	1.07
142 - 10' HOR.	NIL	NIL	0.00
143 - 10' HOR.	TR.	0.16	0.16
144 - 7' HOR.	NIL	NIL	0.00

	% Au	% Ag	$
145 - 10' HOR.	0.01	0.[illegible]	$0.76
146 - 10' HOR.	0.025	0.96	1.30
147 - 10' HOR.	TR	0.16	0.16
148 - 10' HOR.	0.01	0.33	0.86

	% Au	% Ag	$
324 - 10' HOR.	0.01	0.21	$0.54
323 - 10' HOR.	0.01	0.13	0.47
150 - 10' HOR.	NIL	0.10	0.03
149 - 8' HOR.	TR.	0.08	0.07

	% Au	% Ag	$
328 - 10' HOR.	TR	0.20	$0.18
327 - 10' HOR.	0.01	0.30	0.62
326 - 10' HOR.	0.01	0.27	0.59
325 - 10' HOR.	0.005	0.32	0.47

	% Au	% Ag	$
310 - 6' HOR.	0.05	0.78	$2.46
309 - 4' HOR.	0.06	1.83	3.53
308 - 4' HOR.	0.07	1.83	3.70
307 - 4' HOR.	0.11	2.67	6.27
306 - 4' HOR.	0.105	2.23	5.70
305 - 10' HOR.	0.195	4.08	10.53
304 - 10' HOR.	0.16	0.62	6.16
303 - 10' HOR.	0.10	1.06	4.46
302 - 10' HOR.	0.075	0.87	3.42
301 - 7' HOR.	0.21	4.21	11.17

6

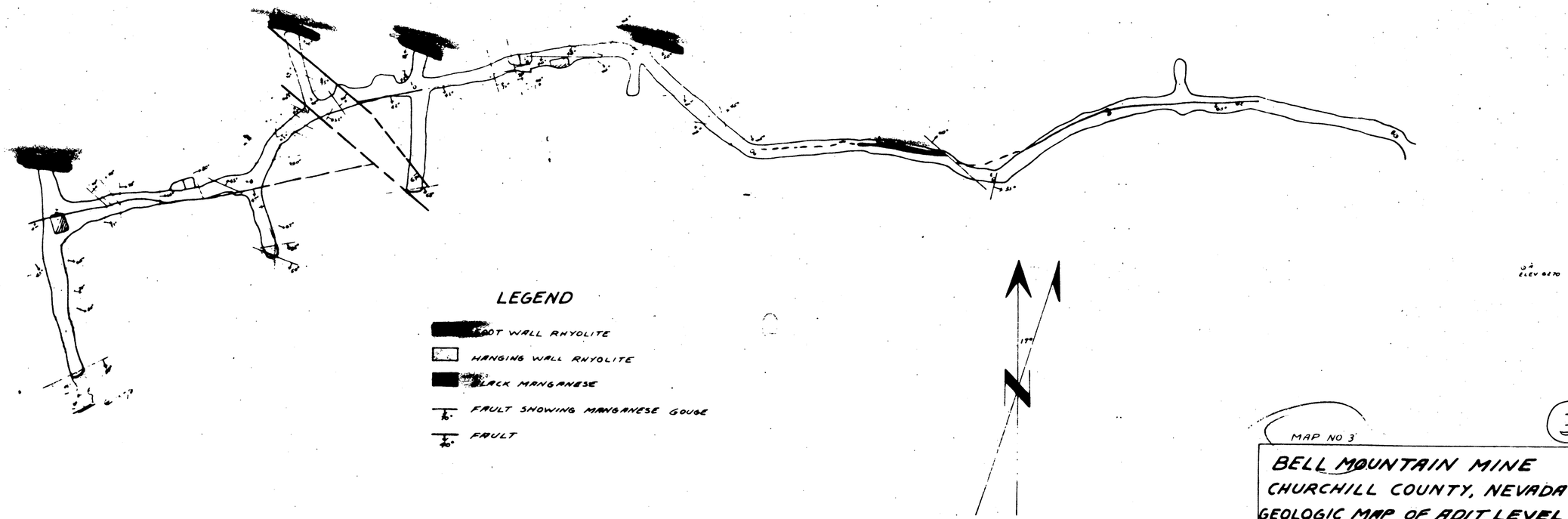
BELL MOUNTAIN MINE
CHURCHILL COUNTY, NEVADA
SURFACE OF HOMESTAKE NO. 6

SCALE 1" = 40'

NOV. 1966

TO ACCOMPANY REPORT OF B.J. SCHRONCE

OFFICIAL
COPY
O. M. E.
RECEIVED
8
INTERNAL USE ONLY



MAP NO 3

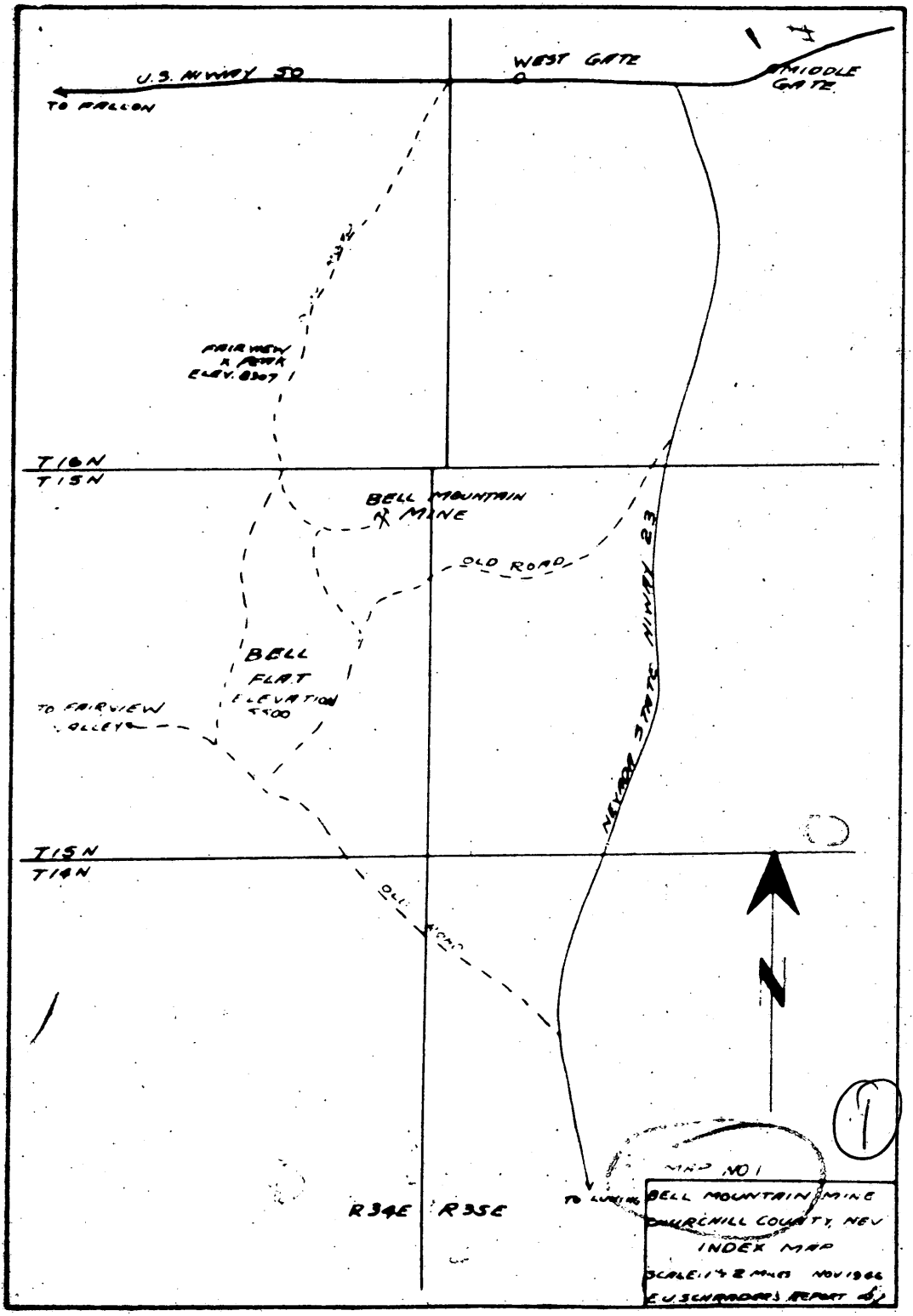
3

BELL MOUNTAIN MINE
CHURCHILL COUNTY, NEVADA
GEOLOGIC MAP OF ADIT LEVEL

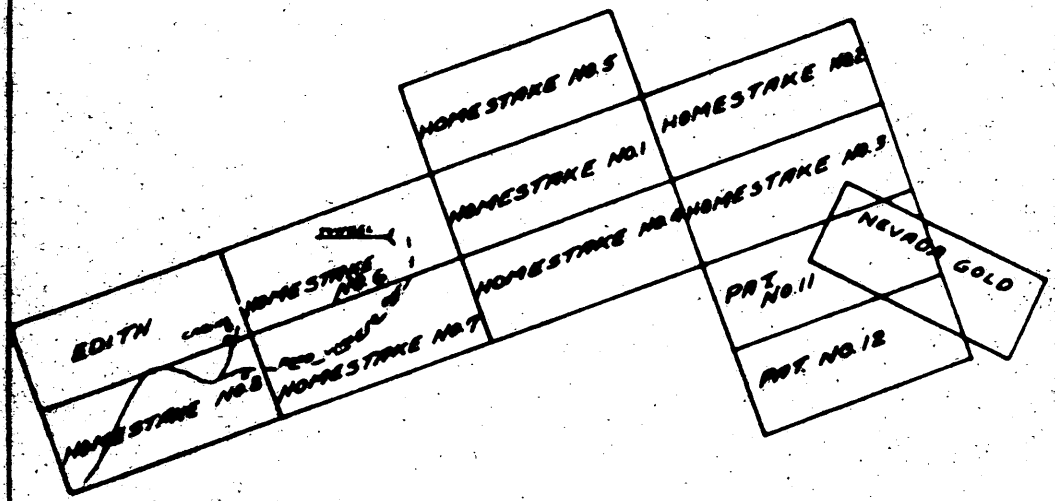
SCALE: 1" = 20' NOV. 1946

TO ACCOMPANY REPORT OF E.J. SCHRADER, E.M.

#3


U.S. HIWAY 50
TO FALLON
WEST GATE
MIDDLE GATE
FAIRVIEW PEAK
ELEV. 8307
T16N
T15N
BELL MOUNTAIN MINE
OLD ROAD
NEVADA STATE HIWAY 23
BELL FLAT
ELEVATION 5400
TO FAIRVIEW VALLEY
T15N
T14N
R34E
R35E
TO LOVELOCK
MAP NO 1
BELL MOUNTAIN MINE
CHURCHILL COUNTY, NEV
INDEX MAP
SCALE: 1" = 2 MILES
NOV 1966
E.U. SCHANDORF'S REPORT

OFFICIAL
COPY
O. M. E.
RECEIVED
1953
INITIALS CODE

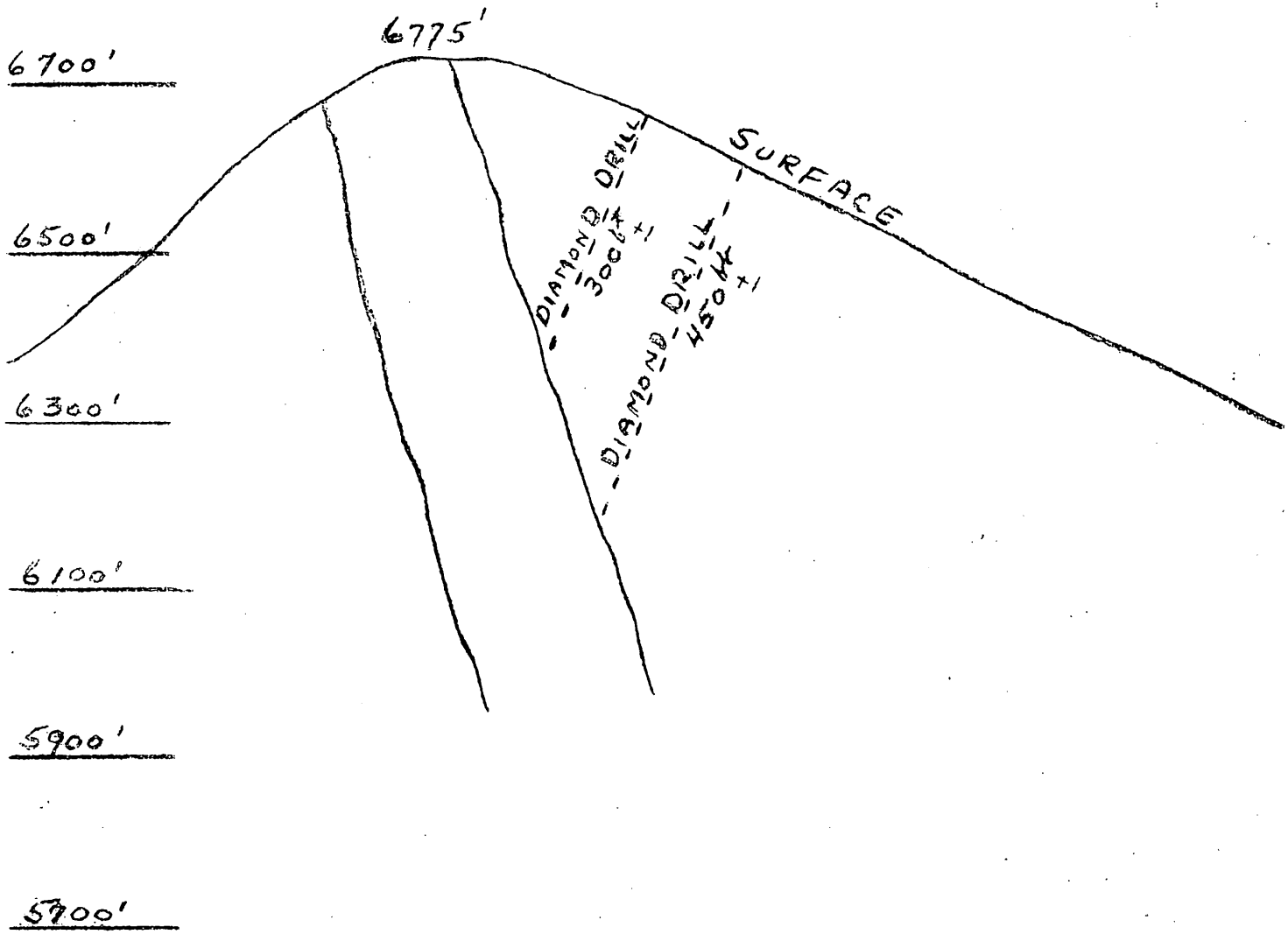


2

MAP NO 2
BELL MOUNTAIN MINE
CHURCHILL COUNTY NEV
CLAIM MAP
SCALE 1" = 1000'

OFFICIAL
COPY
O. MAIL. FR.
RECEIVED
FEB 8 1968
CODE

CROSS SECTION LOOKING EAST THROUGH HOMESTAKE NO. 1

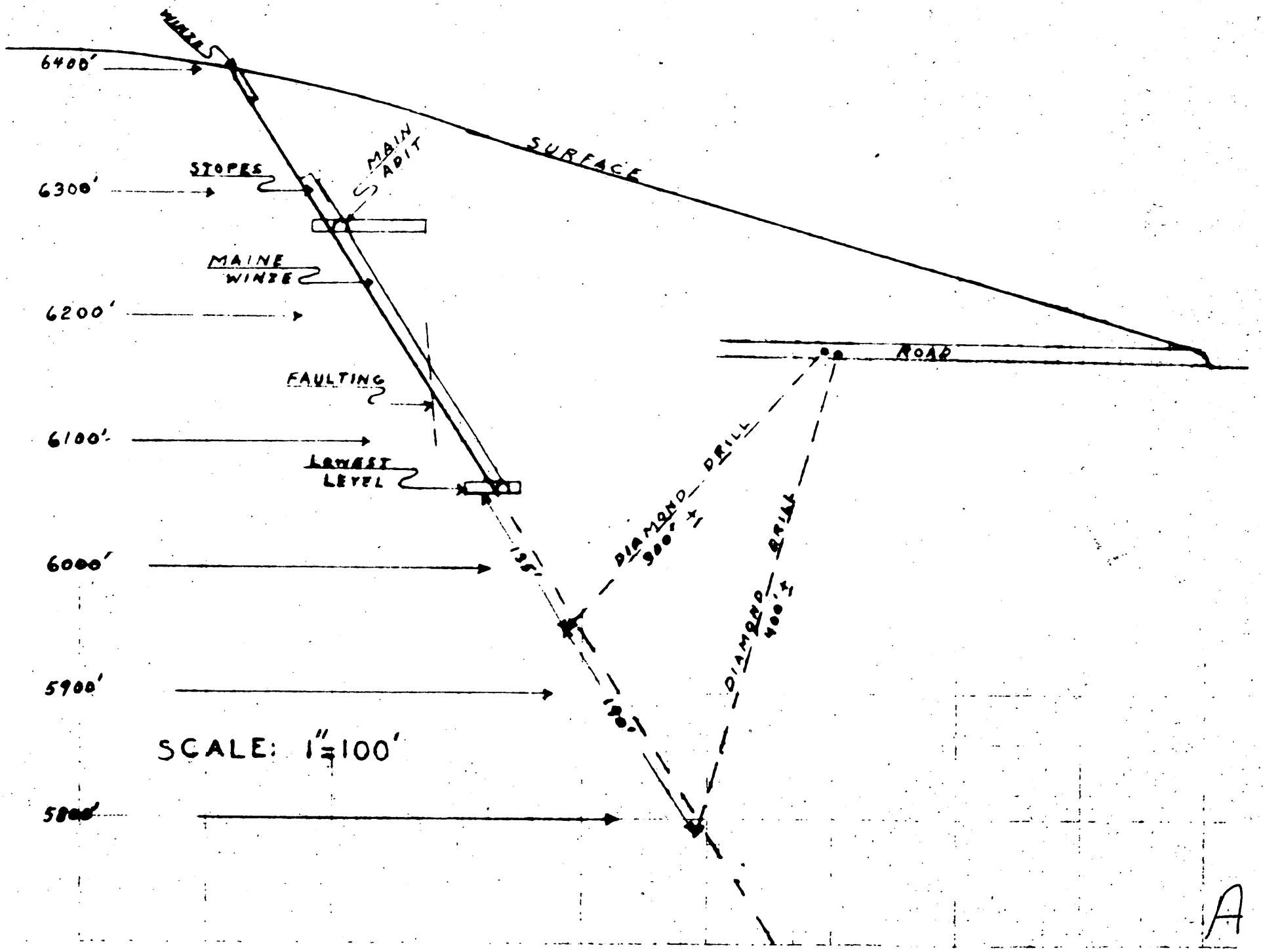


1" = 200'

B

ELEV.

IDEAL CROSS SECTION LOOKING EAST THRU HOMESTAKE NO. 6



OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 8 1968
INITIALS/CODE

SCALE: 1" = 500'

N.

NO. 5

CROPPINGS

MAIN ADIT

ROAD

HOMESTAKE

HOMESTAKE

PAT 11

PAT 12

FAIRVIEW MING. DIST.

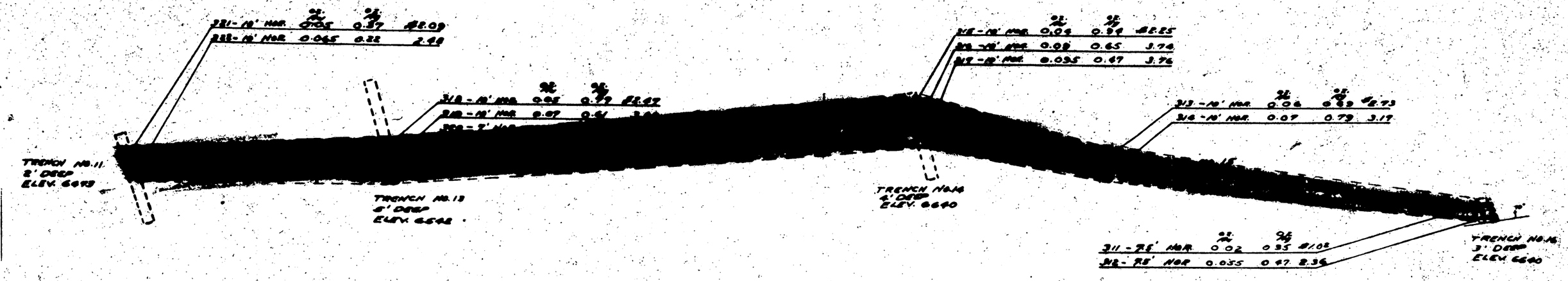
NEVADA BELL MOUNTAIN GOLD CORPORATION

CHURCHILL COUNTY, NEVADA

PROPOSED DRILL-SITE ROAD

C

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 8 1938
INITIALS | CODE



TRENCHES AVERAGE 22' HOR. WIDTH, $2.00

FOR BLOCK OF 100' DEPTH

$\frac{250 \times 100 \times 22}{13} = 127,000$ TONS

MAP NO. 11

BELL MOUNTAIN MINE
CHURCHILL COUNTY, NEVADA
SURFACE OF HOMESTAKE NO. 1

SCALE: 1" = 40' NOV. 1946

TO ACCOMPANY REPORT OF E.J. SCHRADER

M A P S A, B, C & NOS. 1 thru 12

"NEVADA BELL"

COLUMBIAN NATURAL CLASP NO. 75N
®
UNITED STATES ENVELOPE COMPANY
7½ X 10½

INSTRUCTIONS FOR USE

1. Void Previously Used Block
2. Identify Agency of Addressee
3. Write Clearly
4. Surplus Envelopes to Supply Room for Reissue

NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM		NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM	
[redacted]	STOP	Harold Dirkens 4460 Interior	STOP
[redacted]	STOP		STOP
23	STOP		STOP
Personnel 5215 GSA	STOP		STOP
Dr. Dr. Dr. Room 5233-GSA	STOP		STOP
[illegible]	STOP		STOP
[redacted]	STOP		STOP
B-7 ~~5408 Interior~~	STOP		STOP
	STOP		STOP

Use other side first

☆ U. S. GOVERNMENT PRINTING OFFICE:1965—0-781-547

Standard Form No. 65
November 1961
General Services Administration
FPMR (41 CFR) 101-11.6

U.S. Government Messenger Envelope

NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM		NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM	
[illegible]	STOP	Mr. [illegible] Bryant Rm 6241 GSA	STOP
Mr. Dunyer Room B-13, G.S.A. Bldg.	STOP	~~[illegible]~~	STOP
	STOP	~~[illegible]~~ Rm 5428	STOP
Acquisition Reports SILVER SPRING ILLUS. OFFICE BLAIR BLDG.	STOP	Betsy Weld Rm 4249	STOP
~~[illegible]~~ Rm R-65 A	STOP	~~[illegible]~~ 4215	STOP
~~Bob Waterhouse Rm 200 Blair Bldg.~~	STOP	~~U.S. Property Control Capitol Plaza Bldg.~~	STOP
~~Room B-212 G.S.A. Building~~	STOP	~~Miss Montieth Rm. 3218 GSA~~	STOP
Will Hooley 800 18th St NW 6th Floor	STOP	[illegible]	STOP
[redacted]	STOP	[illegible] Room 2230-GSA	STOP
[redacted]	STOP	~~Rm 5205~~	STOP

Use other side

Use STOP only when messenger service between Government buildings in Washington, D.C., is required or wherever a STOP system is used. Your mail room has STOP information.

65-107

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 Churchill, State of Nevada, described ~~as follows~~:[2] in a lease and option dated January 11, 1968, and recorded in Book 26 (Miscellaneous), Page 517, official records of said county, and an addendum thereto.

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

Claude B. Lovestedt[3]

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 10 day of Dec, 1968.

James W. Stockton (Seal)	430 Avin Bakersfield Calif	(Street) (City &) (State)
Frances Joy Fobes (Seal)	336 Redwood Dr. Pasadena, Calif. 91105	(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)

LS&A to be attached to proposed amendment when mailed to R-III

INT.-DUP. SEC., WASH., D.C. 48694

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 Churchill, State of Nevada;

described ~~xxxxxxxx~~[2] in a lease and option dated January 11, 1968, and recorded in Book 26 (Miscellaneous), Page 517, official records of said county, and an addendum thereto.

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

Claude B. Lovestedt[3]

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 10th day of Dec, 1968.

James W Stockton James W. Stockton (Seal)	430 Avon Bakersfield Calif	(Street) (City & State)
Frances Joy Fobes Frances Joy Fobes (Seal)	336 Redwood Dr. Pasadena, Calif. 91105	(Street) (City & State)
(Seal)		(Street) (City & State)
(Seal)		(Street) (City & State)
(Seal)		(Street) (City & State)
(Seal)		(Street) (City & State)

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

_____
(Corporate Seal)

INT.-DUP. SEC., WASH., D.C. 48694

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 Churchill, State of Nevada; ~~XXXXXXX~~[2] in a lease and option dated January 11, 1968, and described as follows: recorded in Book 26 (Miscellaneous), Page 517, official records of said county, and an addendum thereto.

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 Claude B. Lovestedt[3] hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

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

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

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

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

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

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

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

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

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

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

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

Dated this 10 day of Dec, 1968.

James W Stockton (Seal) James W. Stockton	438 Arvin Bakersfield, Calif	(Street) (City & State)
Frances Joy Fobes (Seal) Frances Joy Fobes	336 Redwood Dr. Pasadena, Calif. 91105	(Street) (City & State)
(Seal)		(Street) (City & State)
(Seal)		(Street) (City & State)
(Seal)		(Street) (City & State)
(Seal)		(Street) (City & State)

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

_____ (Corporate Seal)

MME Form 52
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 Churchill, State of Nevada, xxxxxxx in a lease and option dated January 11, 1968, and described as follows:[2] recorded in Book 26 (Miscellaneous), Page 517, official records of said county, and an addendum thereto.

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 Claude B. Lovestedt[3] hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

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

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

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

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

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

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

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

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

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

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

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

Dated this 10 day of Dec, 1968.

James W. Stockton	(Seal)	430 Avenue A Bakersfield, Calif	(Street) (City & State)
Frances Joy Fobes	(Seal)	336 Redwood Dr. Pasadena, Calif	(Street) (City & State)
	(Seal)		(Street) (City & State)
	(Seal)		(Street) (City & State)
	(Seal)		(Street) (City & State)
	(Seal)		(Street) (City & State)

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

_____
(Corporate Seal)

INT.-DUP. SEC., WASH., D.C. 48694

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 Churchill, State of Nevada; described ~~as follows:~~[2] in a lease and option dated January 11, 1968, and recorded in Book 26 (Miscellaneous), Page 517, official records of said county, and an addendum thereto.

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

Claude B. Lovestedt[3]

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 10 day of Dec, 1968.

James W. Stockton		430 Avis St	(Street)
James W. Stockton	(Seal)	Bakersfield, Calif	(City & State)
		336 Redwood Dr	(Street)
Frances Joy Fobes			(City & State)
Frances Joy Fobes	(Seal)	Pasadena, Calif 91105	
			(Street)
			(City & State)
	(Seal)		
			(Street)
			(City & State)
	(Seal)		
			(Street)
			(City & State)
	(Seal)		
			(Street)
			(City & State)
	(Seal)		

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

_____
(Corporate Seal)

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 Churchill, State of Nevada, described ~~XXXXXXX~~:[2] in a lease and option dated January 11, 1968, and recorded in Book 26 (Miscellaneous), Page 517, official records of said county, and an addendum thereto.

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

Claude B. Lovestedt[3]

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 10 day of Dec, 1968.

James W. Stockton	(Seal)	430 Avon (Street) Bakersfield Calif (City & State)
James W. Stockton		336 Redwood Dr. (Street) Pasadena, Calif. 91105 (City & State)
Frances Joy Fobes	(Seal)	
	(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)

Box 1496
Carson City, Nevada 89701
June 3, 1968

Mr. H. K. Stager
Field Officer
Office of Mineral Exploration
345 Middlefield Road
Menlo Park, California 94025

OME-6697

Dear Mr. Stager:

Enclosed please find the assay report on the Nevada Bell property as requested. The Lien Form 52 is on its way to me, and I will forward it to you as soon as possible. (Enclosed - just rec'd)

I will be looking forward to hearing from you again soon.

Sincerely yours,

Claude B. Lovestedt

Claude B. Lovestedt

CBL:hl
Enc

RECEIVED
JUN 5 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

CALLAHAN MINING CORPORATION

TO: Claude

DATE: May 31/68

FROM: Ed

COPIES:

SUBJECT:

Herewith is a copy of the assay results obtained from the Nevada Bell Mine.

I hope to be in Nevada next month and if near Carson I'll give you a holler

Best regards

E

Nevada Assay Office

675 LESTER AVE.

Reno, Nevada

FRANK W. JONES
Assayer-Chemist

January 26, 1968

Phone
329-4080

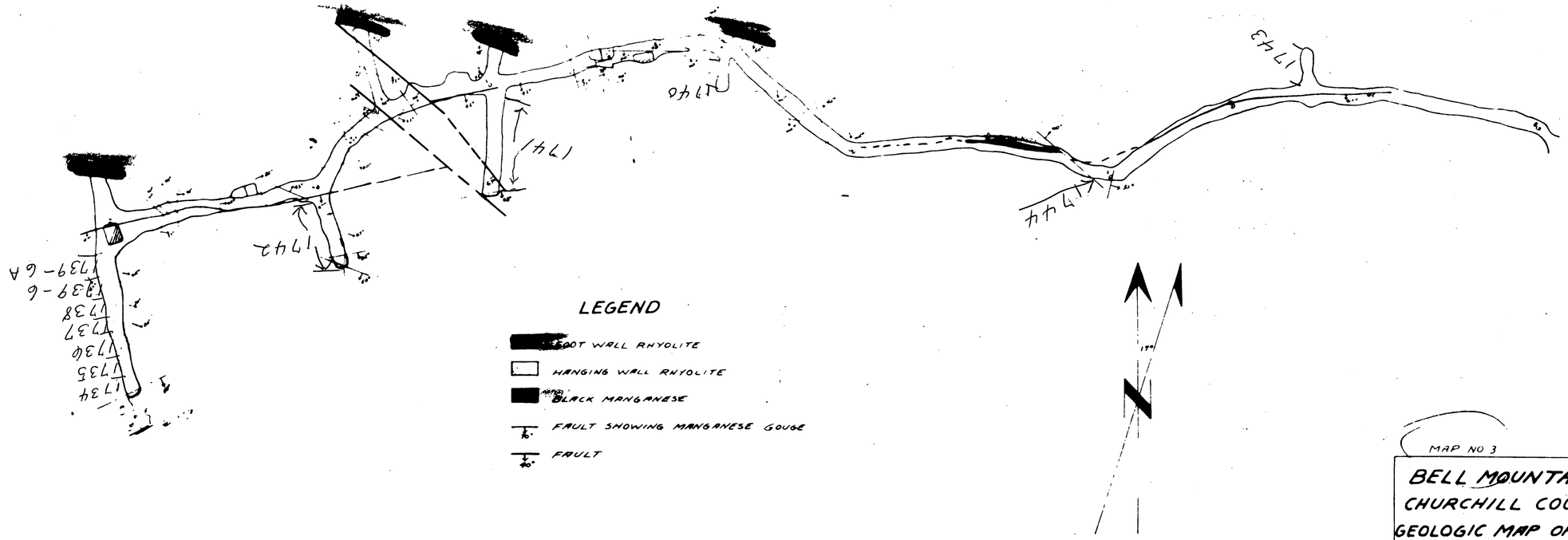
ASSAY CERTIFICATE FOR: Callahan Mining Co., Auburn, Calif.

No.	SAMPLE	GOLD OZ./TON	SILVER OZ./TON	%	%	%	%	%
	1734 5'	0.01	0.8					
	1735 5'	0.02	0.7					
	1736 5'	0.07	3.2					
	1737 5'	0.16	2.4					
	1738 5'	0.24	2.6					
	1739-6 5'	0.29	3.4					
	1739-6A 5'	0.10	2.6					
	1740 7'	Tr	0.1					
	1741 (20')	0.09	4.0					
	1742 (15')	0.08	3.0					
	1743 (10')	0.01	0.4					
	1744	0.02	1.6					

Above Bill Lovestedt

I helped Mr. Ed Schiller E.M. of Callahan Mining Co. cut these samples

Claude B. Lovestedt



MAP NO 3

BELL MOUNTAIN MINE
CHURCHILL COUNTY, NEVADA
GEOLOGIC MAP OF ADIT LEVEL

SCALE: 1" = 20' NOV. 1946

TO ACCOMPANY REPORT OF E.J. SCHRADER E.M.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/16/68		120
"	Kisberes	120
		110
		220
		120M

FEB 15 1968

AIRMAIL

Mr. Claude B. Lovestedt
P. O. Box ~~265~~ 1496
~~Minden, Nevada 89423~~
Carson City 89701

Re: OME-6697 (Silver-Gold)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada

Dear Mr. Lovestedt:

Your application for financial assistance in exploring the property referenced above has been reviewed by the Washington office and referred to Mr. H. K. Stager, Field Officer, Office of Minerals Exploration, Building 2, U. S. Geological Survey, 345 Middlefield Road, Menlo Park, California 94025. Mr. Stager will notify you if additional information is needed or to arrange a field examination if necessary.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Smith
Region II

RMSmith/bsl 2/16/68

M[redacted]7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/16/68	Rmdinto	120
		120
		110
		220
		120M

AIRMAIL

FEB 15 1968

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OMX-6697 (Silver-Gold)
Claude B. Lovestedt
Homestake Group and Edith Claims
Churchill County, Nevada

The application is referred to you for review, a field examination if necessary, and recommendations.

The purpose of the project proposed by the Applicant is to explore the Nevada Bell Mountain Mine (no production) by drifting 650 feet and concurrently diamond drilling or churn drilling four holes totalling 1450 feet for silver and gold bearing ore bodies along the footwall of a mineralized sheeted zone 3000 feet long and 56 feet or more wide in rhyolite flow breccia of Tertiary age.

Ore averaging 0.29 oz. gold and 4.12 oz. silver ($17.98) per ton is indicated by 32 large samples (p. 2) from unspecified locations representing a width of 10 feet along the footwall of the zone.

This footwall portion appears to have been chip sampled in four crosscuts off the existing adit (Map 3), but the assays (Map 4) do not confirm the grade except for one (No. 21) from the crosscut 20 feet east of the Stockton winze. One other high assay (No. 10) may or may not be from the footwall zone. Although the entire zone may average 0.08 oz. gold and 2.31 oz. silver per ton ($7.20) across 36 to 56 feet, this grade is not likely to be commercial in the foreseeable future. Since the target, therefore, is the footwall part of the zone, additional evidence such as an assay map of the Applicant's check samples should be furnished. Sample 21 suggests that along the footwall there may be ore shoots of higher grade than the Applicant's estimated average. If so, the proposed exploration might well be directed first to finding and delineating them. Short drifts both ways from sample 21 should test the only such ore shoot indicated so far. On the other hand, if the full

3000-foot length below the trenches can be inferred to be a single ore shoot the Applicant's proposal is well designed, although drilling, if warranted, should probably precede drifting.

The target of the proposed two holes near the winze is the faulted continuation of the footwall zone. Is there any clue to the amount of displacement on the fault?

Mining costs may be increased above normal because the footwall is segmented by cross-faults. An estimate of the break-even grade, assuming a mill on the property, would help establish the minimum qualifications of an attractive target.

If you recommend a contract, bids for drilling should be requested. Exploration costs appear to be realistic, but would be clarified by specifying the size drift and the anticipated amount of timbering.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Econmic Geology File
OME File
OME Reading File
Mr. Smith
130

RMSmith/bsl 2/16/68

February 8, 1968

Mr. Claude B. Lovestedt
Box 265
Minden, Nevada 89423

Subject: OME-6697

Dear Mr. Lovestedt:

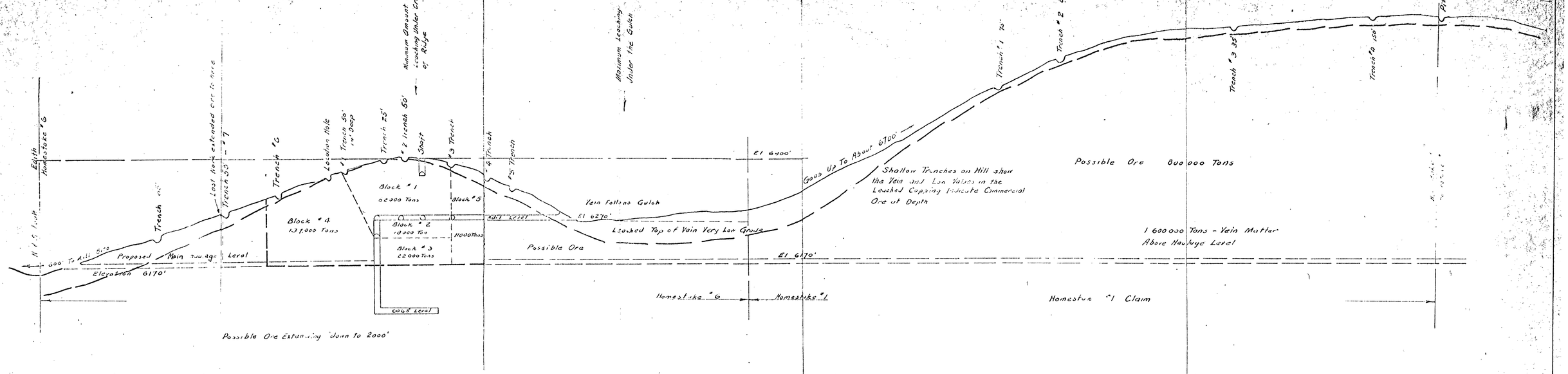
Your application for exploration assistance, dated February 1, 1968, submitted to our office at Menlo Park, California, has been assigned Docket No. OME-6697.

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

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region II

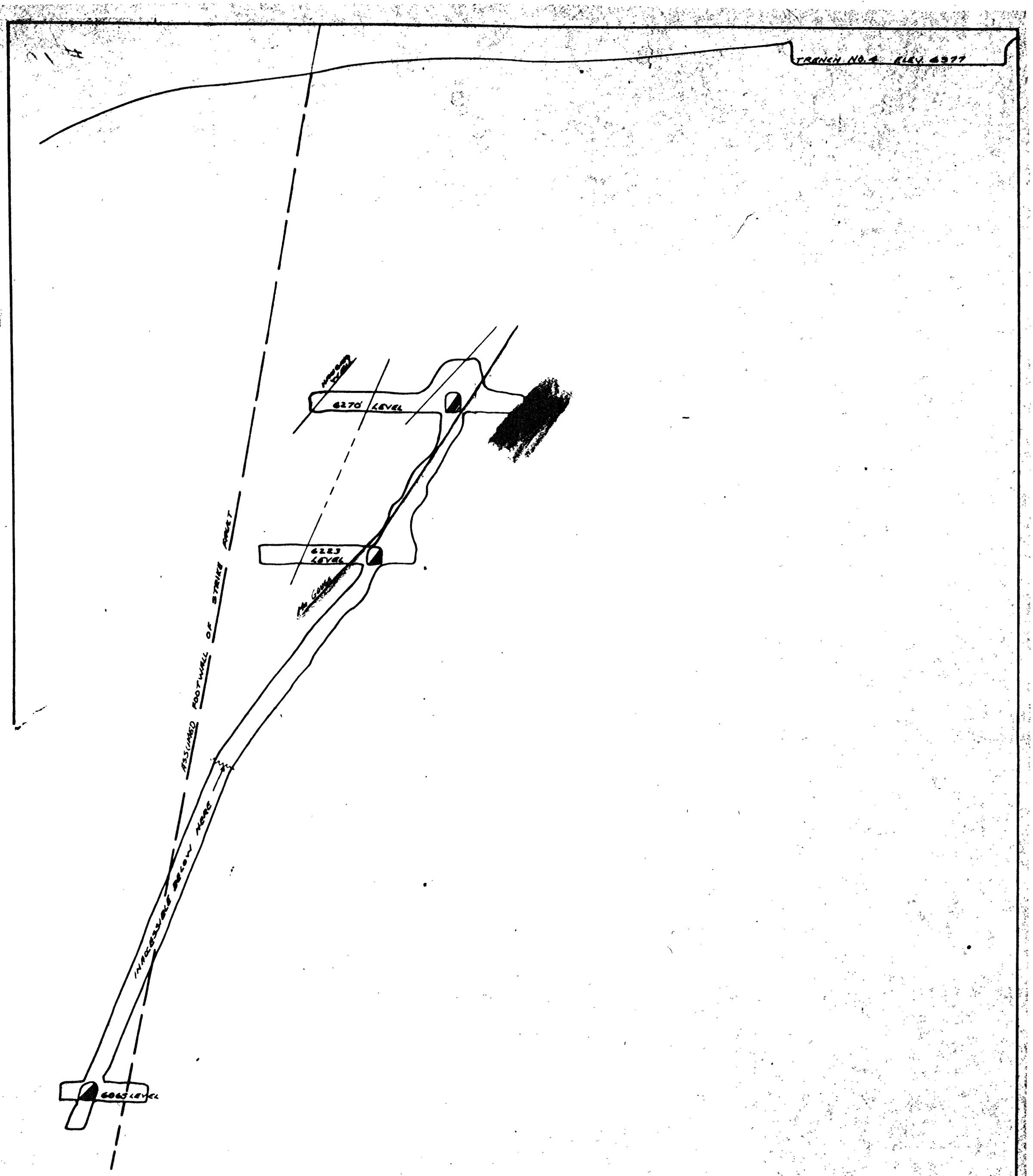


LONGITUDINAL SECTION
Looking North

VERT. & HORIZ. SCALES 1" = 100'.

BY D. C. PEACOCK.

12



SECTION THRU WEST WINZE & TRENCH NO. 4
LOOKING WEST

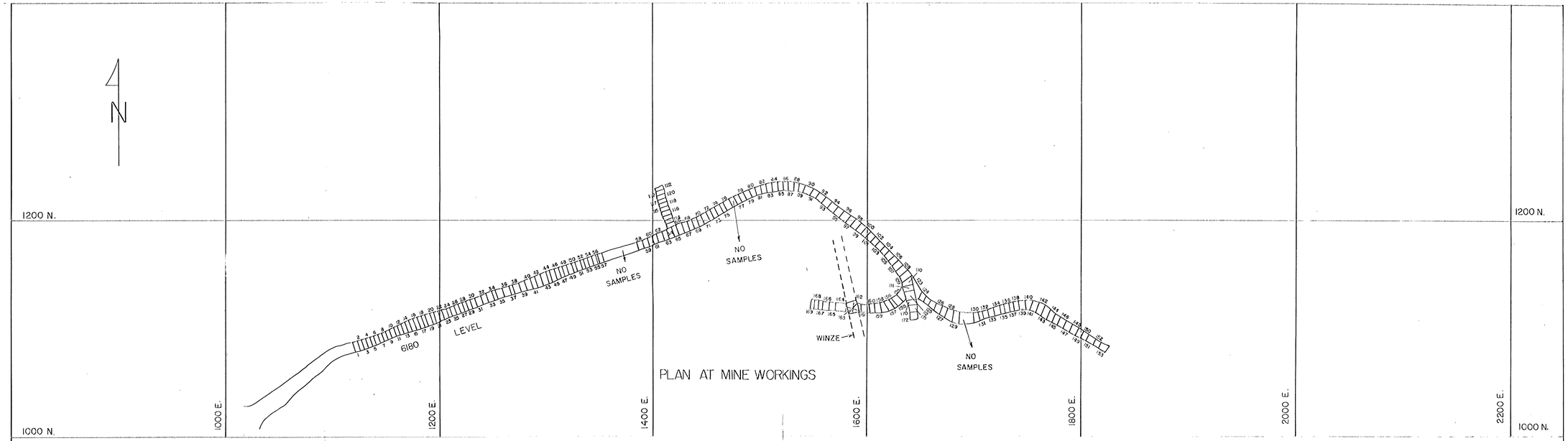
(10)

MAP NO 10

BELL MOUNTAIN MINE
CHURCHILL COUNTY, NEVADA
HOMESTAKE NO. 6

SCALE: 1" = 20' NOV 1946

TO ACCOMPANY REPORT OF E. U. SCHRADER, M.A.



TRACK ELEV. 6180.00

MUCK SAMPLES

CAR GRABS

NUMBER	DISTANCE	OZ. GOLD	OZ. SILVER
1	50'-54'	.005	0.60
2	54-58	.005	0.61
3	58-62	.005	0.47
4	62-66	.005	0.55
5	66-70	.01	1.43
6	70-74	.005	1.00
7	74-78	.005	0.82
8	78-82	.005	0.90
9	82-86	.005	0.81
10	86-90	.005	0.58
11	90-94	.01	1.66
12	94-98	.01	1.82
13	98-102	.005	0.88
14	102-106	.005	0.65
15	106-110	.01	1.06
16	110-114	.01	1.75
17	114-118	.05	2.78
18	118-122	.025	2.20
19	122-126	.025	2.15
20	126-130	.005	1.66
21	130-134	.005	1.74
22	134-138	.02	2.72
23	138-142	.03	1.65
24	142-146	.03	2.30
25	146-150	.035	1.88
26	150-154	.02	1.61
27	154-158	.02	1.64
28	158-162	.05	1.95
29	162-166	.01	2.10
30	166-171	.005	1.23
31	171-176	.015	1.16
32	176-182	TRACE	0.79
33	182-187	TRACE	1.28
34	187-190	.005	1.00
35	190-197	.005	1.02
36	197-203	.005	0.88
37	203-207	TRACE	0.79
38	207-213	TRACE	0.78
39	213-219	.005	0.97
40	219-225	.005	0.91
41	225-229	.015	0.89
42	232-238	.01	0.63
43	238-244	.03	1.28
44	247-250	.025	1.42
45	250-255	.01	0.74
46	255-259	.03	0.95
47	259-263	.04	1.11
48	263-267	.02	0.58
49	267-271	.015	0.78
50	271-275	.025	0.88
51	275-279	.03	1.10
52	279-283	.02	1.25
53	283-287	.015	0.74
54	287-291	.01	0.28
55	291-295	.01	0.31
56	295-297	.01	0.30
57	297-301	.01	0.31
58	335-340	.005	0.56
59	340-345	.005	0.56
60	345-350	.005	0.54
61	350-355	TRACE	0.42
62	355-360	TRACE	0.40
63	360-365	TRACE	0.20
64	365-370	TRACE	0.19
65	370-375	TRACE	0.17
66	375-380	TRACE	0.18
67	380-385	TRACE	0.12
68	385-390	TRACE	0.12
69	390-395	TRACE	0.25
70	395-400	TRACE	0.25
71	400-405	TRACE	0.23
72	405-410	TRACE	0.14
73	410-415	TRACE	0.22
74	415-420	TRACE	0.17
75	420-425	TRACE	0.13
76	425-430	TRACE	—
77	435-440	TRACE	0.18
78	440-445	TRACE	0.05
79	445-450	TRACE	0.10
80	450-455	TRACE	0.12
81	455-460	TRACE	0.25
82	460-465	TRACE	0.16
83	465-470	TRACE	0.23
84	470-475	TRACE	0.24
85	475-480	TRACE	0.31
86	480-485	.005	0.47
87	485-490	.005	0.62
88	490-495	TRACE	0.22
89	495-500	TRACE	0.35
90	500-507	TRACE	0.32
91	507-514	TRACE	0.17
92	514-521	TRACE	0.24
93	521-528	TRACE	0.16
94	528-535	TRACE	0.28
95	535-542	TRACE	0.30
96	542-549	TRACE	0.16
97	549-555	TRACE	0.08
98	555-561	TRACE	0.10
99	567-573	TRACE	0.25
100	573-579	TRACE	0.25
101	579-585	TRACE	0.32
102	585-591	.005	0.34
103	591-597	.005	0.46
104	597-603	TRACE	0.15
105	603-609	TRACE	0.30
106	609-615	TRACE	0.33
107	615-621	TRACE	0.35
108	621-627	.005	0.66
109	627-633	.01	0.69
110	633-639	.01	0.89
111	639-645	.005	0.86
112	645-651	.025	1.13
113	X CUT 0-4	.02	0.57
114	4-8	.015	1.31
115	8-12	.015	0.64
116	12-16	.01	0.49
117	16-20	.01	0.77
118	20-24	.01	0.28
119	24-28	.01	0.27
120	28-32	.015	0.61
121	32-36	.01	0.29
122	36-40	.015	1.50
123	LEFT 0-6	.45	3.03
124	LEFT 6-12	.05	2.37
125	LEFT 18-24	.025	1.89
126	LEFT 24-30	.015	0.87
127	LEFT 30-36	.015	0.89
128	LEFT 36-42	.015	0.79
129	LEFT 42-46	.01	0.77
130	LEFT 58-63	.025	2.66
131	LEFT 63-67	.025	2.10
132	LEFT 67-82	.025	2.14
133	LEFT 82-88	.03	2.06
134	LEFT 88-94	.05	2.22
135	LEFT 94-98	.045	1.98
136	LEFT 98-102	.04	1.88
137	LEFT 102-106	.06	3.16
138	LEFT 106-111	.06	3.49
139	LEFT 111-117	.025	2.18
140	LEFT 117-122	.035	3.85
141	LEFT 122-128	.02	1.80
142	LEFT 128-134	.04	2.43
143	LEFT 134-140	.10	4.42
144	LEFT 140-146	.03	2.28
145	LEFT 146-152	.03	1.52
146	LEFT 152-158	.025	1.92
147	LEFT 158-165	.065	2.21
148	LEFT 165-171	.015	1.64
149	LEFT 171-177	.02	1.58
150	LEFT 177-183	.02	1.54
151	LEFT 183-190	.025	1.32
152	LEFT 190-196	.01	.53
153	LEFT 196-201	.02	1.70
154	RIGHT 0-6	.07	2.89
155	RIGHT 6-12	.015	.93
156	RIGHT 12-15	.005	.17
157	RIGHT 15-21	.025	1.58
158	RIGHT 21-26	.02	1.16
159	RIGHT 26-32	.01	0.61
160	RIGHT 32-38	.005	0.79
161	RIGHT 38-44	.015	0.93
162	RIGHT 44-52	.02	1.40
163	RIGHT 52-58	.02	1.38
164	RIGHT 58-69	.02	1.63
165	RIGHT 69-75	.01	1.15
166	RIGHT 75-81	.005	1.87
167	RIGHT 81-85	.025	1.30
168	RIGHT 85-90	.01	1.05
169	RIGHT 90-95	.01	.95
170	RIGHT 651-656	.01	1.09
171	RIGHT 656-662	.005	.70
172	RIGHT 662-668	.04	1.50

THE MERIDIAN FOR THIS SURVEY WAS ESTABLISHED WITH THE MAGNETIC NEEDLE OF THE ENGINEERS TRANSIT, USING A DECLINATION SETTING OF 18° EAST.
ELEVATION DATUM: ARBITRARY - TRACK LEVEL AT STA. 0 TAKEN AS 6180.00 (U.S.G.S. TOPOG. MAP.)

BELL MOUNTAIN SILVER MINES INC.

CHURCHILL COUNTY, NEVADA

ASSAY MAP

SCALE : 1 INCH = 50 FEET

SEPTEMBER 30, 1969

OME - 6697
CONTRACT - 2265